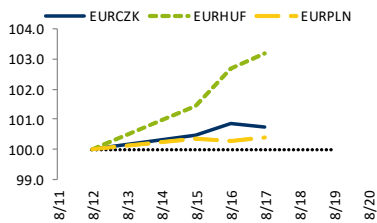




Central  
Europe  
Wednesday

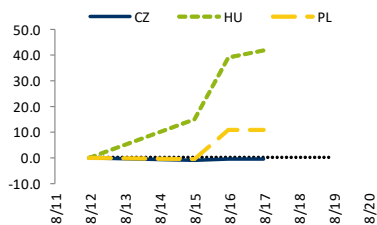
Wednesday, 17 August 2022

#### Forex markets (index)



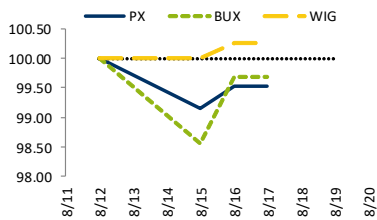
	LAST	PREVIOUS	CHANGE (%)
EURCZK	24.54	24.56	-0.09
EURHUF	405.6	403.8	0.46
EURPLN	4.679	4.675	0.10

#### Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	3.767	3.768	-0.1
HUGB 10Y	7.88	7.86	0.3
PLGB 10Y	5.48	5.48	0.0

#### Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1255.7	1255.7	0.00
BUX	43528	43528	0.00
WIG	56218	56218	0.00

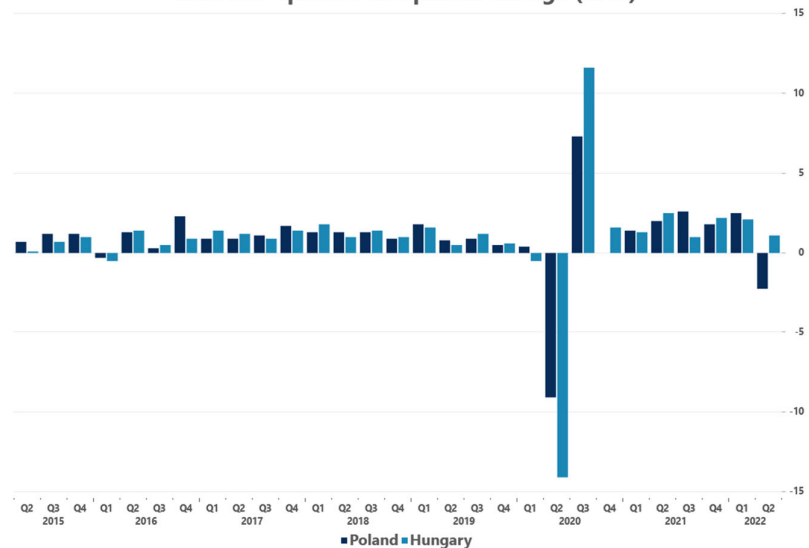
## Our regional insights:

### Poland is heading for a technical recession

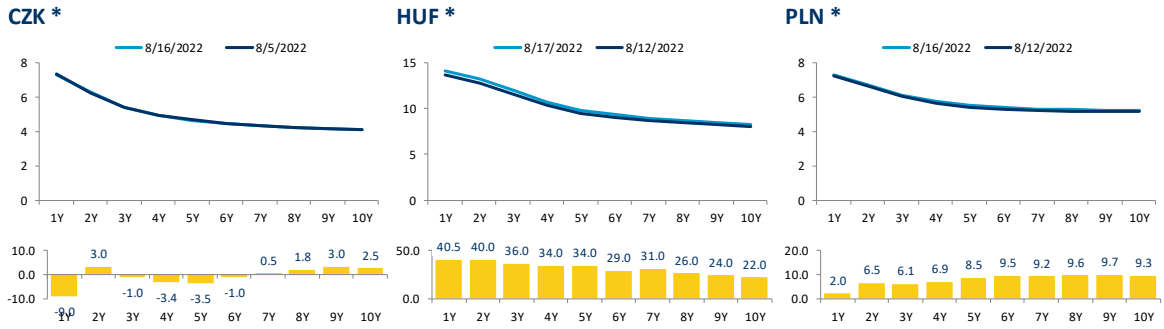
Today's releases of GDP figures in Central Europe have showed that the Hungarian and the Polish economy decoupled in the second quarter of this year. While the Hungarian GDP growth surprised on the upside as it grew by 1.1 % QoQ, the Polish GDP slipped by 2.3% QoQ. Neither country has published the GDP detail statistics, but we suspect that the net exports was a huge drag on growth in both countries. At the same time the Polish GDP figure looks horrible as it signals that the July hard monthly macro data had to be very poor (which was already indicated by very weak Polish PMI readings).

Given the very poor GDP figure for the second quarter, it looks almost inevitable that we will have to downgrade our annual forecast for the Polish growth in 2022 (it stood at 3.4%), which has already been below the consensus. Thus, it seems that the conflict in Ukraine has finally started to weigh on Poland while inflows from EU funds have probably disappointed this year. As a result, it is quite likely that the Polish economy will hardly avoid to fall in a technical recession this year.

#### Real GDP quarter-on-quarter change (in %)



## 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
HU	08/17	9:00	GDP	% 2Q/2022 *P			1.1	6.5	0.5	6.1	2.1	8.2
PL	08/17	10:00	GDP	% 2Q/2022 *P	6.3		-2.3	5.3	-0.7	6.3	2.5	8.5
HU	08/18	9:00	One week deposit rate	% 08/01/2022					10.75		10.75	
PL	08/19	10:00	Wages	% 07/01/2022					1.1	13.2	2.4	13.0
PL	08/19	10:00	Industrial output	% 07/01/2022					-6.7	7.5	-0.3	10.4
PL	08/19	10:00	PPI	% 07/01/2022					1.5	25.5	1.6	25.6
PL	08/22	10:00	Retail sales	% 07/01/2022							-1.4	3.2
PL	08/23	14:00	Money supply M3	% 07/01/2022							-0.8	6.5
HU	08/24	9:00	Wages	%, y td. 06/01/2022								14.9

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