Monday, March 07, 2011

Central European Weekly

Written by CSOB Prague and K&H Budapest

Weekly Highlights:

- NBP stays on hold, but Hawkish ECB adds one more hike to our outlook for 2011
- Our scenarios for CNB and MNB remain so far unaffected by ECB hawkishness
- In focus: Hungary's Expansionary fiscal restraint
- CE Weekly Preview: watch Czech and Hungary inflation figures for February

Chart of the Week: Will central banks in CE follow ECB's strong vigilance?

Central banks' base rates

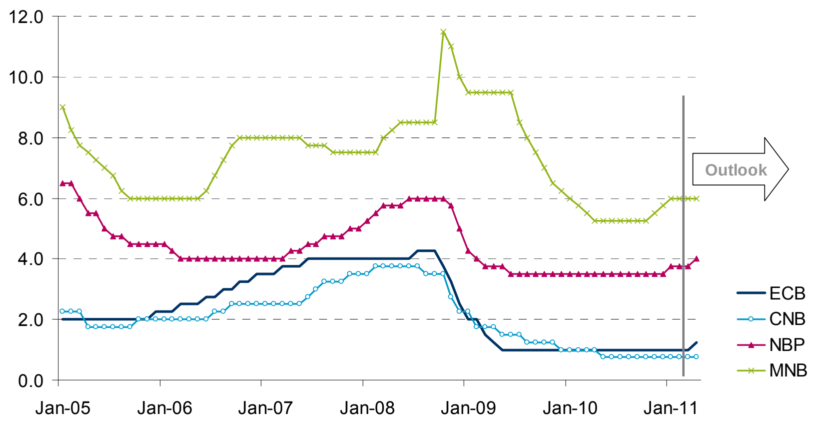


Table of Contents:

Market's Editorial

ECB calls first rate hike already for April

The European Central Bank has again shown financial markets that it can surprise. At Thursday's press conference, ECB President Trichet tried hard to make it absolutely clear that the bank will raise its refinancing base rate at its next meeting – i.e., on April 7. This will mark the beginning of a new monetary tightening cycle in the euro area, which may also influence the behaviour of the central banks in Central Europe.

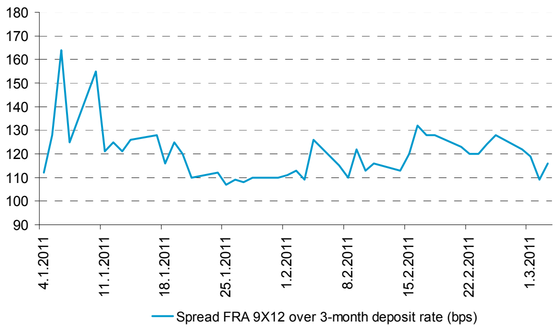
Will ECB hawkishness affect monetary decisions of central banks in the region?

The ECB decision to launch its monetary tightening cycle is likely to influence the Czech National Bank, whose forecasts didn't assume a rate hike until late 2011. However, we still believe that the CNB will move much earlier and put forward the August meeting for a 25 bps rate increase that will start the cycle. In spite of the latest announcement by the ECB, there is no need to bring the start of the cycle in the Czech Republic to the next few months, particularly now that domestic demand will be under pressure as a VAT increase is under discussion. . Hence the CNB shall not rates at the next meetings. Nevertheless, the existing highly dovish tenor of CNB comments might change slightly. We pencilled another rate hike in for Q4 of 2011 and that should it for 2011 rate changes.

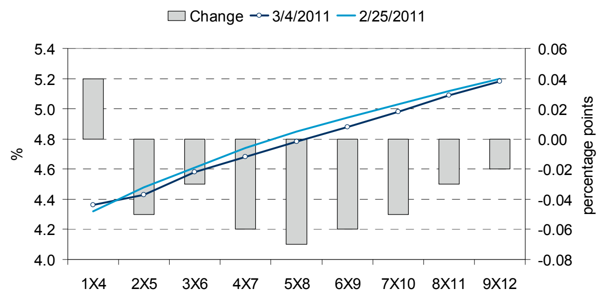
As regards the National Bank of Hungary and how the tightened ECB policy may influence its decisions, this will primarily depend on how the forint will cope with that policy and how the credit risk margins will develop in the EMU, and consequently in Hungary. If the forint and Hungary's CDS remain stable despite the ECB policy, the reaction by the NBH to the hawkish stance set by the ECB may not be critical, and the NBH may not need to renew its recently finished rate hike mini-cycle.

