

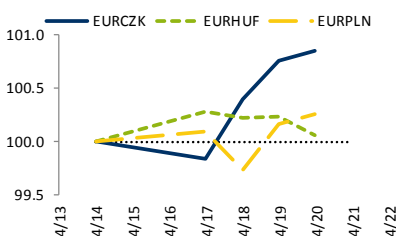


Central European Daily

Thursday, 20 April 2017

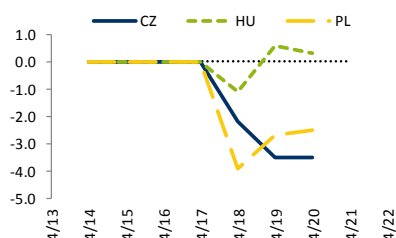
Regional Overview

Forex markets (index)



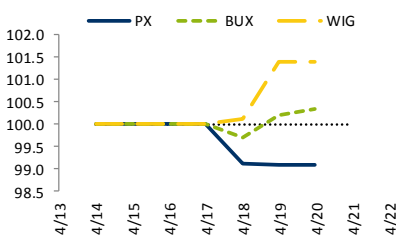
	LAST	PREVIOUS	CHANGE (%)
EURCZK	26.91	26.89	0.09
EURHUF	312.9	313.5	-0.18
EURPLN	4.256	4.252	0.09

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.863	0.863	0.0
HUGB 10Y	3.27	3.27	-0.1
PLGB 10Y	3.37	3.37	0.1

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	967.5	967.5	0.00
BUX	32734	32688	0.14
WIG	59515	59515	0.00

Macro, FX & Rates: CZK slides back to intervention floor

(CZ) FX: The Czech koruna extended its losses yesterday as the EUR/CZK moved closer to the previous intervention floor (27.00) abandoned recently by the Czech National Bank. It seems that uncertainty ahead of the first round of the presidential elections might play some role as speculators betting on koruna's gains (entering their short EUR/CZK positions ahead of the CNB exit) could feel shakier. Bear in mind that the Czech economy had enjoyed around EUR 50-60bn of hot money inflows in the first quarter of this year betting the Swiss-style exit from the intervention regime set-up by the Czech central bank.

(PL) Macro: The Polish labour market look still very strong as the March figures showed that that both employment and wages grow by around 5%. Hence, the labour market readings for the first quarter were also very strong, which points to solid performance of the economy.

Equities: Energa's preliminary results slightly positive

(CZ) VIG confirmed its 2016's preliminary figures with EUR 406.7mn pre-tax profit, Solvency II ratio at 195% and EUR 0.8 DPS. VIG partly revised down 2015's figures due to changes in the goodwill recognised in Romania, Croatia, Hungary and Albania/Kosovo, the Group shareholders' equity was adjusted by around EUR 90mn. Profit before taxes in the 2015 financial year declined by the same amount.

Results for 2016 were confirmed, no one cares much about 2015's figures, however it has partly negative impact on the Group's equity (down by ca 1.8%).

(CZ) Moneta gets CNB approval for a CZK 50bn bond program. *The proceeds will be used for financing of the growth and also for potential acquisitions.*

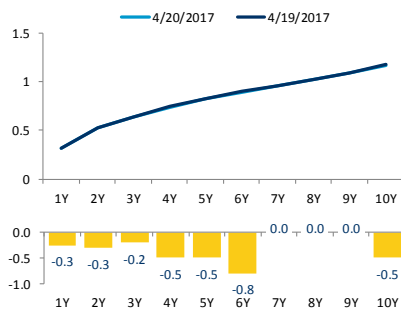
(PL) ENG: Energa expects to post PLN 601mn group EBITDA in 1Q16, down by 6.8% y/y, including PLN 530mn in the distribution segment, the firm said yesterday A/Mkt of preliminary estimates. The company's 1Q17 gross result was influenced by the PLN 53mn valuation of options for builder Polimex shares currently held by TF Silesia, the company noted. The amount will be booked in revenues from financial operations; *Although there was no consensus available, we see preliminaries as SLIGHT POSITIVE. Distribution is expected to deliver a solid performance of PLN 530mn (+6.2% y/y), despite the outlook of slight FY17 decline (no more than PLN 100mn), most probably thanks to a higher realized power volumes. Although, EBITDA in generation/supply might disappointed some investors for the first glance with an amount of just PLN 71mn combined vs. PLN 161mn in 1Q16, we would like to remind that Energa management has warned investors against a strong pressure on 2017 outlook – in generation specifically due to a further decline in "green" certificate prices or an overhaul of another unit of Ostroleka (technical shutdown in March-April of this year).*

Daily preview: Strong Polish retail and industry expected

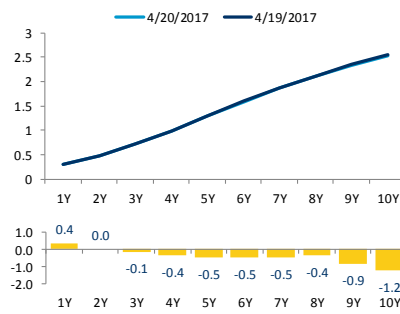
(PL) Macro: Strong March industrial output and retails sales data are expected.

Interest-rate Swap Curves

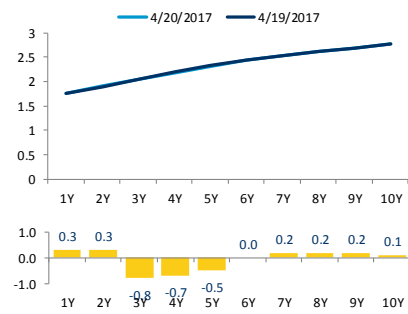
CZK *



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	Unit	Period	Forecast		Actual		Consensus		Previous	
					m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
CZ	9:00	PPI	%	03/01/2017			-0.1	3	0	3.1	0.4	3.1
HU	9:00	Wages	%, ytd.	02/01/2017				10.7		9.8		10
PL	14:00	Industrial output	%	03/2017					13.3	7.4	-0.9	1.2
PL	14:00	PPI	%	03/01/2017					0	4.6	0	4.4
PL	14:00	Retail sales	%	03/01/2017					15.4	8.6	-2.7	7.3

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