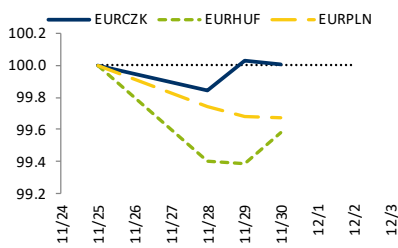




**Central
Europe**
Wednesday

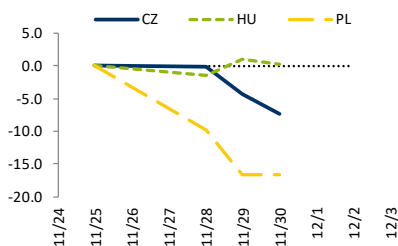
Wednesday, 30 November 2022

Forex markets (index)



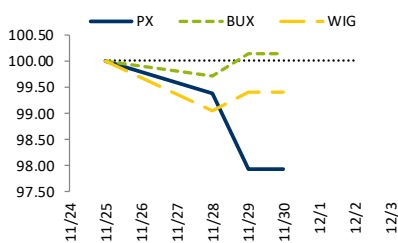
	LAST	PREVIOUS	CHANGE (%)
EURCZK	24.36	24.36	-0.02
EURHUF	407.2	406.4	0.19
EURPLN	4.675	4.675	0.00

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	4.685	4.716	-3.1
HUGB 10Y	8.11	8.12	-0.1
PLGB 10Y	6.71	6.71	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1217.8	1217.8	0.00
BUX	45781	45781	0.00
WIG	55943	55943	0.00

Our regional insights:

Czech fixed-income assets look attractive

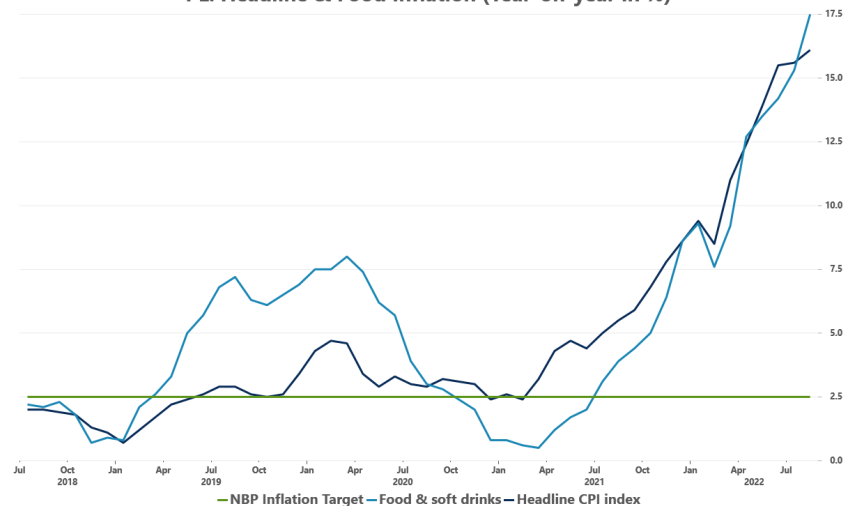
Czech longer-term swap rates and bond yields have been falling quite significantly in recent days, which may indicate growing investor interest in fixed-income regional assets that offer an interesting interest rate differential (against euro rates). For this reason, for example, we can expect strong demand in today's auction of Czech government bonds.

Meanwhile the EUR/CZK pair has traded in a relatively narrow range of 24.30-24.40 in recent weeks, which obviously makes long positions in the Czech fixed-income attractive. The improved sentiment in global markets and the associated increase in risk appetite are definitely good for the koruna, but the main reason for exchange rate stability remains the CNB's explicit commitment to intervene in favour of the domestic currency. This threat discourages speculators from betting against the koruna, even though the koruna is trading significantly below the central bank's intervention threshold (EUR/CZK 24.7). As a result, the CNB has not had to intervene in the past month and its official FX reserves remain relatively robust (EUR 132bn or 9 months of imports).