Finally, the ECB should play a significant part in respect of the National Bank of Poland. The strong zloty is the fundamental contributor to the efforts to curb Poland's inflation expectations; after all, even Governor Belka has stressed this a couple of times. Rate hikes in the eurozone will make the appreciation of the zloty much harder, and therefore Poland's interest rates will likely need to be raised more rapidly. **Hence we have added one more rate hike to our outlook (in Q4) and see the end-of-year rates at 4.5%.**

Bets on interest rate tightening



PL FRA



Source: Reuters

	Last	Change 1W	Outlook 1W ahead	Outlook 1M ahead
EUR/CZK	24.28	0.04%	↗	↗
EUR/PLN	3.981	-0.03%	↗	↗
EUR/HUF	271.3	-0.04%	↗	↗

	Last	Change 1W	Outlook 1W ahead	Outlook 1M ahead
10Y CZK	4.00	0.00	→	↗
10Y PLN	6.28	0.00	↘	↗
10Y HUF	7.15	0.00	↗	↗

Review of Economic Figures

NBP stays on hold with the rates,..

The National Bank of Poland left rates unchanged in March. This bears out our expectations that the central bank wants to normalise rates on the one hand, but is in no hurry to do it on the other hand. The main reason is, as also indicated by the minutes of the meeting, the provocatively uncertain GDP structure. Central bankers are irritated by the low rate of investment (0.9%) and the uncertainty as to whether the rapid increase in domestic consumption is sustainable, in the light of the poor condition of public finances. They also point out persisting slow wage growth and low demand-pull inflationary pressures.

..but the zloty does not help with inflation fight.

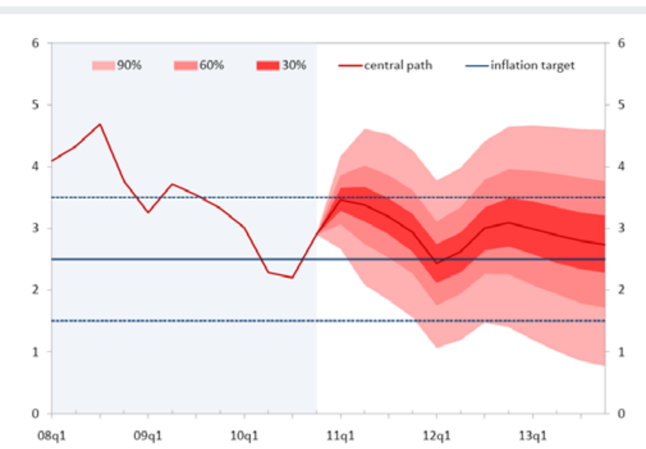
However, Governor Belka wanted to take no chances at the press conference, and stressed that January's rate hike marked the launch of a monetary tightening cycle. Belka also said that inflation might exceed 4% soon. On the other hand, the latest Inflation report released today unveiled in our view a very conservative outlook for inflation. The NBP forecasts that the average rate of inflation to stay below 3.5 percent in each quarter this year (point estimate). According to our estimates, the average inflation rate could dip below the upper tolerance bound in Q4/2011 at the earliest. In this respect, Belka also said that the current exchange rate of the zloty was influenced by the situation in the Middle East and had nothing to do with the monetary policy of the NBP. Even so, it is clear that he cannot be satisfied with the current levels of the exchange rate, after he had predicted a strong appreciation of the currency at the end of last year.

Hawkish ECB adds one more hike to our outlook for NBP base-rate in 2011

Our assessment of the Polish economy remains unchanged, and basically consistent with the Governor's view. The continuing recovery justifies the tightening of the monetary conditions, but the low rate of investment and the nature of today's inflation shock do not justify any sort of aggressive approach. Nonetheless, the ECB policy is a new element in the whole situation. The ECB made it clear at its last meeting that it will most likely raise rates at its next meeting. The ECB's aggressive policy, under the otherwise unchanged conditions, may easily have an impact on all Central European currencies, including the zloty. Nevertheless, the zloty is an important 'ally' of the NBP in its monetary tightening efforts and in its curbing of the inflation expectations. In the end, the ECB may thus make the NBP hike faster than we originally anticipated. For the moment, we have consequently increased our bets from two to three hikes in Polish rates by the end of the year (April, Q3, Q4) to 4.50%. As the graph below indicates, it is still slightly less than the current market expectations.

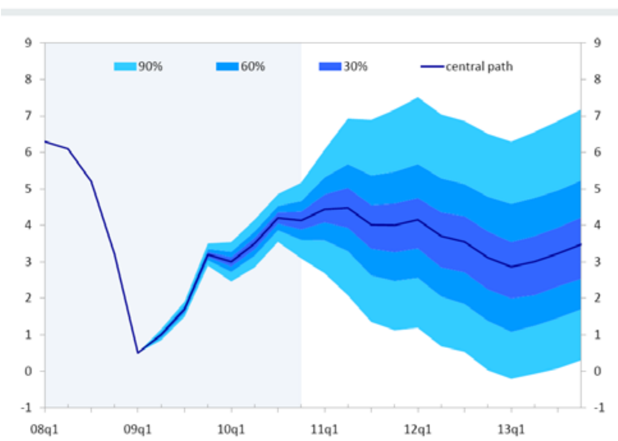
.

