

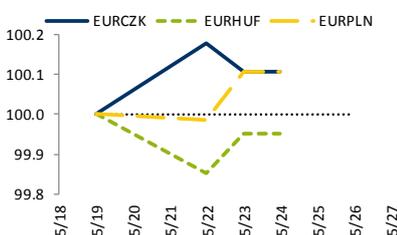


Central European Daily

Wednesday, 24 May 2017

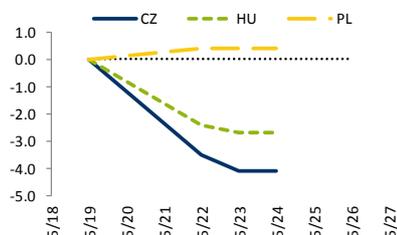
Regional Overview

Forex markets (index)



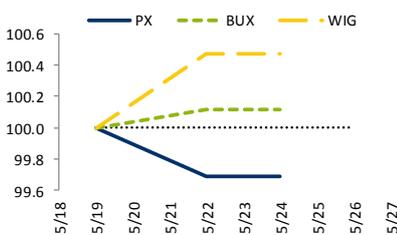
	LAST	PREVIOUS	CHANGE (%)
EURCZK	26.52	26.52	0.00
EURHUF	308.8	308.8	0.00
EURPLN	4.205	4.205	0.00

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.890	0.890	0.0
HUGB 10Y	3.09	3.09	0.0
PLGB 10Y	3.34	3.34	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1017.0	1017.0	0.00
BUX	34876	34876	0.00
WIG	61025	61025	0.00

Macro, FX & Rates: The NHB keeps its dovish line

(HU) Rates: The Hungarian central bank (NBH) has remained in a dovish mode, which has been confirmed not only by yesterday's outcome of the MPC meeting, but also today's comments of the NBH deputy governor Nagy. Recall that while the NBH statement stresses that **"if (the Hungarian) inflation remains persistently below the target, the Council will stand ready to ease monetary conditions further using unconventional, targeted instruments, rate-setter Nagy said that the NBH could keep its base rate unchanged until early 2019.**

Interestingly, while Hungary's interest rates have been falling in reaction to the communicated NBH dovish stance, the forint has been only little change.

Equities: Comarch releases disappointing earnings

(PL) COMARCH: Company released disappointing results for 1Q17, yesterday.

We consider the news as negative - while reported revenues at PLN 242mn were just slightly below market estimate at PLN 250mn, EBIT stood negative at PLN 11mn vs. positive PLN 7.7mn expected by the market.

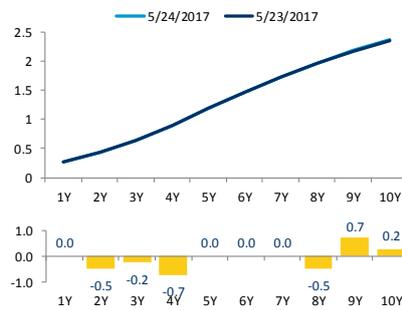
(PL) PKN: Company is planning to spend approx. PLN 400mn annually over the next two years on upgrading its filling stations by investing in expanding their catering and shopping offering and also on launching new stations according to daily Parkiet. The company will launch new innovative stop.cafe and GO!Shop concepts that include coffee corners and convenience stores at 130 of its gas stations this year, PKN Orlen's press office claims. The company expects its fuel sales volumes to rise this year as the government's effective crackdown on illegal fuel trading continues as evidenced by the 19% y/y increase of diesel consumption in Poland. On top of that, Company announced that is launching a car sharing service in June as it will be renting out cars at its filling stations in Krakow and Warsaw as an alternative for cabs and city transportation. The company will be working with Polish automotive Holding 1 owned firm Traficar whose cars will be available at PKN Orlen's stations for rent. This partnership is in line with our retail segment's growth plans, member of the management board responsible for sales Zbigniew Leszczynski comments, adding that car sharing is a future proof service and by promoting it the company is contributing to increasing innovations in the economy and expanding the mobility offering.

Interest-rate Swap Curves

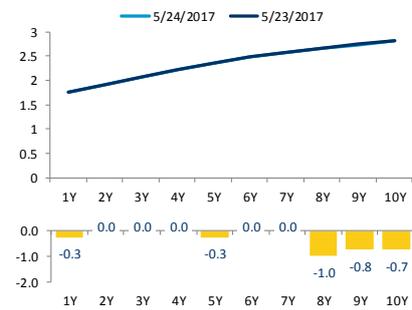
CZK *



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

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