

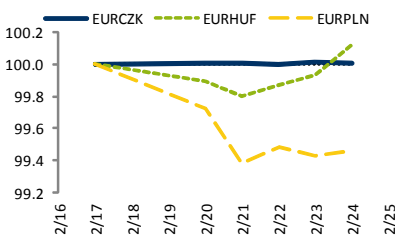


Central European Daily

Friday, 24 February 2017

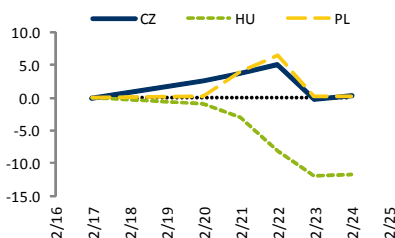
Regional Overview

Forex markets (index)



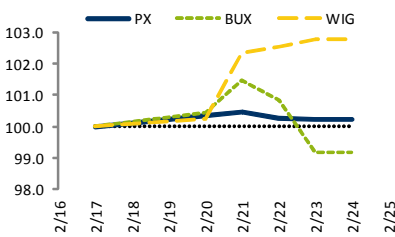
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.02	27.02	0.00
EURHUF	308.6	308.1	0.18
EURPLN	4.305	4.304	0.03

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.591	0.586	0.5
HUGB 10Y	3.43	3.43	0.1
PLGB 10Y	3.82	3.82	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	972.2	972.2	0.00
BUX	33549	33549	0.00
WIG	59584	59584	0.00

Macro, FX & Rates: The forint slowly gives up its gains

(PL) Macro, rates: The NBP released the Minutes from its last policy-meeting held on February 8th. The MPC could debate sounded more hawkish as “certain Council members were of the opinion that should inflation turn out to be higher than current forecast, it might be justified to consider an increase in the NBP interest rates in the subsequent quarters. According (Minutes) to these Council members, the interest rate decisions ought to reflect the impact of real interest rates on savings in Poland”. *Still, we think that a rate hike will be not on agenda this year, but the 2018 could be different.*

(HU) FX: The EUR/HUF failed to break below the 307 level on Tuesday and since that time the forint has continued to give up its previous gains.

Equities: Fortuna to acquire Hattrick's operations

(CZ) FORTUNA: The company has announced that it agreed to acquire Hattrick's operations in Romania, Croatia and Spain for EUR 85mln. The final price could be increased by EUR 50mln depending on the financial perform. *Considering the fact that Fortuna has deleveraged recently with Net Debt close to zero effectively, we see the financing of the transaction not to be an issue at the moment. Nevertheless to assess the final impact, we have to wait for more details especially for the financials of the acquired Company. We have talked to the company and they are not planning to announce any other details until Shareholders general meeting (usually held in late May). In the meantime, Fortuna is scheduled to announce its FY16 figures on March 9, while the recently announced acquisition likely to be the main theme (at least at the conference call).*

(PL) Alior: Alior's largest shareholder PZU would like Alior to start paying dividends within several years. Alior is preparing a new strategy that should be published on March 9. *This is in-line with our expectations. Last week we met Alior and PZU in the Warsaw and the news about the dividends is in line what we learned from the meetings too (we don't expect any dividend until at least 2019).*

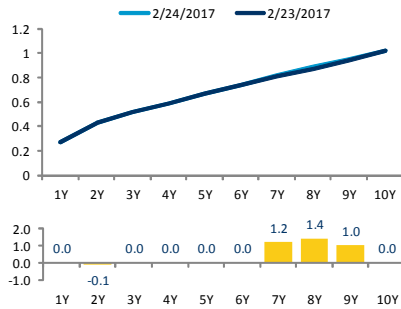
(HU) Magyar Telekom: We decided to update our valuation model post FY16 results downgrading MTEL to SELL with target price at HUF 472/shr, down from HUF 510/shr (6.2% downside vs. current market price). MTEL lost its attractiveness, in our view. *Albeit Company fulfilled its 2016 goals and boosted free cash flow to HUF 50bn (+87.1% y/y), it kept its DPS stable at HUF 25. This came as a big disappointment as the MTEL's story was particularly about the gradual increase in DPS back to HUF 50 level. Additionally, MTEL committed to 2017 targets at the lower end of previously indicated range highlighting risks linked to potential entry of Digi onto the Hungarian market.*

Daily Preview: NBP Minutes and S&P update on Hungary

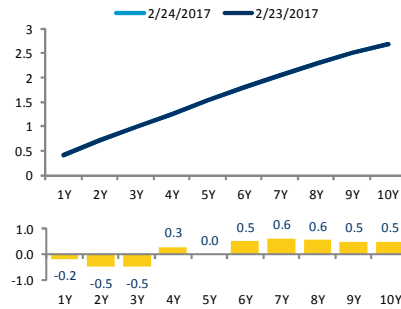
(HU) Macro: The S&P agency will update Hungary's sovereign rating assessment (currently BBB-).

Interest-rate Swap Curves

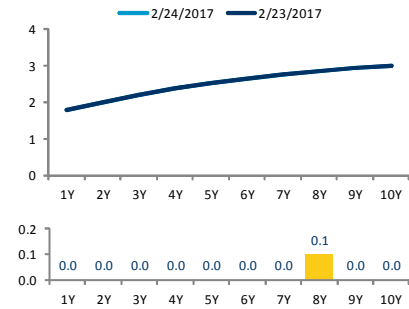
CZK *



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	17:00	Review rating - S&P	BBB-	1. rev	ize						

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