

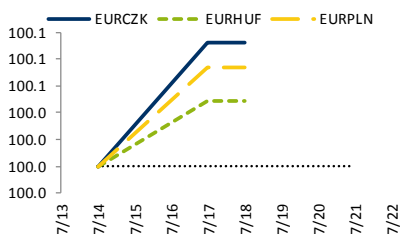


Central European Daily

Tuesday, 18 July 2017

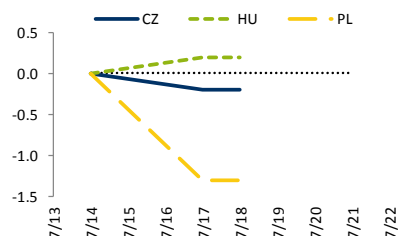
Regional Overview

Forex markets (index)



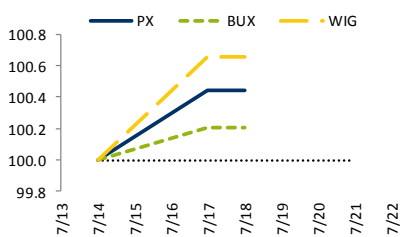
	LAST	PREVIOUS	CHANGE (%)
EURCZK	26.10	26.10	0.00
EURHUF	306.1	306.1	0.00
EURPLN	4.209	4.209	0.00

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.976	0.976	0.0
HUGB 10Y	3.06	3.06	0.0
PLGB 10Y	3.29	3.29	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1004.9	1004.9	0.00
BUX	35990	35990	0.00
WIG	62536	62536	0.00

Daily preview: CE currencies slowly extend their gains

(CZ, HU, PL) FX: Regional currencies slowly extend their gain as they have been supported by weaker dollar and lower US interest rates, which generally helped the whole emerging markets universe. On the other hand CE markets clearly eye Thursday's ECB meeting. Many investors turn more cautious ahead of that meeting. Will Draghi downplay some of his hawkish interpreted comments in Sintra or will he confirm them? The latter could spark unwanted market volatility as an official announcement on QE tapering is only expected in September.

(PL) Macro: Poland does not seem likely to succeed in its long-going battle with the European Commission over retailer tax anytime soon as the EC ruled the tax violates the EU state aid rules. Poland maintains the tax is not "selective," but has not yet decided to resume the work on the levy, based on the official signals issued in an immediate response to the EC statement.

(PL) Macro Top policy makers continue to vow they will stick to a core plan to take 25% of assets from qualified pension funds, then shift remaining assets into private accounts while establishing a new framework for employer-sponsored funds with unspecified tax privileges or subsidies.

Equities: Bogdanka keeps its 2017 performance targets

(PL) Coal: Bogdanka keeps its FY17 goal at 9mnt in coal output and sales. The Company is going in line with the plan according to its CEO. Company have filed a motion for a license for the Ostrow deposit and expect to get it by the year end - it's a key element of our strategy..

Bogdanka currently has 227mt of deposit and Ostrow would add another 186mt that would extend mine's life from 25 to 50 years.

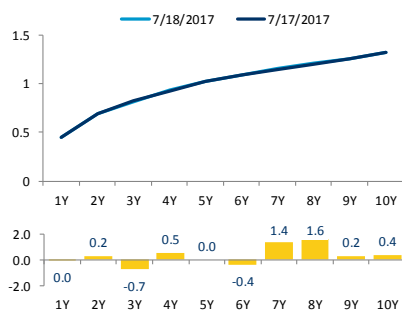
Daily preview: The NBH on hold, awaiting the ECB

(HU) Rates: There is interest-rate-setting meeting in Hungary on Tuesday.

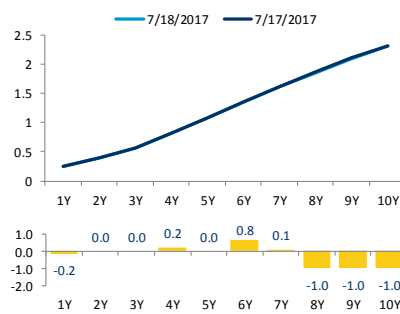
The Hungarian central bank should not change the monetary policy setting this time when it is satisfied that the money market interest rates are close to zero because of the huge surplus. Like the other central banks in the region, the MNB will have to look out for Thursday's ECB session.

Interest-rate Swap Curves

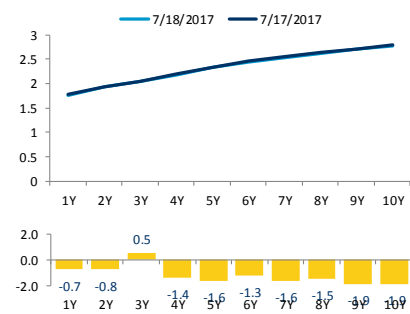
CZK *



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
HU	14:00	NBH meeting	%	07/01/2017	0.9				0.9		0.9	
PL	14:00	Wages	%	06/01/2017					1.6	5	-2.2	5.4

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