

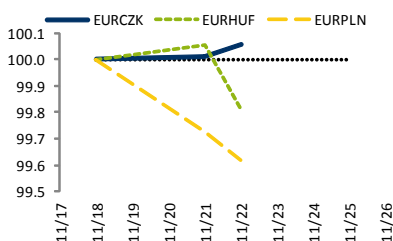


Central European Daily

Tuesday, 22 November 2016

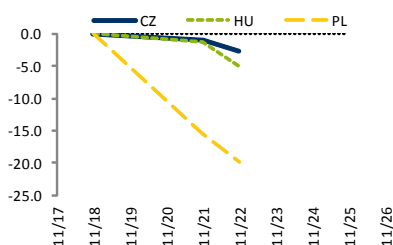
Regional Overview

Forex markets (index)



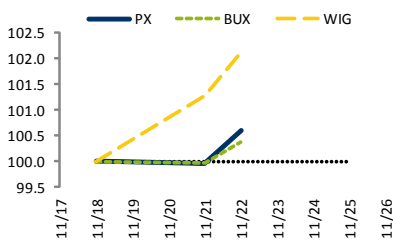
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.05	27.03	0.04
EURHUF	308.4	309.2	-0.24
EURPLN	4.420	4.425	-0.11

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.529	0.546	-1.7
HUGB 10Y	3.55	3.59	-1.1
PLGB 10Y	3.50	3.54	-1.2

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	889.7	884.0	0.64
BUX	30222	30104	0.39
WIG	47898	47512	0.81

Macro, FX & Rates: headline

(PL) Weaker GDP figures (released last week) were followed by surprisingly poor figures from the fourth quarter. **The (negative) eye catcher was outcome of the Polish industrial production, which dropped by 2.5% month-on-month and 1.3 year-on-year.** Moreover, retail sales and construction figures also disappointed, which implies that the Polish economy has begun the last quarter of the year on weak footing. Thursday's release of the minutes from the last meeting of Polish Monetary Policy Council could therefore draw some attention.

(HU) Average gross earnings were 6.7% more than one year before in Hungary. In Jan–Sept 2016, average gross earnings amounted to HUF 257,900 and increased by 6.1% compared to the same period of the previous year. Due to the 1 percentage point reduction in the rate of personal income tax, in the first nine months of the year, the rise of average net earnings was 7.7%. **The increase of the guaranteed minimum wage, as well as the salary increase of armed forces and the payment of an additional allowance for those working in the health and social field had an impact on earnings growth.**

Equities: headline

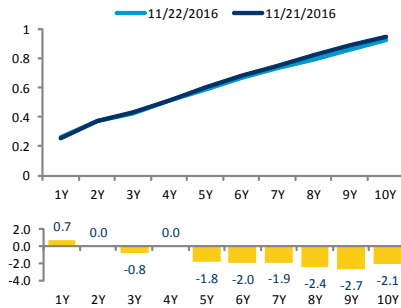
(CZ) **VIG** The insurer posted pre-tax profit at EUR 100mn, 1% above **BBG consensus** on higher than expected financial results and mildly lower expenses from claims and insurance benefits. **Outlook:** EUR 400mn pre-tax **full year guidance confirmed**, similarly to 95% combined ratio target in MT. **Dividend policy: Confirmed** (VIG to pay-out at least 30% of net profit). **/NEUTRAL.** *The company slightly missed on the net profit line due to higher minorities, while PBT was 1% above BBG consensus. GWP was driven primarily by non-core markets (Romania, Baltics). Outlook and dividend policy were confirmed.*

Weekly Preview: NBH to keep policy unchanged

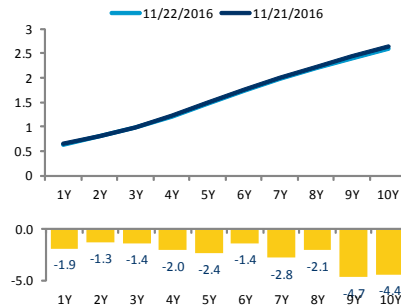
(HU) There is **no reason for the National Bank of Hungary (NBH) to change its policy**, since it can be satisfied that money market interest rates remain low on the one hand, and inflation is starting to rise at last on the other (year-on-year inflation jumped to 1% in October). Yesterday, NBH held a swap-tender and made deal with other banks in amount of HUF 150 bn. and pushed more liquidity to the interbank market.

Interest-rate Swap Curves

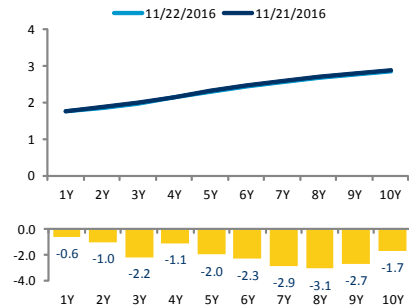
CZK *



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 VIG	CZK 3Q/2016								
HU	9:00	Wages	%, y td. 09/01/2016			6.7		6.3		6.9	
HU	14:00	NBH meeting	% 11/2016	0.9				0.9		0.9	

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