

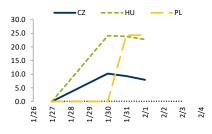
Wednesday, 01 February 2023

Forex markets (index)



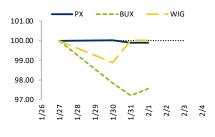
	LAST	PREVIOUS	CHANGE (%)
EURCZK	23.77	23.78	-0.01
EURHUF	390.6	390.8	-0.06
EURPLN	4.707	4.707	0.00

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	4.572	4.585	-1.3
HUGB 10Y	7.99	8.00	-0.1
PLGB 10Y	6.01	6.01	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1329.7	1329.7	0.00
BUX	45506	45339	0.37
WIG	61287	61287	0.00

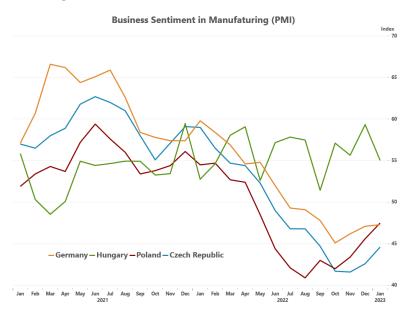
Our regional insights:

PMI's are bottoming out in Central Europe

Although business confidence in manufacturing continues to be depressed in the Czech Republic and Poland, January data releases of PMIs have brought some hope that the worst could be over in the sector. Despite declines in both output and new orders, the Czech and Polish confidence in the outlook improved in January and headline PMI indices have already formed local bottoms during the autumn (see the chart below). Clearly, the warm winter helped all regional economies as gas and energy prices fell in Europe and cost pressures eased.

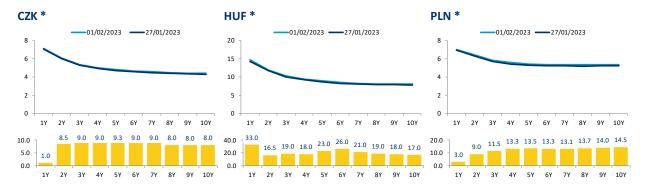
The CNB on hold, watch for a reaction to the firm CZK

Nothing major is expected from the Czech National Bank tomorrow. While the Bank Board leaves official rates unchanged, the new staff forecast is likely to bring faster GDP growth and higher inflation. Still, there is uncertainty about revisions in the (implied) forecast of the koruna given the recent gains of the Czech currency (currently trades more than 3% stronger than in the last forecast). We are looking for CNB's governor Michl comments related this issue, although we do not expect any major change in the setting of the current (FX) intervention commitment for the time being.





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	Data	Time	Indicator	Period		Pariod	Forecast		Actual		Consensus		Previous	
Country	Date	Tille	indicator		m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y		
HU	02/01	8:30	Trade balance	EUR M	11/2022 *F			-1415				-1283		
HU	02/01	9:00	PMI manufacturing		01/01/2023			55.0		58.0		63.1		
PL	02/01	9:00	PMI manufacturing		01/01/2023			47.5		46.4		45.6		
CZ	02/01	9:30	PMI manufacturing		01/01/2023			44.6		43.4		42.6		
CZ	02/01	14:00	Budget balance	CZK B	01/01/2023							-360.4		
CZ	02/02	14:30	CNB meeting	%	02/01/2023	7.00				7.00		7.00		
HU	02/06	9:00	Retail sales	%	12/01/2022								0.6	
CZ	02/06	9:00	Trade balance (national)	CZK B	12/01/2022							-25.5		
CZ	02/06	9:00	Industrial output	%	12/01/2022								0.5	

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