

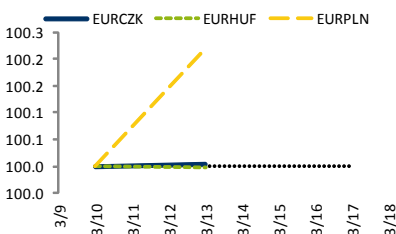


# Central European Daily

Monday, 13 March 2017

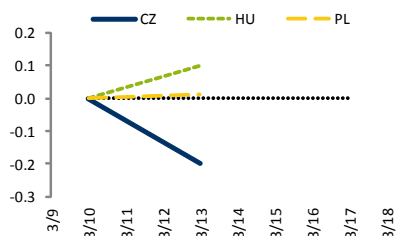
## Regional Overview

### Forex markets (index)



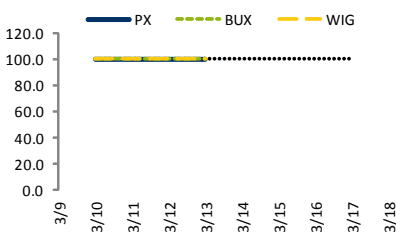
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.02	27.02	0.00
EURHUF	312.9	312.9	0.00
EURPLN	4.346	4.336	0.22

### Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.696	0.698	-0.2
HUGB 10Y	3.62	3.62	0.0
PLGB 10Y	3.74	3.74	0.0

### Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	972.3	972.3	0.00
BUX	32727	32727	0.00
WIG	58316	58316	0.00

### Equities: headline

**(PL) PKO:** has been asked by financial market regulator KNF to retain its entire 2016 profit to boost its capital base. The KNF now awaits the bank's management and supervisory boards to present their stance on the received guidelines. **/SLIGHT –IVE.** PKO's Tier I total capital adequacy ratio reached only 14.51% at the end of 2016, 11bps below KNF's 14.62% Tier I threshold to pay-out dividends. The bank already mentioned that considers a several steps to be eligible to pay-out the dividend (they can fine-tune the balance sheet or issue subordinated debt). Note that 50% PoR corresponds with some 3.3% DY. /

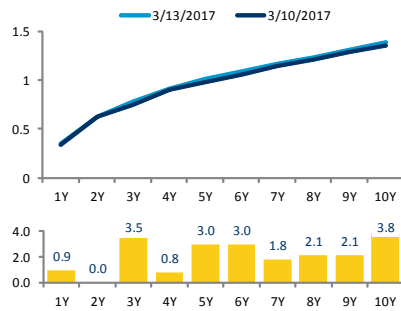
**(PL) BZW:** has been asked by financial market regulator KNF to retain its entire 2016 and forego any dividend payment. **/SLIGHT –IVE;** Cons. expects PLN 8.7/share as a dividend (2.5% DY); /

**(PL) BANKS:** Poland's Monetary Policy Council should consider holding interest rates flat in 2018. One of rate setters Zyzynski noted that: "If macro conditions don't change much, I would be in favour of holding interest rates unchanged in 2018 as well,". **/SLIGHT –IVE.** The vast majority of Polish banks, which we have recently talked to, expects a first hike in 1H2018. Similarly, the market consensus survey started to bet on hikes by end-1Q 2018 which has supported the recent bank's rally. The postponement of the first hike would be definitely a negative news as at least one hike is already priced in; /

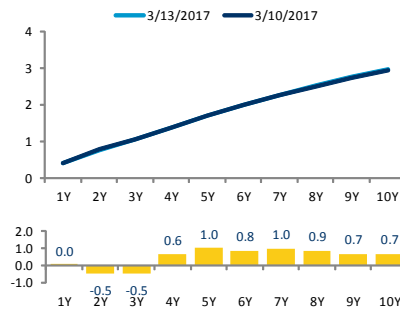
**(PL) PGE/PGNIG/ENA/ENG:** Polish power firms PGE, Enea and Energa with the power unit of natgas firm PGNiG will buy the conventional generation assets of power group EDF on a valuation built on 6x EBITDA, sources tell the daily Parkiet. Aggregate recurring EBITDA generated by the sum of EDF's generation sources in Poland reached PLN 1.1bn, the sources claim. The final price would be reduced by some PLN 2bn debt of EDF's assets, according to the paper's findings. the daily thus gives the EdF assets what it calls a market value of EUR 1.5bn. Both parties apparently aim to sign the prospective deal in 2Q17. Rumor has it that at least one consortium member, likely Enea, could drop out of the race at the final stage; **/SLIGHT –IVE;** The expected transaction price seems to be higher than rumoured earlier (PLN 1bn on Mar-06).

# Interest-rate Swap Curves

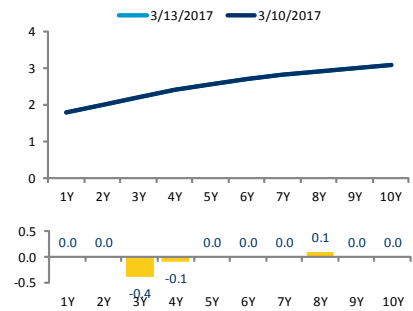
CZK \*



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

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