Polish inflation in November: headline down, core up

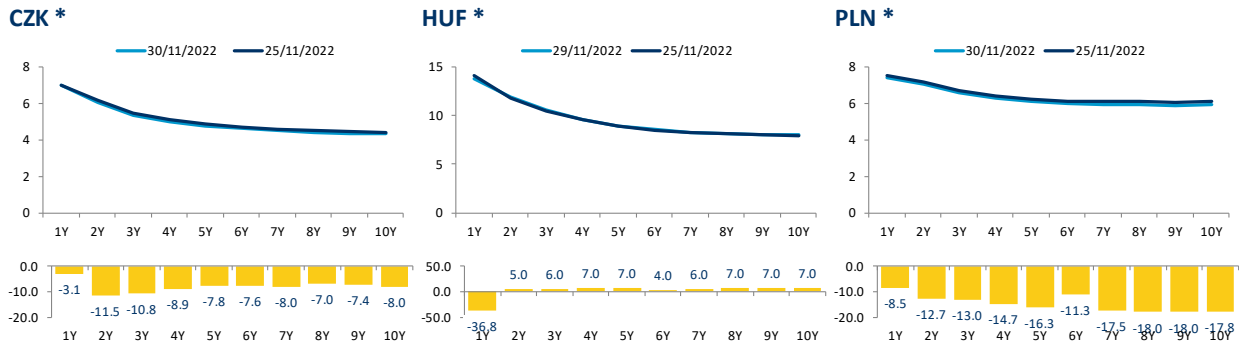
The Polish headline inflation surprised on the downside in November as fuel prices dipped, while electricity and gas prices remained flat. As a result, the headline inflation in year-on-year terms dipped to 17.4% in November from 17.9% recorded in October. The core inflation, however, probably accelerated to 11.4% YoY. Still, the above-mentioned inflation dipped should be positive for the Polish bonds.

PL: Headline & Food Inflation (Year-on-year in %)



— NBP Inflation Target — Food & soft drinks — Headline CPI index

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	11/30	9:00	PPI	% 10/01/2022			3.7	41.7			1.8	42.7	
PL	11/30	10:00	GDP	% 3Q/2022 *F			1.0	3.6			0.9	3.5	
PL	11/30	10:00	CPI	% 11/2022 *P			0.7	17.4	1.1	18.0	1.8	17.9	
CZ	11/30	11:00	Money supply M2	% 10/01/2022								5.5	
PL	12/01	9:00	PMI manufacturing	11/01/2022								42.0	
HU	12/01	9:00	Trade balance	EUR M 09/2022 *F								-652	
HU	12/01	9:00	GDP	% 3Q/2022 *F								-0.4	4.0
HU	12/01	9:00	PMI manufacturing	11/01/2022								56.4	
CZ	12/01	9:30	PMI manufacturing	11/01/2022								41.7	

Contacts

Brussels Research (KBC)			Global Sales Force		
Mathias van der Jeugt	+32 2 417 51 94		Brussels		
Peter Wuyts	+32 2 417 32 35		Corporate Desk		+32 2 417 45 82
Mathias Janssens	+32 2 417 51 95		Institutional		
			Desk		+32 2 417 46 25
			France		+32 2 417 32 65
			London		+44 207 256 4848
			Singapore		+65 533 34 10
Dublin Research			Prague Research (CSOB)		
Austin Hughes	+353 1 664 6889		Prague		
Shawn Britton	+353 1 664 6892		Prague (Equities)		
Jan Čermák	+420 2 6135 3578				+420 2 2142 4216
Jan Bureš	+420 2 6135 3574				
Bratislava Research (CSOB)			Budapest Research		
Marek Gabris	+421 2 5966 8809		Bratislava		
					+421 2 5966 8820
David Nemeth	+36 1 328 9989		Budapest		
					+36 1 328 99 85

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