Inflation projection – March 2011



Source: NBP

GDP projection – March 2011



Source: NBP

In Focus: Hungary's Expansionary fiscal restraint

Hungary's government decided to carry out a large-scale fiscal overhaul program over 3-years (2011-2013) in order to boost growth. The impact on the economy will come from higher activity of the working age population and shrinking size of government spending. Lower spending helps to cut the deficit amid tax reductions and the program overall cuts the deficit by 2% of GDP in 2012 and further 1% of GDP in 2013.

Expansionary fiscal restraint

Hungary's government decided to carry out a large-scale fiscal overhaul program over 3-years (2011-2013) in order to boost growth. The impact on the economy will come from higher activity of the working age population and shrinking size of government spending. Lower spending helps to cut the deficit amid tax reductions and the program overall cuts the deficit by 2% of GDP in 2012 and further 1% of GDP in 2013.

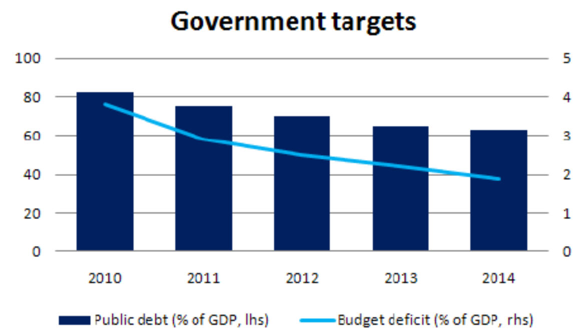
The political decision is the beginning of the process

The government took a political decision on the program. It follows a top down approach. Firstly, it sets the perimeters of the restructuring and the target ranges (which is what has been decided now). Secondly, concrete measures will have to be decided after negotiations between the affected institutions have been concluded. The term 'political decision' is important here because it shows the political commitment to the program of the government that will prevent deputies of the ruling party to oppose the programme en masse. The ruling party has a 2/3rd majority in the Parliament, but internal political conflicts, if they would emerge, endanger the ongoing process of a new constitution, which requires 2/3rd support in the Parliament. The program targets 7 main areas, of which unemployment benefits, drug subsidies and disability pensions are the most important ones on the spending side. Introducing an electronic toll road system for trucks and keeping the special tax on financial service providers in 2012 are the two main elements on the revenue side. The total targeted amount is Ft902bn or 3% of GDP, of which 75% comes from spending and 25% from revenue-side measures.
The measures are well-targeted and carefully selected. The only major area that is not on the list of spending cuts is free-transport for pensioners above the age of 65, which also applies for other EU citizens and costs the budget about Ft50-100bn.

Measures (bn HUF)	2012	2013
Unemployment benefits	195	213
Public transport	45	60
Pensions	99	129
Drug subsidy	83	120
Universities	12	38
Administration	32	122
Toll road, bank tax	90	220
Total	550	902

Updated debt outlook

By 2013, the government plans to lower public debt-to-GDP ratio to below 70% of GDP due to steady decline of the budget deficit to around 2% of GDP. The starting point is however not clear. The 2010 deficit target was 3.8% of GDP, but there is a risk of significant overshoot due to local government and debt takeover from state-owned companies, like the state-railway and Budapest transport companies.
This risk could be as high as 2-3% of GDP, although most of this would be a one-off because the debt behind was accumulated over several years. Beside this, it is important to note that the 2010 deficit would have been 1-1.5% higher without special taxes on some sectors, including banks. Without this, we estimate an underlying deficit of 5-5.5% of GDP, which the headline deficit may exceed if aforementioned one-off items become part of the 2010 ESA deficit number due to be released in the first half of March. The 2011 lowering of the personal and corporate income tax burden cut revenues by 2% of GDP. The consequential deficit widening is avoided by asset sale from pension funds, which is also a one-off. From taking over roughly 90% of the assets held by mandatory private pension funds, the government will receive some 10% of GDP accumulated savings and 20% of this will be classified as current income to boost revenues and meet the 2.9% deficit goal.



The current spending cut program – called Szell Kalman Terv – will decrease the deficit by 3% of GDP in 2012-13.

Overall, the underlying deficit could decrease to 4-4.5% of GDP by 2013. To achieve the targeted 2% of GDP deficit, the government will have to save some of the revenue that comes from real income growth over this period.

