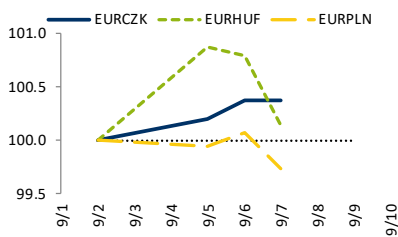




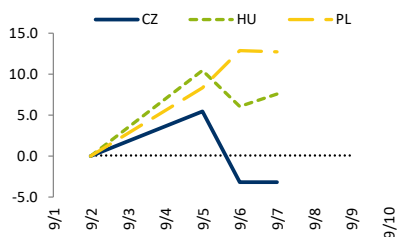
Wednesday, 07 September 2022

Forex markets (index)



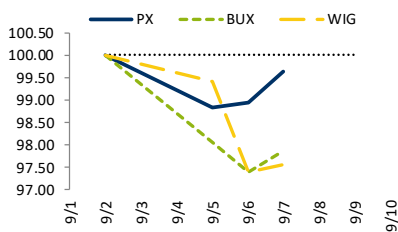
	LAST	PREVIOUS	CHANGE (%)
EURCZK	24.63	24.63	0.00
EURHUF	401.2	403.8	-0.65
EURPLN	4.714	4.729	-0.33

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	4.642	4.642	0.0
HUGB 10Y	8.99	8.97	0.2
PLGB 10Y	6.15	6.15	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1146.1	1137.9	0.72
BUX	41051	40851	0.49
WIG	48463	48373	0.19

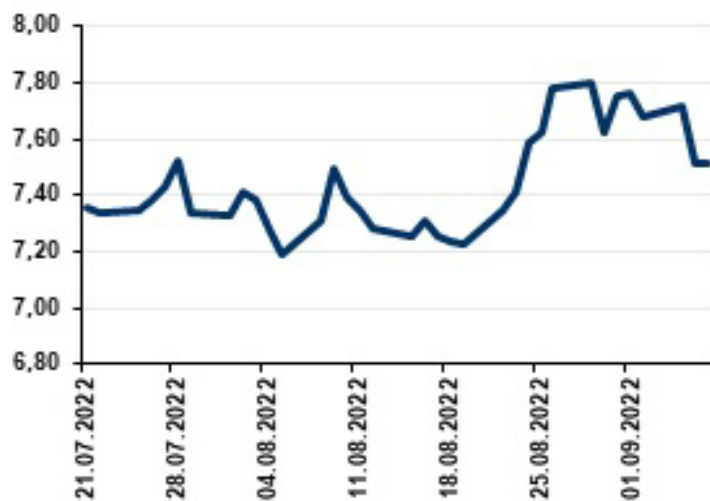
Our regional insights:

Another rate-hike from the NBP. This time just 25bps

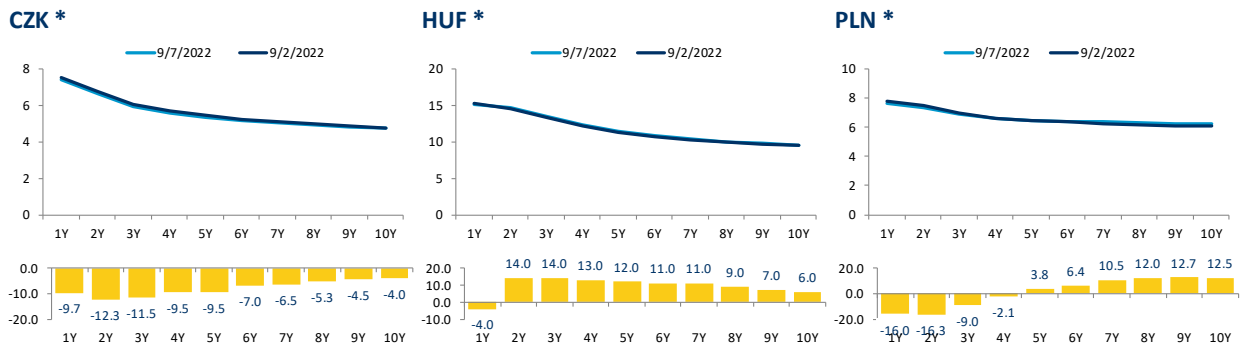
The Polish central bank meets this afternoon and is very likely to hike interest rates. This time, however, it will only be by 25 basis points, despite the fact that Polish inflation rose to a new quarter-of-century high in August. However, the current Monetary Policy Committee is giving much more weight to economic growth, which is clearly slowing down. Moreover, we are even afraid that the Polish economy might be already in a technical recession. It will therefore be important to read in the NBP statement the MPC's assessment of the economic output. Importantly, tomorrow afternoon there will be a press conference by NBP's chief Głapinski, which will give us clues whether the dovish majority in the MPC is ready to cancel the tightening cycle already after today's rate hike.

Looking at the PLN money-market and swap curves it seems that the market has already been quite cautious in terms of further NBP tightening anyway. The market sees approximately two or three more 25bps rate hikes above the current level of the NBP official rate (6.50%). We believe that the yield curve prices in the NBP's rate hikes rather correctly now, but development in core fixed-income markets is a clear risk as it might force the MPC to be more hawkish than it would like to be.

PLN FRA 3x6



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).

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	09/07	9:00	Industrial output	% 07/01/2022			1.1	6.6		2.9	0.6	4.8
CZ	09/07	10:00	FX reserves of the CNB	EUR B 08/01/2022			142.3				144.7	
CZ	09/07	12:00	CZ bond auction 2022-2026, 6.00%	CZK B 09/01/2022					6			
CZ	09/07	12:00	CZ bond auction 2022-2030, 5.00%	CZK B 09/01/2022					6			
CZ	09/07	12:00	CZ bond auction 2021-2032, 1.75%	CZK B 09/01/2022					2			
PL	09/07	14:00	NBP meeting	% 09/01/2022	6.75				6.75		6.50	
CZ	09/08	9:00	Unemployment rate 15-64	% 08/01/2022					3.3		3.3	
HU	09/08	9:00	CPI	% 08/01/2022							2.3	13.7
HU	09/08	9:00	Trade balance	EUR M 07/2022 *P								-408

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