

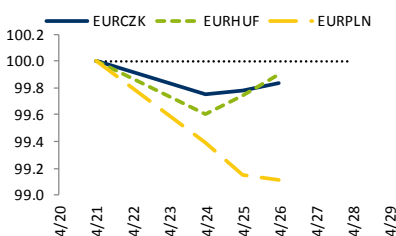


Central European Daily

Wednesday, 26 April 2017

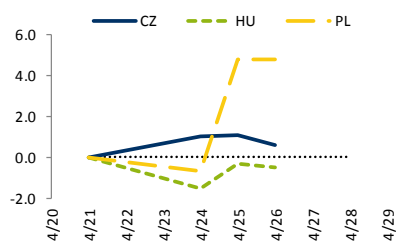
Regional Overview

Forex markets (index)



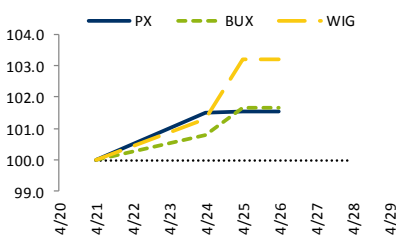
	LAST	PREVIOUS	CHANGE (%)
EURCZK	26.89	26.88	0.06
EURHUF	312.3	311.9	0.15
EURPLN	4.227	4.228	-0.03

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.870	0.875	-0.5
HUGB 10Y	3.29	3.29	-0.1
PLGB 10Y	3.45	3.45	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	993.0	993.0	0.00
BUX	33519	33519	0.00
WIG	61183	61183	0.00

Macro, Rates: NBH sends dovish signal. Delivery in June?

(HU) Macro, Rates: The National Bank of Hungary (NBH) left base rate at 0.9% and the unconventional tools were left unchanged as well in line with the market expectation.

The statement was still speaking about negative output gap and the Monetary Council sees inflation to move to around the 3% Y/Y target only in 2018. *The stance of the statement was still rather dovish, which highlighted at the end that further monetary easing may come by using of unconventional tools. So we maintain our expectation that the cap of 3-month deposit might be moderated to 300bn in 3Q17 (the Council makes the decision about it in June meeting). It means that the internal bank rate might go down further by around 5-10bp in the coming months and not only the 3 month tenor but also the 6 and 12 month tenors (thanks to the new FX swap tools the NBH using since beginning of April).*

We think that the turnaround may come during the autumn, if fiscal policy becomes looser and ECB starts to speak about further tapering, but we expect that the internal interest rates may remain well below 0.5% at the end of the year and no rate hike is expected till end 2018.

The NBH might be happy with the recent developments on the EUR/HUF market. We still see the main trading range between 307 and 314 for the following weeks.

(PL) Macro: Poland assumes to have 1.89b zloty next year from retail tax according to Puls Biznesu. *In our view this is not a good message, because It seems like Poland would refresh the idea of retail tax. Note that Poland is in discussions with European Commission over retail tax; EU has already blocked plans to introduce progressive tax rate for retailers.*

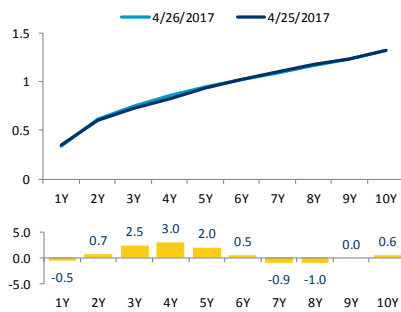
Equities: Romania behind strong CETV results

(CZ, RO) CME: CME released its 1Q16 results, which were a bit above market consensus and our estimates as well. CME commented that "is very optimistic about the rest of 2017 and feel very confident that we are on track for yet another year of strong earnings growth and significant deleveraging." We can imagine CETV to guide OIBDA growth of low to high teens and ca USD 100+mn unlevered free cash flow. Currently market calls for OIBDA at around USD 167mn (up 11% y/y).

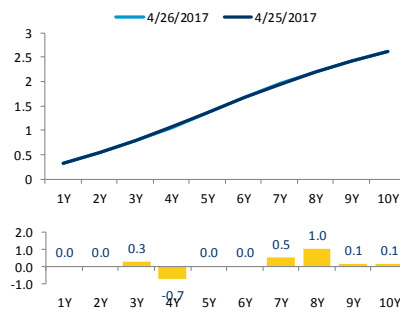
Generally - 1Q17 figures were a notch above estimates, which was primarily fueled by 25% revenues growth in Romania and cost side under the control. CETV seems to be optimistic to the rest of 2017, while is likely to announce more detailed outlook during afternoons' conference call..

Interest-rate Swap Curves

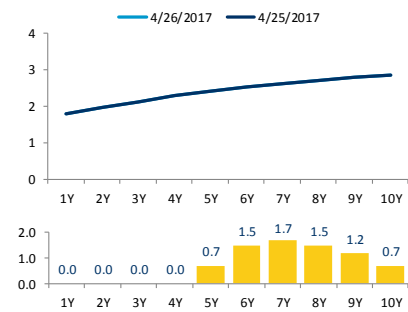
CZK *



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
PL	10:00	Unemployment rate	%	03/01/2017					8.2		8.5	
CZ	12:00	CZ bond auction 2013-2019, 1.50%		CZK B 04/01/2017					5			
CZ	12:00	CZ bond auction 2013-2028, 2.50%		CZK B 04/2017					4			
CZ	12:00	CZ Bond auction 2006-2036, 4.20%		CZK B 04/01/2017					2			

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