Annual average growth rate was 1.2% in 2010 and last quarter showed 2.0% Y/Y real GDP growth. This year's government forecast is 3% and the government hopes the economy will accelerate further to 5% in 2012-13. This is not totally impossible as central bank's November Inflation Report showed that recent car manufacturing investments may add 2% to growth. Assuming a slower, 3% steady growth rate until 2013, Hungary's 40% tax burden would collect enough in revenues to lower the deficit to the targeted 2% level. This would however require very strict expenditure side policy in the budget. Conservative budgetary spending could be the cornerstone of the government's fiscal plan.

CE Weekly Preview

WED 9:00 **CZ Inflation (change in %)**

	Feb-11	Jan-11	Feb-10
CPI m/m	**0.2**	0.7	0.0
Food m/m	**0.0**	0.7	0.4
Housing, energy	**0.4**	1.7	0.2
Transportation	**0.2**	0.9	-0.7

CZ: Inflation rises slowly

While January's inflation was surprisingly kept at bay by only a minimum increase in rents, February's inflation should not have any great impact on this year's data. Going up this time above all will be winter package tour prices. By contrast, price reductions continued in clothing and household equipment. Food and fuel have likely not influenced inflation to any great extent this time, albeit they will very soon. Year-on-year inflation is returning to the vicinity of 2%, i.e., to the level set by the central bank as its target. The risks as to further price developments in the CR remain the same as before, i.e., expensive fuel and costlier food. In late 2011, an increased VAT is likely to contribute to those risks, and inflation may subsequently climb up to 5%.

WED 9:00 **CZ Foreign trade (CZK bn)**

	Jan-11	Dec-10	Jan-10
Balance	**13.0**	1.0	15.3
cummulative (YTD)	**13.0**	124.5	15.3
Exports (y/y in %)	**16.0**	27.0	9.1
Imports (y/y in %)	**19.0**	28.5	1.8

CZ: Trade affected by costly raw materials

Foreign trade likely maintained a very reasonable rate at the beginning of this year. Industry is succeeding in gaining contracts, and thus we can expect a double-digit rise in exports, notably in machinery and means of transport. However, as far as imports are concerned, the rising raw material prices, which may worsen the trade balance by up to CZK 4bn, are having an increasingly negative impact. In spite of high oil prices, this year's foreign trade surplus may go up slightly. However, we need to take account of the changed methodology, which will make itself felt as early as in the spring, by significantly reducing the surplus of the trade in goods while improving the existing poor figures in the balance of services. Nevertheless, the overall impact on the current account may not necessarily be significant.

FRI 9:00 **CZ GDP (change in %)**

	Q4-10	Q3-10	Q4-09
GDP (y/y)	**2.9**	2.8	-3.2
GDP (q/q)	**0.5**	1.0	0.4

CZ: Economic growth slowly accelerates

The first flash GDP forecast for the fourth quarter of 2010 has already been released, and thus the upcoming forecast will include an update of the previous one and the release of the structure of the supply and demand sides of the economy. We do not believe that the new figure will significantly diverge from the previously released flash forecast. Most likely, it will confirm that the economy is faring increasingly better, though not well across the board. Industry will show high rates while the data for services and construction will be somewhat worse. The development of investment, which was dominated by the solar boom in late 2010, will also be interesting. The economy likely grew by 2.3% for last year as a whole. However, given fiscal austerity measures, this year's economic growth will be slightly poorer, and we still anticipate growth by approximately 1.8%.

FRI 9:00 **CZ Industry (y/y change in %)**

	Jan-11	Dec-10	Jan-10
Monhtly	**9.6**	12.7	4.9
cummulative (YTD)	**9.6**	10.5	4.9

CZ: Industrial boom persists

As signalled by industrial enterprises' contracts for previous months, the boom in this sector persists at the beginning of this year. Particularly the performance of the automotive industry, engineering, metal production and electronics production is reliable. The performance of the other sectors will be somewhat weaker. Also, the positive trend in the recruitment of new staff by industrial enterprises may be confirmed. Last but not least, we recommend focusing attention on new contracts, which may increase by approximately 15% y/y.

