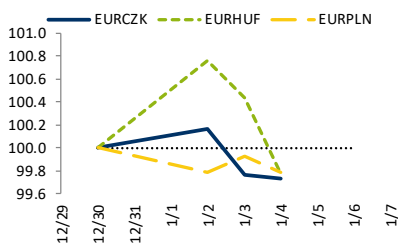




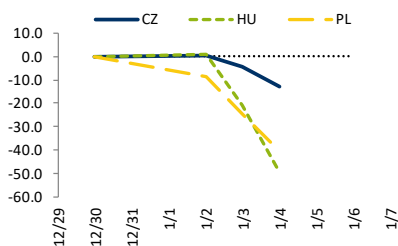
Wednesday, 04 January 2023

Forex markets (index)



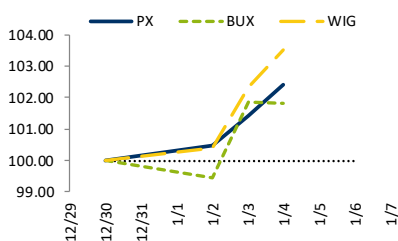
	LAST	PREVIOUS	CHANGE (%)
EURCZK	24.06	24.07	-0.04
EURHUF	397.6	400.2	-0.66
EURPLN	4.669	4.675	-0.13

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	4.887	4.972	-8.5
HUGB 10Y	8.56	8.84	-3.2
PLGB 10Y	6.44	6.60	-2.4

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1230.8	1218.9	0.98
BUX	44591	44615	-0.05
WIG	59478	58796	1.16

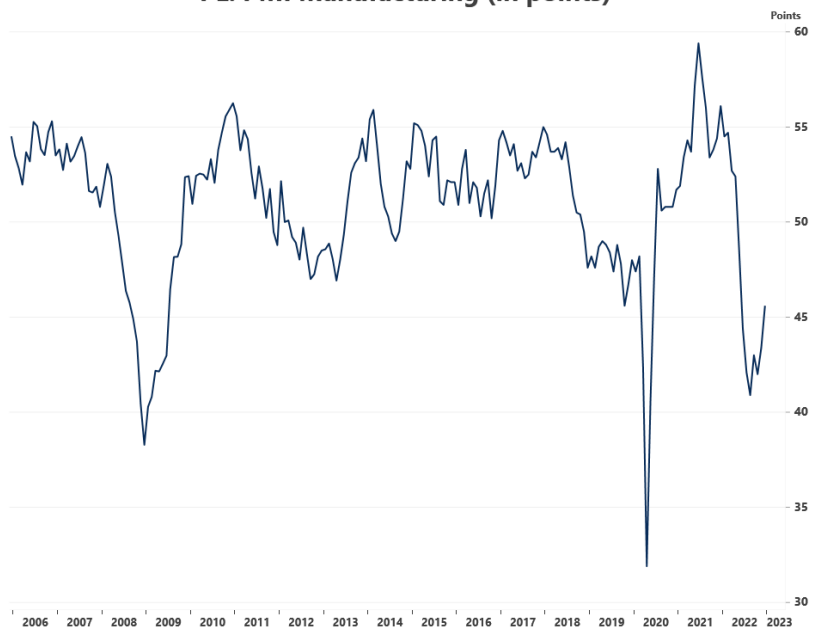
Our regional insights:

Satisfied NBP will stay firmly on hold

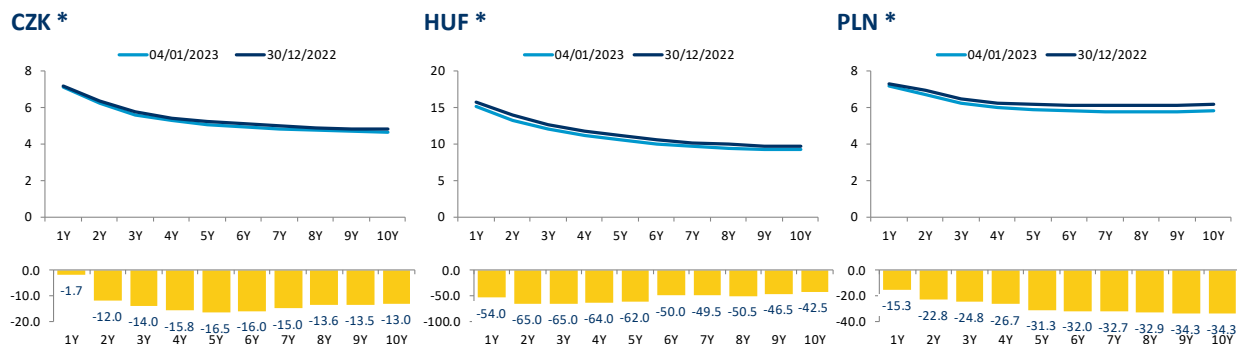
The Polish central bankers meet this afternoon to set official interest rates and nobody can expect that they will bring any change of the monetary policy. Hence, the NBP base rate will be kept at the 6.75% level and we assume that it will stay there for the most of the year 2023. We also do not expect any significant change in the MPC statement. The NBP dovish leadership could be satisfied that the headline inflation has already reached its peak (probably in October), which should be confirmed by the December inflation release tomorrow.

Meanwhile, the MPC could be also satisfied with external development as commodity prices have declined significantly, which help curb the inflation and support a soft-landing scenario of the Polish economy. We must admit that we were wrong in our call suggesting that the Polish economy will face a technical recession. While the economy could record a negative growth rate in one quarter, given the recent rebound in the Polish PMI manufacturing index (see the chart below) one could rather bet on scenario without recession.

PL: PMI Manufacturing (in points)



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	01/04	8:30	Wages	%	ytd. 10/01/2022					18.0		17.8	
CZ	01/04	14:00	Budget balance	CZK B	12/01/2022							-337.1	
HU	01/04	14:00	NBH minutes		12/01/2022								
PL	01/04	16:00	NBP meeting	%	01/01/2023	6.75				6.75		6.75	
HU	01/05	8:30	PPI	%	11/01/2022							3.7	41.7
PL	01/05	10:00	CPI	%	12/2022 *P					0.8	17.4	0.7	17.5
PL	01/05	14:00	NBP minutes	NBP	01/01/2023								
HU	01/06	8:30	Unemployment rate	%	11/01/2022					3.8		3.6	
HU	01/06	8:30	Retail sales	%	11/01/2022					1.8		0.6	

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