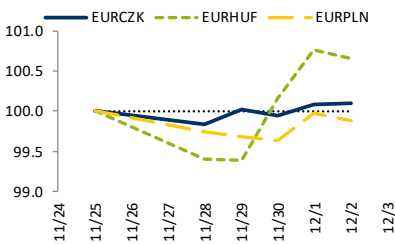




Central Europe
Friday

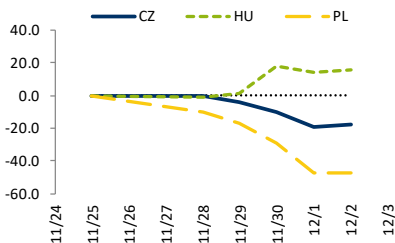
Friday, 02 December 2022

Forex markets (index)



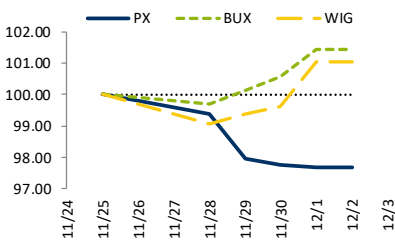
	LAST	PREVIOUS	CHANGE (%)
EURCZK	24.38	24.38	0.00
EURHUF	411.5	412.0	-0.12
EURPLN	4.685	4.689	-0.09

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	4.583	4.570	1.3
HUGB 10Y	8.27	8.26	0.2
PLGB 10Y	6.40	6.40	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1214.3	1214.3	0.00
BUX	46368	46368	0.00
WIG	56868	56868	0.00

Regional insights

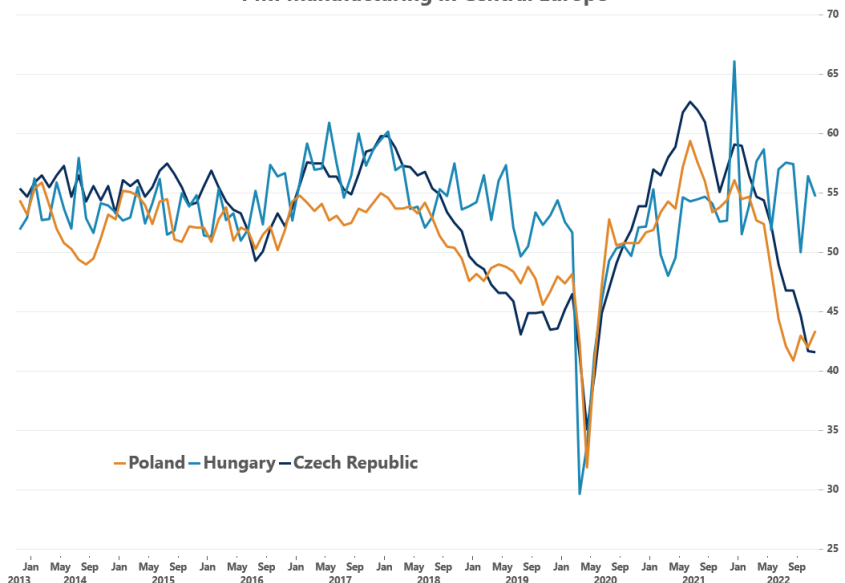
The forint awaits EU's decision on fund transfers

The Hungarian forint underperforms its regional peers even though the Hungarian business confidence hovers at significantly higher levels than in the Czech Republic or in Poland (where PMIs indices for manufacturing fell deep into recessionary territory – see the chart below).

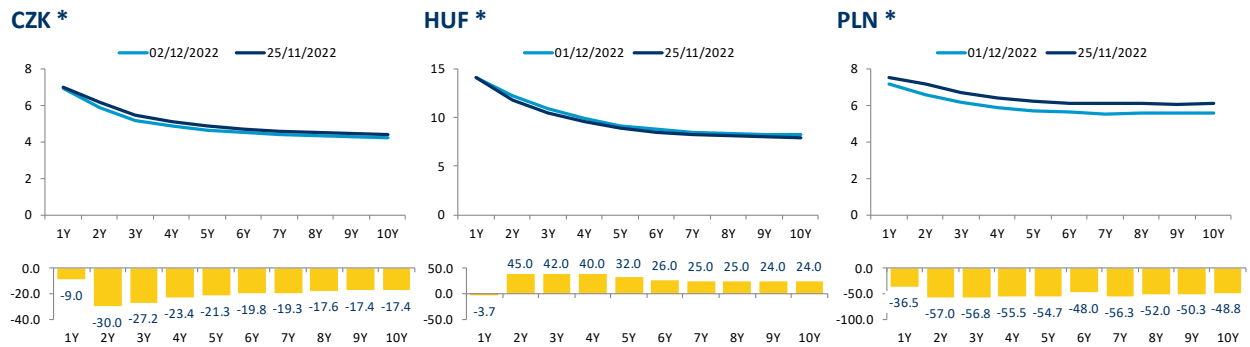
Recall that the EC announced on Thursday that it recommended the adoption of the Hungarian recovery plan, which would represent €5.8 billion in non-reimbursable funds. However, the Commission is proposing to suspend cohesion funds for the 2021-27 budget - initially proposed at €7.5 billion - but the amount suspended could be lower or higher. The money for the 2014-2020 cycle can flow in, but the completion of the several milestones and conditions is a must for the other funds to be called down.

Interestingly, the Hungarian government communicates the EU's decision as a success, with a further important date being next Tuesday when EU's Finance Ministers should meet, while the final judgement in this issue could be made during the meeting of European Council December 15th. Let us add that should the EU's proposal to cut the funds be approved it will have to get 65% support (qualified majority) of the EU member countries.

PMI Manufacturing in Central Europe



Interest-rate Swap Curves



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	
CZ	12/02	9:00	GDP	%			-0.2	1.7	-0.4	1.6	-0.4	1.6	
CZ	12/05	9:00	Real wages	%								-9.8	
HU	12/05	9:00	Retail sales	%								3.0	
CZ	12/06	9:00	Retail sales ex autos	%								-5.6	
CZ	12/07	9:00	Trade balance (national)	CZK B	10/01/2022							-13.9	
CZ	12/07	9:00	Industrial output	%								8.3	
CZ	12/07	9:00	Construction output	%								-3.7	
HU	12/07	9:00	Industrial output	%							1.6	11.6	
CZ	12/07	10:00	FX reserves of the CNB	EUR B	11/01/2022							131.6	
HU	12/07	14:00	NBH minutes		11/01/2022								
PL	12/07	16:00	NBP meeting	%								6.75	
CZ	12/08	9:00	Unemployment rate 15-64	%								3.5	
HU	12/08	9:00	CPI	%								2.0	21.1
HU	12/08	9:00	Trade balance	EUR M	10/2022 *P							-745	
HU	12/08	11:00	Budget balance	HUF B	11/01/2022							-2590.4	

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