Weekly Calendar

	Date	Time	Indicator	Period	Forecast		Consensus		Previous	
					m/m	y/y	m/m	y/y	m/m	y/y
HU	7.3.2011	17:00	Budget balance (HUF B)	02/2011					-122.8	
CZ	8.3.2011	09:00	Unemployment rate (%)	02/2011	9.8		9.8		9.7	
HU	8.3.2011	09:00	Industrial output (%)	01/2011 *P				8.5	-11.8	6.0
CZ	**9.3.2011**	**09:00**	**CPI (%)**	**02/2011**	**0.2**	**2.0**	**0.2**	**2.0**	**0.7**	**1.7**
CZ	**9.3.2011**	**09:00**	**Trade balance (CZK B)**	**01/2011**	**13.0**		**13.6**		**1.0**	
HU	10.3.2011	09:00	Trade balance (EUR M)	01/2011 *P			456.0		429.8	
HU	10.3.2011	12:00	GB bond auction/fixed rate (HUF B)	03/2011						
CZ	**11.3.2011**	**09:00**	**GDP (%)**	**4Q/2010 *F**					**0.5**	**2.9**
CZ	11.3.2011	09:00	Wages (%)	4Q/2010						0.1
HU	**11.3.2011**	**09:00**	**GDP (%)**	**4Q/2010 *F**					**0.2**	**2.0**
CZ	11.3.2011	09:00	Industrial output (%)	01/2011		9.6		13.0		12.7
CZ	11.3.2011	09:00	Construction output (%)	01/2011						-14.6
HU	**11.3.2011**	**09:00**	**CPI (%)**	**02/2011**			**0.6**	**4.2**	**0.7**	**4.0**

m/m - monthly change; y/y - yearly change; s.a. - seasonally adjusted; n.s.a. - non-seasonally adjusted; P - preliminary; F - final
EMU, USA, UK, JPY - figures seasonally adjusted, if not stated otherwise; Central Europe - figures seasonally non-adjusted, if not stated otherwise
Government Bond Auction: period = auction settlement date; m/m = total bids; y/y = supply

CE Forex Technicals

EUR/CZK Daily Chart:

Below long term Triangle bottom (see graph).
Support at 24.1750/ .1660 (reaction low hourly/ 61.8% 23.9200 to 24.5650), with next levels at 24.0720/ .0600 (76.4%/ break-up daily Feb 08) and 24.0310 (monthly envelope bottom), where pause favored.
If unable to hold, next levels at 23.9200/ .9000 (weekly Bollinger bottom + current reaction low off 25.3800/ monthly Bollinger bottom), where pause favored.

Resistance at 24.4550 (breakdown daily), ahead of 24.5260 (weekly Medium Term Moving Average↓), where pause favored.
In unable to cap, next levels at 24.5650/ .5740 (current recovery high off 23.9200?/ monthly Short Term Moving Average↓), ahead of 24.6010 (weekly Bollinger midline): tough on 1st attempts.

EUR/HUF Daily Chart:

Rebound off low retested the broken Uptrendline off 2010 low (see graph).
Support at 270.85/ .39 (reaction lows hourly), ahead of 269.60/ 269.00 (March 01 low/ Feb 17 low), where pause favored.
If unable to hold, next levels at 268.50/ .35 (reaction low hourly/ weekly Bollinger bottom), ahead of 267.40 (year low + weekly modified Alpha Beta trend bottom) and 266.10 (monthly envelope bottom): tough on 1st attempts.

Resistance at 273.70 (March 02 high), with next levels at 274.54/ 274.90 (monthly Bollinger midline/ weekly modified Alpha Beta trend top) and 275.20 (current recovery high off 267.40).
If unable to cap, next levels at 276.24/ 276.55 (monthly envelope top/ Jan 20 high + broken 50 Week Moving Average↑) and 278.00/ .20 (breakdown daily/ 61.8% 285.00 to 267.40): tough on 1st tests.

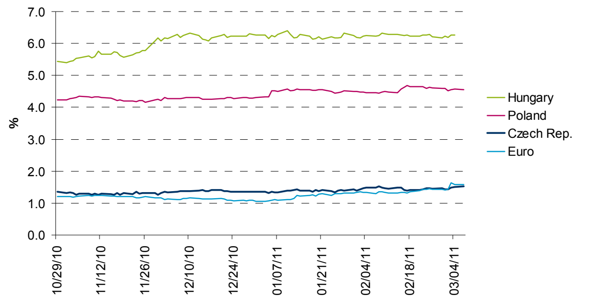
EUR/PLN Daily Chart:

Testing Downtrendline off 4.2400 (see graph) and currently above 3.9610 (neckline Double Bottom).
Support at 3.9488 (March 01 low), ahead of 3.9388/ .9340 (broken weekly Medium Term Moving Average→/ break-up hourly): needs to settle back below to indicate return of better mood on Zloty.
If unable to hold, next levels at 3.9280/ .9240 (break-up hourly/ break-up daily Feb 18), ahead of 3.8970/ .8939 (Feb 17 low/ break-up daily Feb 08): tough on 1st attempts.

