

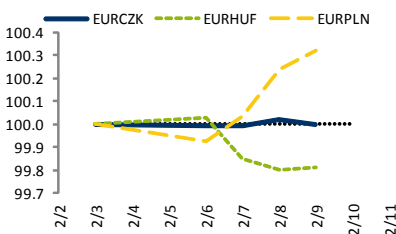


Central European Daily

Thursday, 09 February 2017

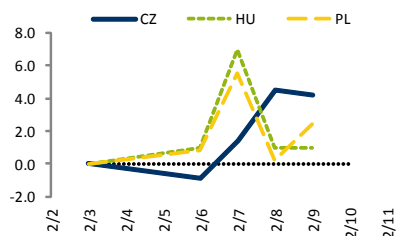
Regional Overview

Forex markets (index)



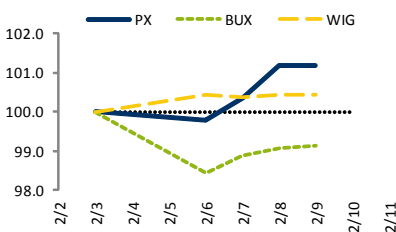
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.02	27.03	-0.03
EURHUF	309.2	309.2	0.01
EURPLN	4.316	4.313	0.08

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.463	0.466	-0.3
HUGB 10Y	3.53	3.53	0.0
PLGB 10Y	3.78	3.76	0.6

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	955.2	955.2	0.00
BUX	32623	32596	0.08
WIG	55643	55643	0.00

Macro, FX & Rates: NBP kept rates unchanged

(PL) Polish central bank kept interest rates unchanged at an all-time low (1.5%) as expected. The press release concludes that the Monetary Policy Council (MPC) perceives the “current level of interest rates is conducive to keeping the Polish economy on the sustainable growth path and maintaining macroeconomic balance”. / *The MPC seems to be happy with current monetary policy setting. Despite recent acceleration of inflation, the MPC sees low risk of inflation persistently running above the target (2.5%). In our base scenario, we expect official interest rates will remain stable throughout 2017.*

(HU) Trade reached EUR 0.556bn surplus in Dec, slightly below expectations. In 2016FY, trade hit a record surplus of EUR 10bn. / *We think that trade balance may start to deteriorate slightly in 2017 due to the further increase of households consumption and the higher investments, while we see no booming export demand.*

Equities: Komerční & CME in line, PEO surprise +

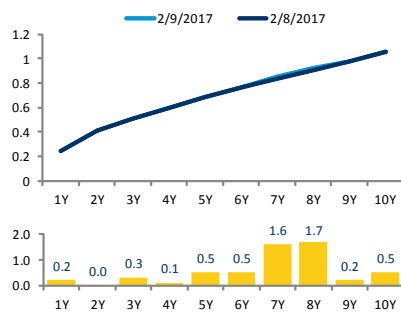
(CZ) KOMB: Komerční netted CZK 3.049bn in 4Q16, which represents an increase of 6.1% vs. 4Q15, in line with market consensus. / **NEUTRAL**; *The bank surprised negatively on NII and fees (1% below estimates and 4.7%, respectively), but surprised positively on trading results. The bank proposes CZK 40/shr DVD (4.3% DY, 55% PoR), in line with our and market estimates and proposes dividend pay-out of 60% of recurring net profit for next year. This would imply CZK 38-39/shr DVD or 4.1% DY. All in all results broadly in line, DVD perfectly in line and mild disappointment from the proposed DVD PoR for next year.*

(CZ) CME: released its 4Q16 results, which broadly in line with estimates. CETV mildly beat its own FY16 OIBDA guidance (USD 150mn vs. USD 147mn); / **NEUTRAL**; *A recovery of Romanian operation continued also in 4Q16 with like-for-like revenues growing by a strong 11.3% y/y. Czech operations enjoyed 3.5% like-for-like revenues growth, while Slovakia booked 7.5% y/y growth. Bulgarian and Croatian markets were still weak with 0.3% and 1.6% l-f-l revenues decline. Total revenues were up 5.4% y/y. OIBDA improved as well. CETV booked first quarterly profit since 2Q 2011. Company did not provide any detailed outlook for 2017, but it was expected.*

