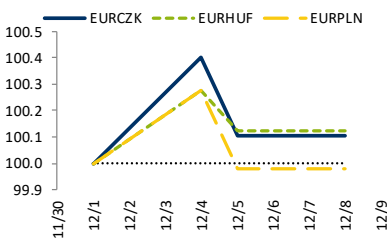


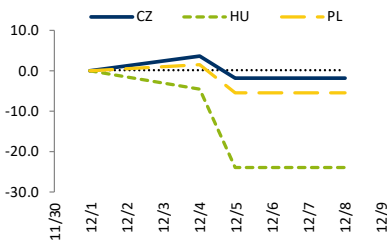
Friday, 08 December 2023

**Forex markets (index)**



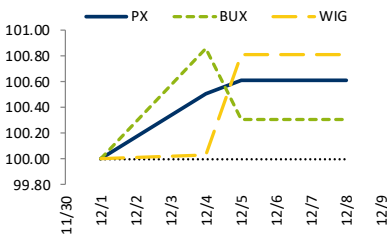
	LAST	PREVIOUS	CHANGE (%)
EURCZK	24.34	24.34	0.00
EURHUF	379.3	379.3	0.00
EURPLN	4.320	4.320	0.00

**Gov. bonds 10 Y (bps change)**



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	4.183	4.183	0.0
HUGB 10Y	6.43	6.43	0.0
PLGB 10Y	5.40	5.40	0.0

**Equity indices (index)**



	LAST	PREVIOUS	CHANGE (%)
PX	1398.9	1398.9	0.00
BUX	58191	58191	0.00
WIG	76936	76936	0.00

## Regional insights

### The Czech industry rebounds thanks to automotive

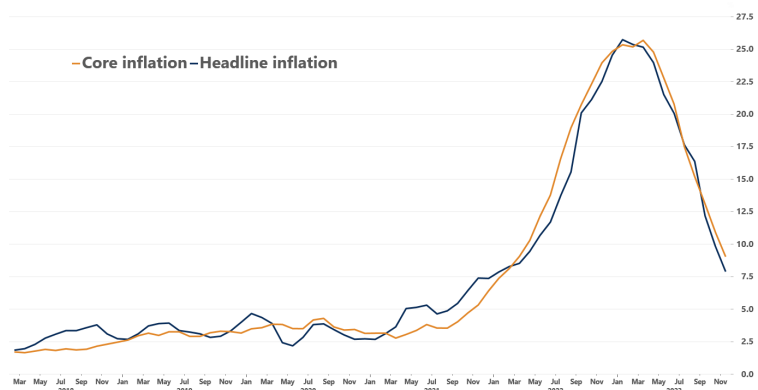
The Czech industrial production in October grew by 1.9% YoY in real terms and by 2.8% MoM. This is in line with our expectation of a slight recovery in the Czech economy in the fourth quarter of this year. The better industrial performance in October is largely due to the automotive sector, where the shutdown ended in October (due to a shortage of parts from Slovenia) and production picked up again. Compared with September, however, seasonally adjusted industrial production rose in the most important sectors, including machinery, plastics and metals. Thus, the only sector that continues to decline is computer and electronic manufacturing. Overall, the October industrial data so far confirm our bets on a mild economic recovery in the final quarter of the year. Like the Czech central bank, we expect growth of 0.1% QoQ (our nowcast after yesterday's figures points to stagnation). On the other hand, it should be noted that despite a slight improvement in production in October, its overall level remains relatively low in a number of key sectors (such as machinery), as does the value of new orders in most sectors, with the exception of automobiles. New orders continued to fall in October, by 4% year on year, mainly due to foreign orders. Recall that among the Czech Republic's main export markets, Germany in particular underperformed, with the industry surprisingly contracting by 0.4% MoM in October.

Finally, leading indicators and business sentiment (PMI) do not look positive either. We therefore expect a relatively weak start to 2024 from an industrial perspective, with exports and investment holding back the Czech economy.

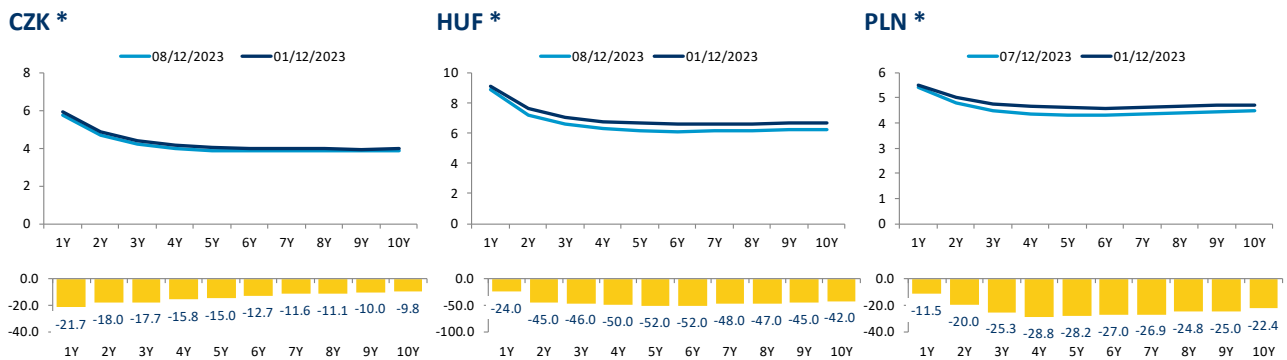
### The Hungarian inflation fell again in November

The Hungarian inflation basically matched markets' expectations as the price level was flat in November. Hence CPI growth slowed from 9.9% YoY reached in October to 8.0% YoY recorded last month. We believe that another decline in inflation will support further easing of the NBH monetary policy, which will come just before Christmas (on December 19<sup>th</sup>).

HU: Consumer Prices (YoY change in %)



## Interest-rate Swap Curves



## 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
HU	12/08	8:30	CPI	% 11/01/2023			0	7.9	-0.1	8.0	-0.1	9.9
HU	12/08	8:30	Trade balance	EUR M 10/2023 *P			1037				1340	
CZ	12/08	9:00	Unemployment rate 15-64	% 11/01/2023			3.5		3.5		3.5	
HU	12/08	11:00	Budget balance	HUF B 11/01/2023							-3487.6	
PL	12/08	14:00	NBP minutes	NBP 12/01/2023								
CZ	12/11	9:00	CPI	% 11/01/2023							0.1	8.5
CZ	12/13	12:00	CZ Bond auction 2023-2032, 4.50%	CZK B 12/01/2023					4			
CZ	12/13	12:00	CZ bond auction 2023-2034, 4.90%	CZK B 12/01/2023					3			
CZ	12/13	12:00	CZ bond auction 2021-2037, 1.95%	CZK B 12/01/2023					2			
CZ	12/14	10:00	Current account	CZK B 10/01/2023							33.4	

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