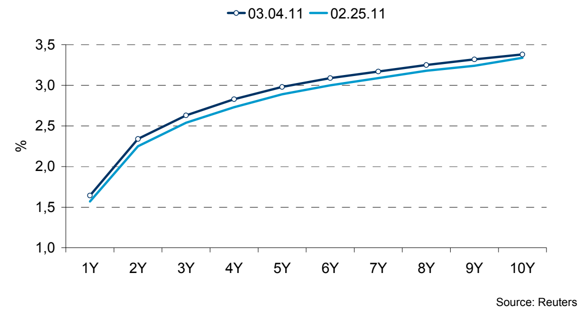
Resistance at 4.0030 (current recovery high off 3.8290?), where pause favored.
Failure to cap would see next levels at 4.0150/ .0192 (breakdown daily Dec 10/ monthly envelope top), ahead of 4.0436/ .0446 (76.4% 4.1100 to 3.8290/ weekly Bollinger top): tough on 1st attempts.

CE Fixed-income in Charts

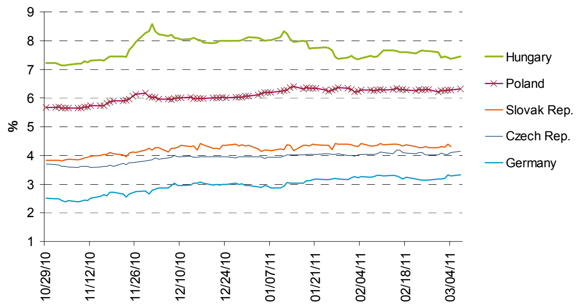
FRA 3x6



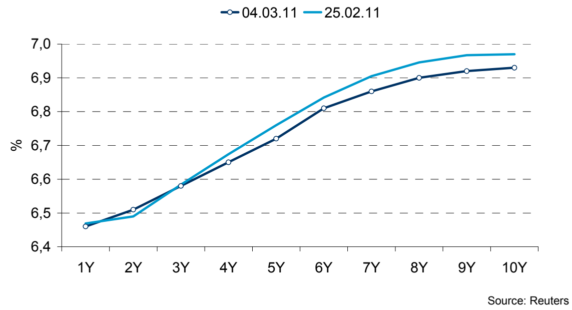
CZ IRS



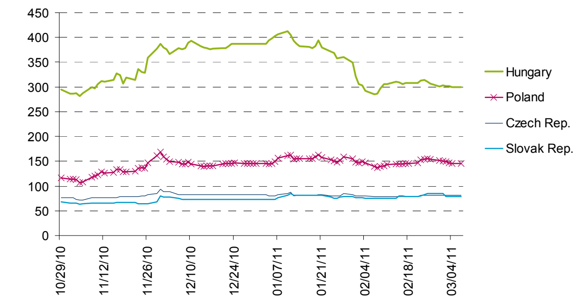
10Y GB Yields



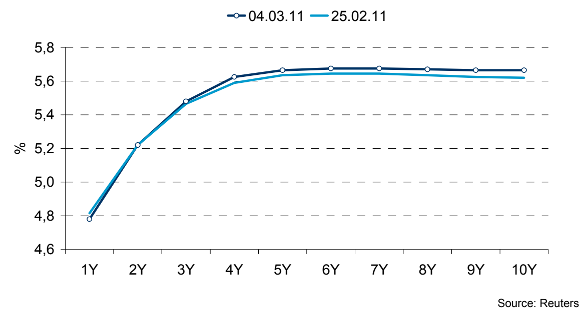
HU IRS



CDS 5Y



PL IRS

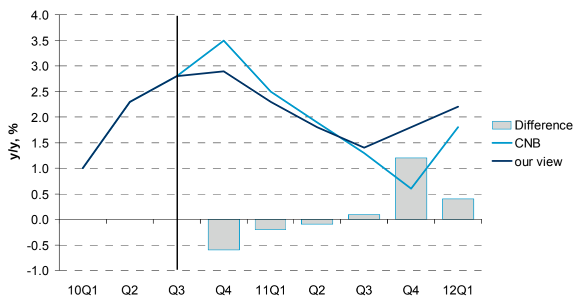


Medium-term Views & Issues

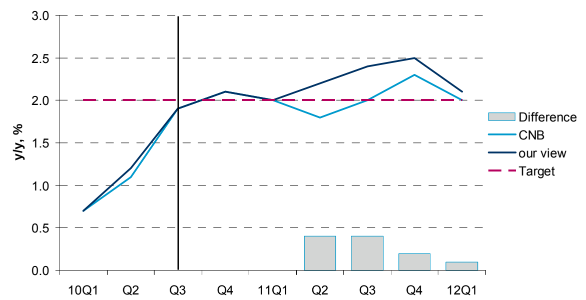
	The Czech Republic	Hungary	Poland
Growth & key issues	The June general election resulted in the victory of the centre-right parties, whose policies are austerity-minded. The new Cabinet has set a realistic target of cutting the deficit to less than 3% by 2013. The reduction by less than a percentage point per year is reasonable and doesn't pose a huge risk to the ongoing economic recovery. Already last year's budget ended with a lower than planned deficit. The general government deficit even felt below 5% of GDP in 2010. The fundamental precondition for hitting the budget targets is the launch of reforms, notably of the social security and pension system.	Hungary's government decided to carry out a large-scale fiscal overhaul program over 3-years (2011-2013) in order to boost growth. The impact on the economy will come from higher activity of the working age population and shrinking size of government spending. Lower spending helps to cut the deficit amid tax reductions and the program overall cuts the deficit by 2% of GDP in 2012 and further 1% of GDP in 2013. The long-term outlook mainly depends on the execution. We recommend waiting until the 2010 ESA budget deficit number is released in March before deciding on investments.	The Polish economy slightly slowed down in the fourth quarter judging from a flash estimate of whole year GDP growth. For 2011 we expect growth should be nearly the same as in 2010 (3.7% y/y). Mainly domestic consumption and investment should drive the growth with government and external sector having more or less neutral impact. Despite the fact that demand pulled inflation remains muted, CPI should further rise in January. According to our estimates, the infl. might even breach 1 p.p. point tolerance band, mainly due to one-off adjustments of VAT and commodities prices.
