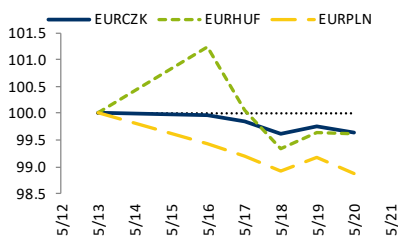




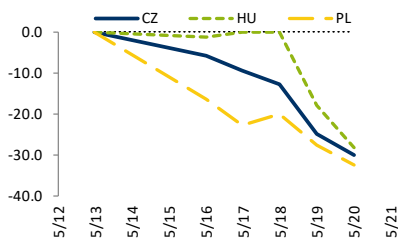
Friday, 20 May 2022

Forex markets (index)



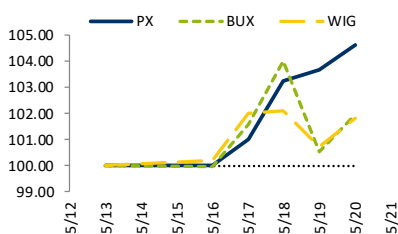
	LAST	PREVIOUS	CHANGE (%)
EURCZK	24.67	24.70	-0.13
EURHUF	384.4	384.5	-0.02
EURPLN	4.640	4.654	-0.29

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	4.695	4.748	-5.3
HUGB 10Y	7.13	7.24	-1.5
PLGB 10Y	6.49	6.53	-0.7

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1356.7	1344.3	0.92
BUX	42055	41473	1.40
WIG	56152	55555	1.07

Regional insights

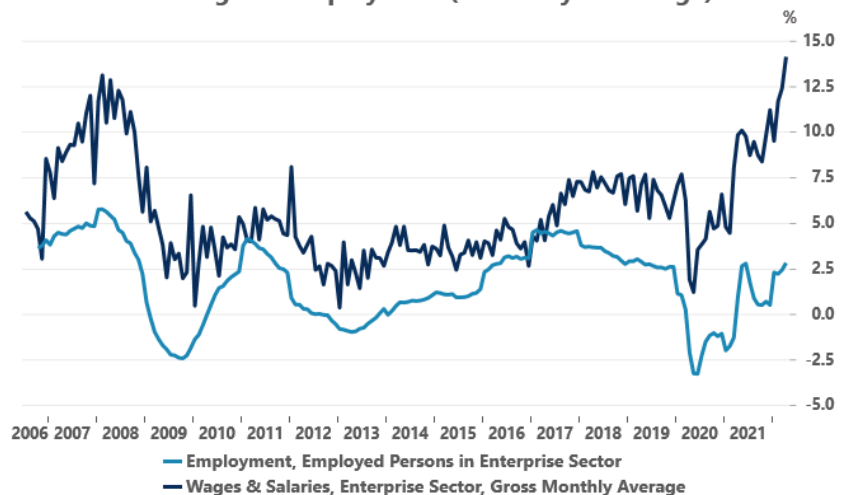
Only majority of the CNB Board supports FX interventions

The Czech National Bank has released the Minutes of the extraordinary monetary policy meeting of the Bank Board, which approved forex interventions in favour of the koruna. As expected, the Minutes showed that the weakening of the koruna recently had led to an inappropriate easing of the monetary conditions. According to the Minutes, this was undesirable with regards to the fulfilment of the (CNB) price stability mandate in a situation of high and still rising inflation and a risk of inflation expectations becoming unanchored. Interestingly, however, the interventions were approved only by 'a majority of the Bank Board'. This confirms our feeling that the recent hawkish majority would like to push for further aggressive tightening before the big personal rotation in the Bank Board happens (which effectively means in June). Recall that the most dovish member of the Board – Aleš Michl – is going to become CNB governor (instead Mr. Rusnok) in June, while the other two members could be replaced in July.

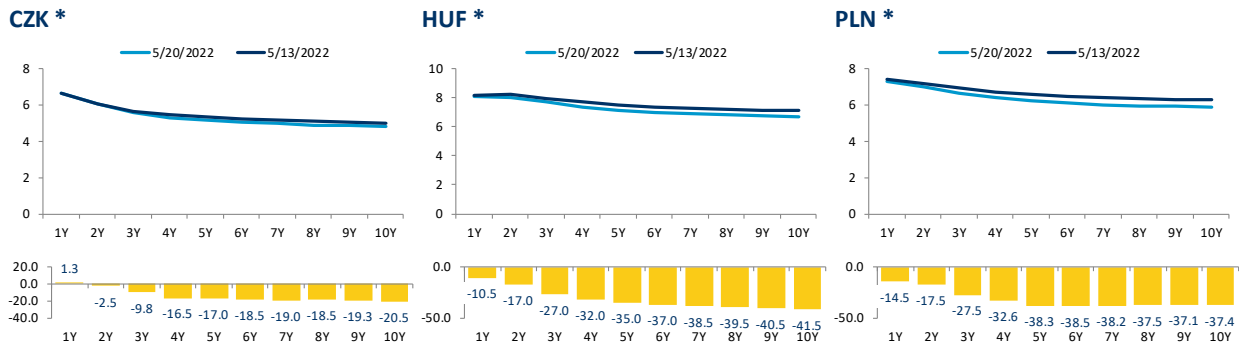
The Polish labour market shrugs off Ukraine's conflict

The Polish labour market continues to shrug off the conflict in Ukraine as it still delivers quite bullish signals. To be more specific – while employment grew in April by 2.8% YoY and 0.2% MoM, the average gross wages and salaries in the enterprise sector reached 14.1% YoY last month. Hence, it means that wage growth surged to two-decades highs and has remained positive in real terms (despite double-digit inflation). All in all, the April figures (also from the industrial sector) indicate that the economy has been doing rather well since the beginning of the Russian invasion (Feb 24th).

PL: Wages & Employment (Year-on-year change)



Interest-rate Swap Curves



* upper plot in each panel shows interest swap curve (%), lower plot shows change in interest rates in basis points (against previous Friday).

Calendar

Country	Date	Time	Indicator	Period	Forecast		Actual		Consensus		Previous	
					m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
PL	05/20	10:00	Wages	%	04/01/2022		-0.6	14.1	-2	12.8	7.2	12.4
PL	05/20	10:00	Industrial output	%	04/01/2022		-11	13.1	-10.90	16.30	18.20	17.3
PL	05/20	10:00	PPI	%	04/01/2022		1.90	23.30	0.7	20.5	4.9	20.0
PL	05/23	10:00	Retail sales	%	04/01/2022						16.4	9.6
HU	05/24	9:00	Wages	%, ytd.	03/01/2022							31.7
PL	05/24	14:00	Money supply M3	%	04/01/2022						1.3	7.9
PL	05/25	10:00	Unemployment rate	%	04/01/2022							5.4
CZ	05/25	12:00	CZ bond auction 2022-2024, floating rate	CZK B	05/01/2022					4.0		
CZ	05/25	12:00	CZ bond auction 2022-2026, 6.00%	CZK B	05/01/2022					6.0		
CZ	05/25	12:00	CZ bond auction 2022-2035, 2.50%	CZK B	05/01/2022					2		
HU	05/26	9:00	Unemployment rate	%	04/01/2022							3.6
HU	05/26	9:00	One week deposit rate	%	05/01/2022							

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