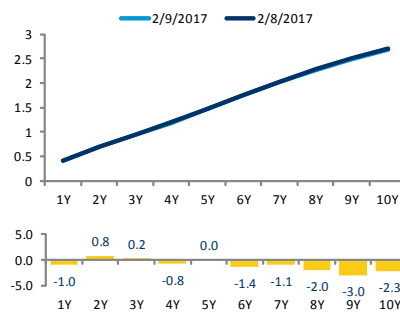
(PL) PEO: Bank Pekao netted PLN 494.7mn in 4Q16, which represents an increase of 12.6% vs. 4Q15, while PEO beat the market consensus by 3.4% (2.4% above our estimates) on lower than expected cost of risk. Net interest income reached PLN 1112.8mn (up 3.8% y/y), 0.2% below market consensus. Net fees surprised positively with “only” 0.7% y/y decline to PLN 500mn (1.4% better than market anticipated). Cost of risk reached PLN 106mn, 20% better than estimated. Management proposes PLN 8.68/shr DVD, 6.4% DY, 100% PoR. / **SLIGHT POSITIVE**. *Pekao announced a solid set of 4Q16 results, beating market consensus on net profit line on better than expected risk costs. Proposed dividend is a notch above BBG consensus (PLN 8.68/shr vs. PLN 7.8/shr expected).*

Interest-rate Swap Curves

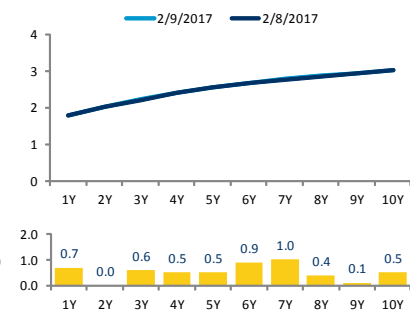
CZK *



HUF *



PLN *



* upper plot in each panel shows interest swap curve (%), lower plot shows change in interest rates in basis points

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
CZ	0:00	Earnings Komerční banka	CZK FY/2016								
PL	0:00	Earnings Bank Pekao	PLN FY/2016								
HU	9:00	Trade balance	EUR M 12/2016 *P			556		575		878	

Contacts

Brussels Research (KBC)			Global Sales Force		
Piet Lammens	+32 2 417 59 41		Brussels		
Peter Wuyts	+32 2 417 32 35		Corporate Desk		+32 2 417 45 82
Mathias van der Jeugt	+32 2 417 51 94		Institutional Desk		+32 2 417 46 25
Dublin Research			France		+32 2 417 32 65
Austin Hughes	+353 1 664 6889		London		+44 207 256 4848
Shawn Britton	+353 1 664 6892		Singapore		+65 533 34 10
Prague Research (CSOB)			Prague		+420 2 6135 3535
Jan Cermak	+420 2 6135 3578		Prague (Equities)		+420 2 2142 4216
Petr Baca	+420 2 6135 3570				
Tomas Sykora	+420 2 2142 4128				
Bratislava Research (CSOB)			Bratislava		+421 2 5966 8820
Marek Gabris	+421 2 5966 8809				
Budapest Research			Budapest		+36 1 328 99 85
David Nemeth	+36 1 328 9989				

ALL OUR REPORTS ARE AVAILABLE ON WWW.KBC.BE/DEALINGROOM

This non-exhaustive information is based on short-term forecasts for expected developments on the financial markets. KBC Bank cannot guarantee that these forecasts will materialize and cannot be held liable in any way for direct or consequential loss arising from any use of this document or its content. The document is not intended as personalized investment advice and does not constitute a recommendation to buy, sell or hold investments described herein. Although information has been obtained from and is based upon sources KBC believes to be reliable, KBC does not guarantee the accuracy of this information, which may be incomplete or condensed. All opinions and estimates constitute a KBC judgment as of the date of the report and are subject to change without notice.

