

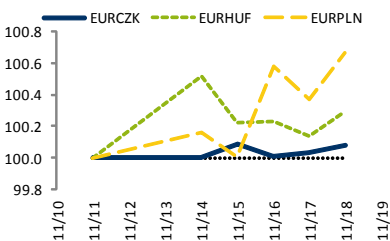


# Central European Daily

Friday, 18 November 2016

## Regional Overview

### Forex markets (index)

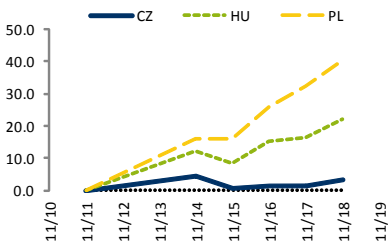


	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.05	27.04	0.05
EURHUF	310.2	309.7	0.16
EURPLN	4.450	4.437	0.29

### Macro, FX & Rates: Zloty still pressed by bond sell-off

**(PL)** The zloty has continued to be under pressure as sell-off on the Polish bond market has not stopped yet. Moreover, the zloty remains the most vulnerable regional currency to negative spill-over effects from other emerging markets. In this respect the ongoing risk-off mode in emerging markets' universe might easily extend until the December, when there is series of important events: the Italian referendum on a constitutional reform (December 4<sup>th</sup>), the ECB meeting (December 8<sup>th</sup>) and the FOMC meeting (December 14<sup>th</sup>). Given such a calendar well packed by important global events, **we are afraid that emerging markets might still remain under pressure for some time and the zloty will continue to trade on a weaker side.** As concerns the technical picture, we think that the EUR/PLN could try to test the 4.50 resistance.

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



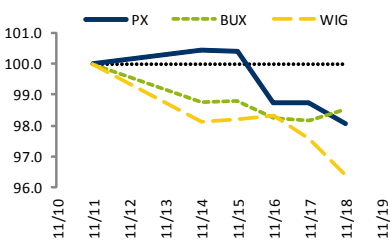
	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.588	0.569	1.9
HUGB 10Y	3.63	3.57	1.7
PLGB 10Y	3.73	3.65	2.2

### Equities: Czech PM talks about special sector taxes

**(PL)** Asseco Poland posted PLN 81.7mn attributable net profit in 3Q16, edging out market consensus for PLN 78.2mn. Revenues increased by 8.4% to PLN 1.902bn to meet consensus, primarily driven by 45% y/y growth of lower margin segment of licensed software and services (PLN 140mn). Traditionally highest margin proprietary software and services increased by 6.6% to PLN 1.55bn. Operating profit was up 1.6% and beat market consensus by 4.9%.

**(HU) Taxes:** Hungary's prime minister announced yesterday during the session that will lower corporate tax rate to 9pc from next year (down from 10pc at present). The lower tax rate will applied only on the tax base below HUF 500mn. *While we think this is a positive step, but the impact on the companies listed in Hungary will be only negligible.*

### Equity indices (index)



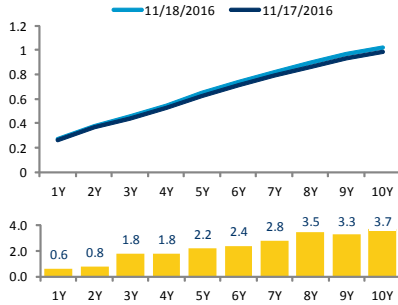
	LAST	PREVIOUS	CHANGE (%)
PX	883.7	889.6	-0.67
BUX	30050	29941	0.36
WIG	46723	47274	-1.17

### Preview: watch Polish hard data from the labour market

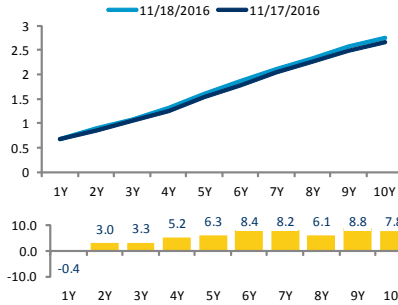
**PL:** Statistical Office will present employment and wage figures for October

# Interest-rate Swap Curves

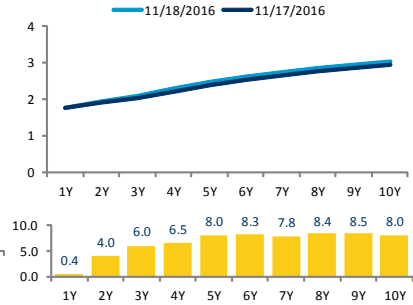
CZK \*



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
PL	14:00	Wages	%	10/01/2016				1.5	4.2	0.1	3.9

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