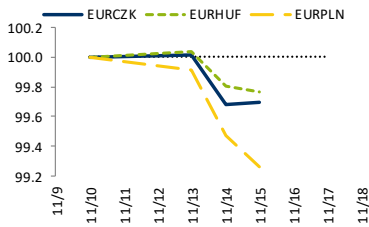


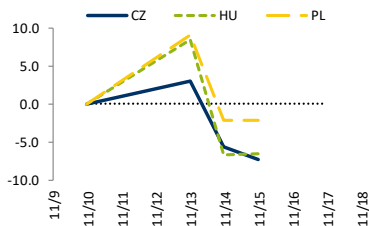
Wednesday, 15 November 2023

Forex markets (index)



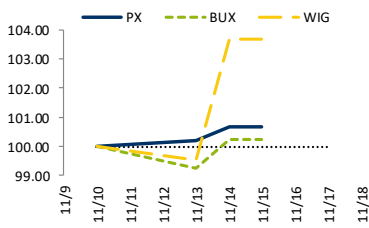
	LAST	PREVIOUS	CHANGE (%)
EURCZK	24.49	24.49	0.02
EURHUF	376.1	376.3	-0.04
EURPLN	4.396	4.406	-0.21

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	4.454	4.470	-1.6
HUGB 10Y	7.07	7.07	0.0
PLGB 10Y	5.59	5.59	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1374.0	1374.0	0.00
BUX	57679	57679	0.00
WIG	74171	74171	0.00

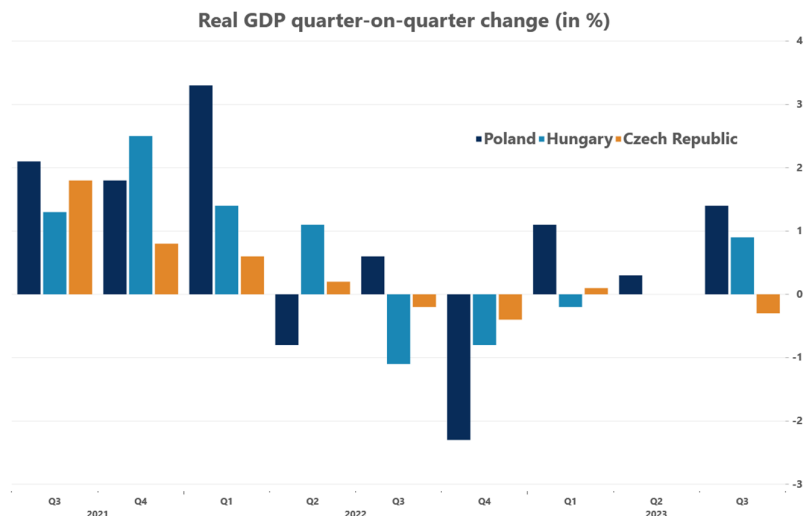
Our regional insights:

Hungarian and Polish growth rebound in 2023Q3

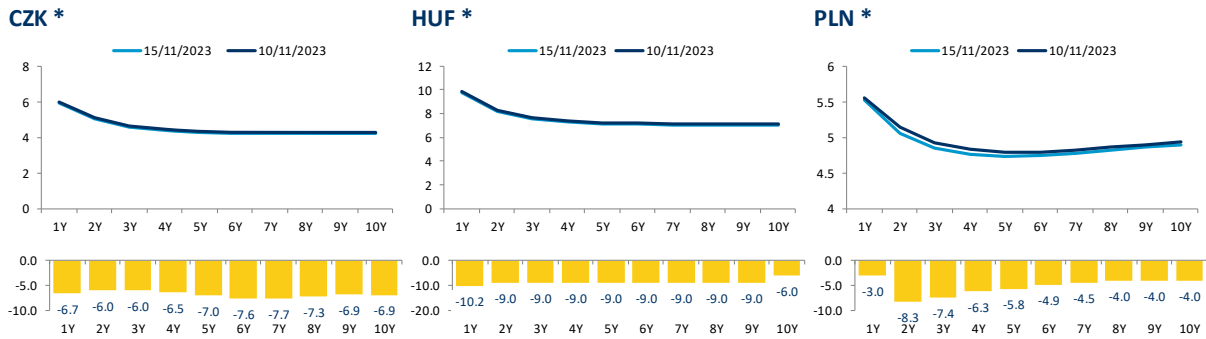
The flash estimates of real GDP growth in Central and Eastern Europe confirmed that the volatility of these important economic data remains high in the post-COVID era. This often leads to surprising results, but also to significant revisions of previous figures. This was the case, for example, with the Q3 GDP results for Hungary, Romania and Poland. In the case of the latter, the time series has been significantly revised since the beginning of 2021, with the new growth path now looking much smoother. Moreover, the new revised GDP series suggests that the worst is probably over for the Polish economy. Indeed, according to the current GDP series, **the Polish economy already reached its trough at the end of 2022 and has since grown continuously for three quarters in a row.**

If we try to compare the growth dynamics in Central and Eastern Europe, **the relative lagging of the Czech economy stands out** alongside the clear leaders, which have traditionally been Poland and Bulgaria. It has been more or less stagnant in recent quarters, with Hungary being the only Eastern European economy that has also seen a decline in performance in recent quarters. However, new GDP data for the third quarter of 2023 show that the Czech Republic was the only Eastern European economy to show negative growth in the last quarter.

We do not think that the regional GDP divergence (or in other words the underperformance of the Czech economy) might have immediate market implications. Nevertheless, it can lead to koruna underperformance against the zloty and the forint (in line with our foreign exchange outlook for the next two quarters).



Interest-rate Swap Curves



* upper plot in each panel shows interest swap curve (%), lower plot shows change in interest rates in basis points (against previous Friday). Source for all market data: Bloomberg

Calendar

Country	Date	Time	Indicator	Period	Forecast		Actual		Consensus		Previous	
					m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
PL	11/15	10:00	CPI	% 10/2023 *F			0.3	6.6			0.2	6.5
CZ	11/16	9:00	PPI	% 10/01/2023					0.3	0.6	0.3	0.8
PL	11/16	14:00	Core CPI	% 10/01/2023					0.7	8.0	-0.1	8.4
PL	11/21	10:00	PPI	% 10/01/2023							0.3	-2.8
PL	11/21	10:00	Industrial output	% 10/01/2023							8.4	-3.1
PL	11/21	14:00	Wages	% 10/01/2023							0.1	10.3
HU	11/21	14:00	NBH meeting	NBH 11/01/2023								
PL	11/22	10:00	Retail sales	% 10/01/2023							-0.3	-0.3
CZ	11/22	12:00	CZ bond auction 2023-2029, 5.75%	CZK B 11/01/2023					5			
CZ	11/22	12:00	CZ Bond auction 2023-2032, 4.50%	CZK B 11/01/2023					3			

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