

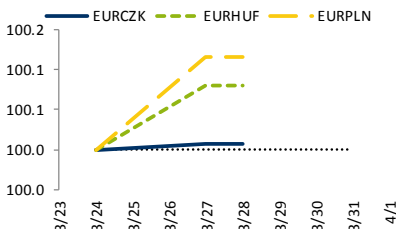


Central European Daily

Tuesday, 28 March 2017

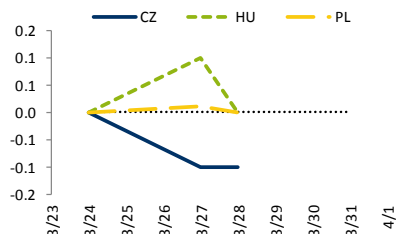
Regional Overview

Forex markets (index)



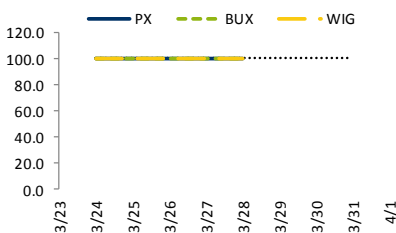
	LAST	PREVIOUS	CHANGE (%)
EURCZK	27.02	27.02	0.00
EURHUF	310.6	310.6	0.00
EURPLN	4.267	4.267	0.00

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.930	0.930	0.0
HUGB 10Y	3.37	3.37	0.0
PLGB 10Y	3.55	3.55	0.0

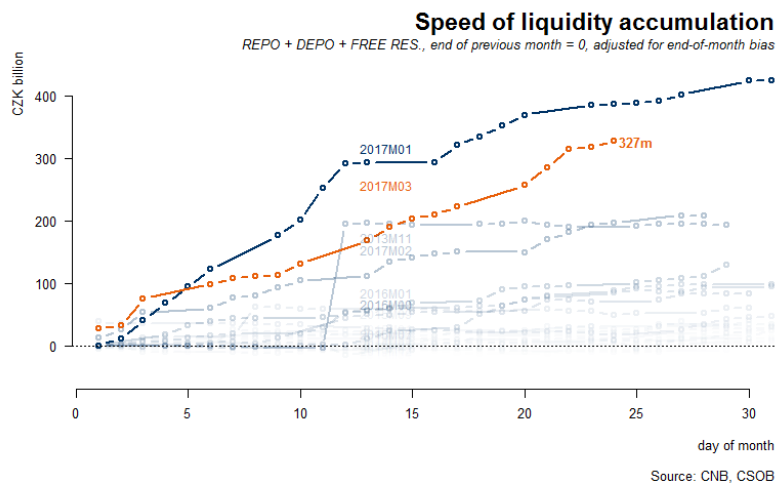
Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	982.5	982.5	0.00
BUX	32097	32097	0.00
WIG	59070	59070	0.00

Macro, FX & Rates: CNB liquidity accumulation slows down

(CZ) Ahead of Thursday's meeting of the Czech National bank, the pace of liquidity accumulation **has somehow slowed down**. Nevertheless, the overall volume of interventions can still surpass monthly record hit in January 2017.



Equities: Philip Morris beats expectations

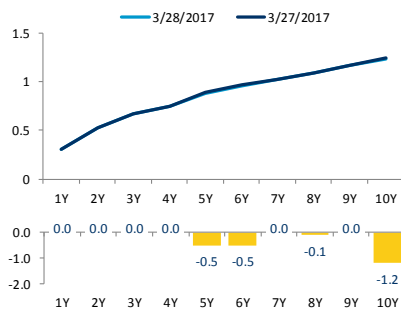
(CZ) Philip Morris released its FY16 results today **B/MKT**. Revenues increased 5.4% y/y to CZK 11.45bn, perfectly in line with our estimates and 1.6% above market consensus. / **PM CR clearly did better than market anticipated in 2016, primarily due to the lower OPEX (staff cost down by 5% y/y amid higher shipments). Dividend is also above estimates (CZK 1000/shr vs. our's CZK 950/shr and CZK 936/shr expected by the market). Although, the company may face some headwinds from planned tax increases in coming years and from anti-smoking legislative in the Czech Republic (May 2017), we still expect rather solid dividends in coming years. PM CR is thus still dividend play with some 7+% DY.**

Weekly Preview: MNB to keep slightly dovish stance

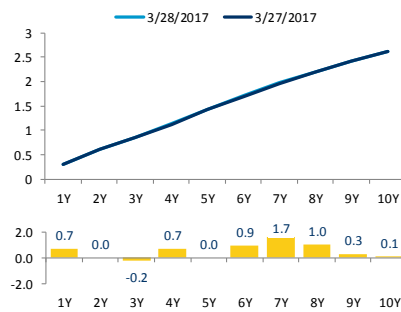
(HU) The NBH was quite dovish last time again. The NBH statement still emphasized that the output gap is still negative and there are unused capacities. The Council doesn't worry about the increasing inflation, they see consumer price index moving to the inflation target of 3% only in 2018. So we expect that the MPC may moderate further the cap on the 3-month depo instrument from HUF750bn to 600bn by the end of June. The new inflationary report will be published too, so it will be interesting how much the CPI outlook would be modified on the figures of jumping inflation and wages at the beginning of the year. **We expect that NBH may keep its slightly dovish stance.**

Interest-rate Swap Curves

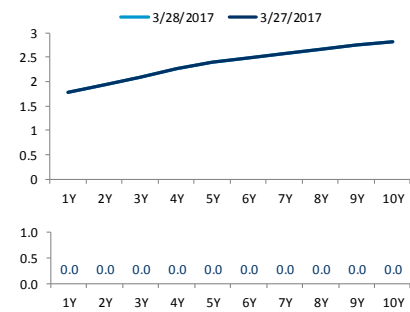
CZK *



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
HU	14:00	NBH meeting	%	03/01/2017	0.9				0.9		0.9	

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