Outlook for official & market rates	Inflation climbed above the central bank's target due to higher fuel and foodstuffs' prices and to administrative measures. Fuel prices continue to pose a risk to inflation. On the other hand, weak demand and the strong koruna should counteract the rise in inflation. We still think that the CNB will hike its rates sooner than its new prognosis announced (2011 Q4). We believe that rates may be raised as early as in the second or third quarter of this year. The CNB's repo rate should reach 1.25% by the end of 2011.	Since the November meeting – the central bank increased the base rate by 75bps, so it stands at 6.0 %. Economists together with us expect an unchanged rate without any hesitation. So a move would be very surprising for markets. The consensus also expects the base rate to stay here for a considerable period as inflation is expected to return to 3% only in 2012, while second round effects of the recent energy and food price increase look to be moderated. Domestic inflation and rate hike stories look to have ended now.	The Polish central bank started a hiking cycle at the beginning of the year as we expected. On the other hand, we are no fan of aggressive monetary tightening for now .One must take into account that inflation, although it accelerates above the target, is now purely cost/supply driven and the NBP cannot do much about it. On the other hand more aggressive ECB stance should lead the NBP to at least three more hikes during this year (April, Q3, Q4) to 4.50% by December 2011.
Forex Outlook	Although fundamentals behind the Czech currency continue to be strong (the Czech economy should outperform euro-zone and the external balance should remain at reasonable levels), our long term model suggests that recent gains were too aggressive. Nevertheless the Czech koruna may continue to profit from approaching start of interest rate hiking cycle in short term (3-6 month). It may move into the defensive at the end of 2011. The profit taking could be triggered by the Polish elections and the related weakening of the Polish zloty.	Optimism before the government's spending reform package also boosted appetite for Hungarian assets. In this situation, it will be difficult to meet expectations and markets may thus correct in the coming weeks. Relatively mild positioning of foreign investors together with the forint's neutral performance vis-á-vis its peers make a sharp correction unlikely for now, except if global outlook changes significantly by for example an oil-price triggered slowdown In the longer term positive impact could depend on the productivity boost.	Since calls for the stronger zloty had fallen on deaf ears, the Polish central bankers' rhetoric moved to a more hawkish mode. Tighter monetary conditions should further support the Polish currency. We bet on strong gains especially after the euro crisis is more clearly resolved – 6 month target at 3.55 EUR/PLN. Nevertheless the parliamentary elections in autumn 2011 and the risk of breaching the second prudential level for government debt (55% GDP) may bring temporary volatility of the PLN by the end of the 2011.

