



# Central European Daily

Monday, 03 October 2016

## Headlines

Currencies		% chng
EUR/CZK	27.01	0.0
EUR/HUF	308.0	-0.1
EUR/PLN	4.29	-0.2
EUR/USD	1.12	0.2
EUR/CHF	1.09	0.7

### FX Correlation Matrix

	EUR/PLN	EUR/HUF	EUR/USD	EUR/CHF
EUR/CZK	0.11	0.17	-0.18	-0.02
EUR/PLN		0.26	-0.24	-0.08
EUR/HUF			-0.21	-0.13
EUR/USD				0.24

correlations of 30 min changes over past 5 sessions

FRA 3x6	%	bps chng
CZK	0.28	0
HUF	0.74	1
PLN	1.70	-1
EUR	-0.30	0

GB	%	bps chng
Czech Rep. 10Y	0.25	0
Hungary 10Y	2.94	2
Poland 10Y	2.92	2
Slovakia 10Y	0.32	0

CDS 5Y	%	bps chng
Czech Rep.	41	0
Hungary	124	0
Poland	76	0
Slovakia	42	0

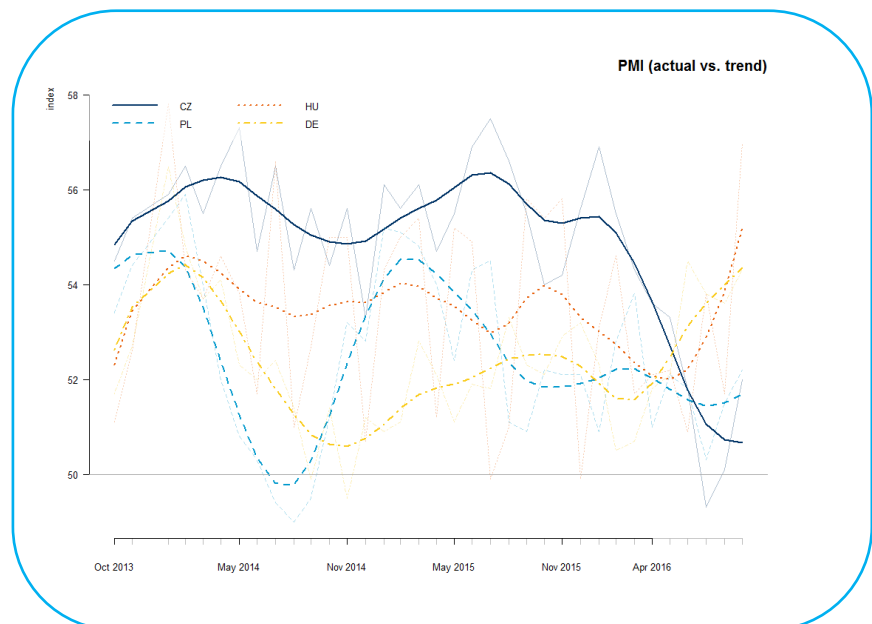
Source: Reuters

### The Hungarian referendum about EU's plan on resettlement of refugees is invalid

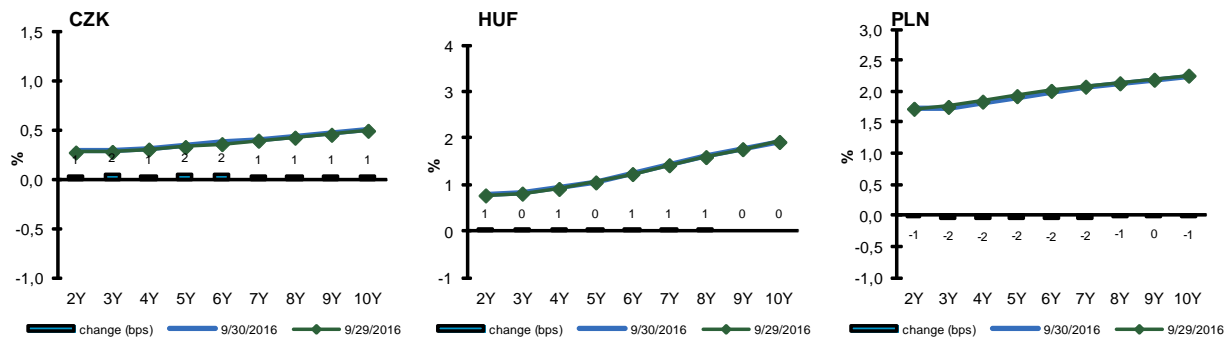
### All regional PMIs indices are back above 52 points

The Hungarian vote on the EU's migrant resettlement plan held on Sunday did not pass the 50% +1 vote threshold necessary for it to count as valid. This could be taken as some disappointment for the government, but Prime Minister Viktor Orbán still said that the invalid referendum was a "magnificent victory" as its result could be used as strong weapon in Brussels. On the other hand opposition parties declared that the outcome was a result of the "successful boycott" of the vote. As concerns the market reaction – we do not think that the referendum result will have any implications either for the forint or Hungarian government bonds.

More interesting for all regional markets could be freshly released business sentiment data. In this respect it is encouraging that all regional PMIs improved in September and all headline indices are above the 52 level. While the Hungarian figure (57.0) is a clear positive outlier, it is fine to read that rising new orders drive the growth in Czech and Polish manufacturing. Hence, positive business sentiment in manufacturing in Central Europe still mirrors the German business mood, which improved too according the Ifo index and the PMI for September.



# Interest-rate Swap Curves



# Calendar

Country	Time	Indicator	Period	Forecast		Actual		Consensus		Previous	
				m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
HU	9:00	PMI manufacturing	09/01/2016			57				51.3	
PL	9:00	PMI manufacturing	09/01/2016			52.2		52.1		51.5	
CZ	9:30	PMI manufacturing	09/2016					51.8		50.1	
CZ	14:00	Budget balance	CZK B 09/01/2016							81.2	

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