Central Bank’s Projections versus Our Macro Forecasts

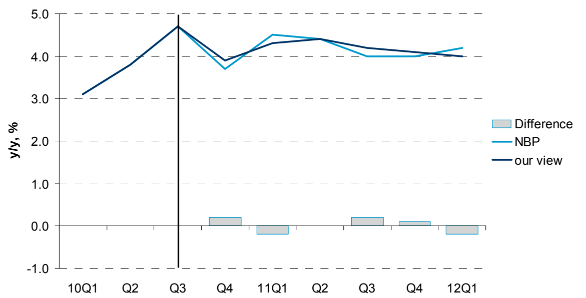
CZ: GDP Outlook



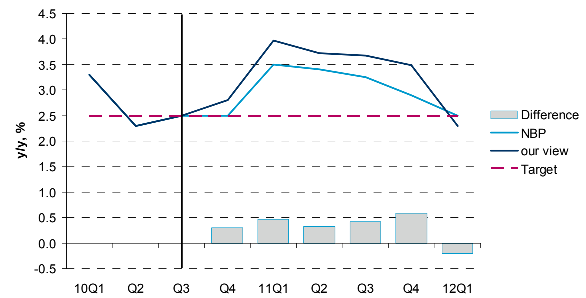
CZ: Inflation outlook



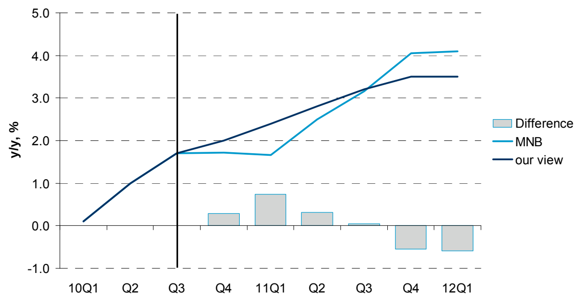
PL: GDP Outlook



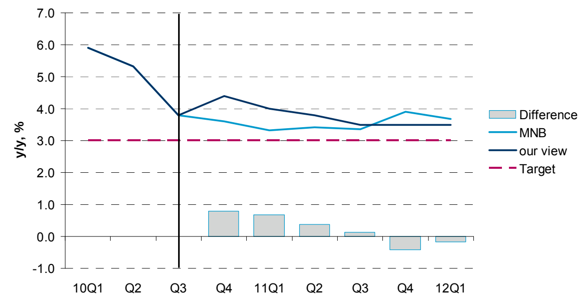
PL: Inflation outlook



HU: GDP Outlook



HU: Inflation outlook



Summary of Our Forecast

Official interest rates (end of the period)

		Current	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Last change	
Czech Rep.	2W repo rate	*0.75*	0.75	0.75	1.00	1.25	1.25	-25 bps	5/6/2010
Hungary	2W deposite r.	*6.00*	6.00	6.00	6.00	6.00	6.00	25 bps	1/24/2011
Poland	2W inter. rate	*3.75*	3.75	4.00	4.25	4.50	4.75	25 bps	1/19/2011

*Short-term interest rates 3M *IBOR (end of the period)*

		Current	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
Czech Rep.	PRIBOR	*1.22*	1.22	1.35	1.45	1.60	1.72
Hungary	BUBOR	*6.10*	6.05	6.05	6.00	5.90	5.90
Poland	WIBOR	*4.16*	4.15	4.35	4.50	4.55	4.55

Long-term interest rates 10Y IRS (end of the period)

		Current	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
Czech Rep.		*3.41*	3.30	3.40	3.50	3.60	3.70
Hungary		*6.95*	7.25	7.75	7.50	7.25	7.00
Poland		*5.6804*	5.80	5.95	6.00	6.00	6.00

Exchange rates (end of the period)

		Current	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
Czech Rep.	EUR/CZK	*24.3*	24.7	23.7	24.0	24.6	25.5
Hungary	EUR/HUF	*272*	270	280	275	270	270
Poland	EUR/PLN	*3.98*	4.00	3.90	3.60	3.70	3.60

GDP (y/y)

		Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Czech Rep.		2.9	2.4	2.1	1.5	1.5	2.5
Hungary		2.0	2.4	2.8	3.2	3.5	3.5
Poland		*4.2*	4.0	4.1	4.3	4.3	4.0

Inflation (CPI y/y, end of the period)

		Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12
Czech Rep.		2.0	2.4	2.5	2.4	4.5	4.8
Hungary		4.0	4.0	4.0	3.8	3.7	3.5
Poland		3.8	3.5	3.5	3.3	2.5	2.6

Brussels Research (KBC)		**Global Sales Force**	
Piet Lammens	+32 2 417 59 41		
Peter Wuyts	+32 2 417 32 35	Brussels	
Didier Hanesse	+32 2 417 59 43	Corporate Desk	+32 2 417 45 82
Joke Mertens	+32 2 417 30 59	Commercial Desk	+32 2 417 53 23
Mathias Van der Jeugt	+32 2 417 51 94	Institutional Desk	+32 2 417 46 25
Dublin Research (KBC Bank Ireland)			
Austin Hughes	+353 1 6646892	London	+44 207 256 4848
Prague Research (CSOB)		Frankfurt	+49 69 756 19372
Jan Cermak	+420 2 6135 3578	Paris	+33 153 89 83 15
Jan Bures	+420 2 6135 3574	New York	+1 212 541 06 97
		Singapore	+65 533 34 10
Bratislava Research (CSOB)			
Marek Gabris	+421 2 5966 8809	Prague	+420 2 6135 3535
		Bratislava	+421 2 5966 8436
Budapest Research (K&H)		Budapest	+36 1 328 99 63
Gyorgy Barcza	+36 1 328 99 89	Warsaw	+48 22 634 5210
		Moscow	+7 495 228 69 61

Our reports are also available on: www.kbc.be/dealingroom