

# Monthly Forecasts – Slovakia – December

## Major economic indicators

### Analyst:

Katarína Muchová  
 +421 2 4862 4762  
[muchova.katarina@slsp.sk](mailto:muchova.katarina@slsp.sk)

The Statistical Office will publish the final estimate for 3Q15 GDP tomorrow. **We expect that it will be the same as the flash 3Q15 GDP growth estimate, which stands at 3.6% y/y. Seasonally adjusted quarterly growth would thus reach 0.9% q/q.** Data for the third quarter released up to now have been mostly positive: industrial production (despite August's slowdown, the 3Q15 average stands at 6.2% y/y), retail sales picked up and labour market improvement progressed further. On the other hand, foreign trade performance could have been significantly better. We expect domestic demand – household consumption and investment – to have retained its position as the engine of growth, aided by the improving labour market and EU funds utilisation.

Foreign trade performance has been rather lukewarm in the previous months and we do not expect a substantial deviation from this trend in October. Eurozone's economic recovery is still fragile and currently also exposed to the slowdown from China. **We expect foreign trade balance at around EUR 326 mil. in October, which is a more cautious estimate than the market consensus and still below last year's level.**

Industrial production returned to dynamic growth in September, growing at 7.2% y/y. **We expect industrial production growth to have remained at a similar, albeit slightly lower, level in October and our forecast stands at 6.4% y/y.** Our forecast is more cautious mainly due to perceived volatility of industrial sentiment as well as volatile performance of the German industrial sector (as Germany remains Slovakia's main trading partner).

Low oil prices coupled with the ensuing lower energy prices are still the main reason for the lack of inflationary pressures in the Euro Area. Flash estimate shows that annual inflation in the Eurozone remained at 0.1% y/y in November, unchanged from October. Slovak deflation deepened in October to -0.6% y/y (CPI). However, oil and energy price effects are starting to wane a bit. **We expect a slight improvement in November, whereby annual CPI inflation could reach -0.4% and harmonised inflation could stand at -0.3%. Core inflation is expected at 0.1% y/y.**

Producer price decrease is expected to continue at a rate close to the October one. **We expect producer prices to have fallen by 5.3% y/y in November.**

Date	Indicator		Time period	Our forecast	Min	Market average	Max	Previous	A year ago
4 Dec	GDP growth	% y/y	3Q15	<b>3.6</b>	3.6	3.6	3.6	3.4	2.4
4 Dec	GDP growth	% q/q	3Q15	<b>0.9</b>	-	-	-	0.9	0.7
9 Dec	Foreign trade balance	mil. Eur	Oct 15	<b>326</b>	250	331.2	420	303	470
10 Dec	Industrial production	% y/y	Oct 15	<b>6.4</b>	-	-	-	7.2	3.1
14 Dec	Core inflation	% y/y	Nov 15	<b>0.1</b>	0.0	0.1	0.1	-0.1	0.3
14 Dec	Headline inflation	% y/y	Nov 15	<b>-0.4</b>	-0.4	-0.3	-0.3	-0.6	0.0
16 Dec	Harmonised inflation	% y/y	Nov 15	<b>-0.3</b>	-0.4	-0.3	-0.2	-0.5	0.0
18 Dec	Producer prices	% y/y	Nov 15	<b>-5.3</b>	-	-	-	-5.0	-2.9

Source: NBS, Reuters, SLSP

Erste Group Bank AG  
1010 Wien, Börsegasse 14/DG1  
Telefon: +43 (0)5 0100 11902

**Disclaimer**

This publication has been prepared by EG Research. This report is for information purposes only.

Publications in the United Kingdom are available only to investment professionals, not private customers, as defined by the rules of the Financial Services Authority. Individuals who do not have professional experience in matters relating to investments should not rely on it.

The information contained herein has been obtained from public sources believed by EGB to be reliable, but which may not have been independently justified. No guarantees, representations or warranties are made as to its accuracy, completeness or suitability for any purpose.

This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument or any other action and will not form the basis or a part of any contract.

Neither EGB nor any of its affiliates, its respective directors, officers or employers accepts any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith. Any opinion, estimate or projection expressed in this publication reflects the current judgement of the author(s) on the date of this report. They do not necessarily reflect the opinions of EGB and are subject to change without notice. EGB has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

The past performance of financial instruments is not indicative of future results. „Forecasts are not a reliable indicator of future performance of the asset or the financial instrument.“ No assurance can be given that any financial instrument or issuer described herein would yield favourable investment results.

EGB, its affiliates, principals or employees may have a long or short position or may transact in the financial instrument(s) referred to herein or may trade in such financial instruments with other customers on a principal basis. EGB may act as a market maker in the financial instruments or companies discussed herein and may also perform or seek to perform investment banking services for those companies. EGB AG may act upon or use the information or conclusion contained in this report before it is distributed to other persons.

This report is subject to the copyright of EGB. No part of this publication may be copied or redistributed to persons or firms other than the authorised recipient without the prior written consent of EGB.

By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.

Copyright: 2015 EGB AG. All rights reserved.

## Contacts

### Group Research

Head of Group Research  
Friedrich Mostböck, CEFA +43 (0)5 0100 11902

### Major Markets & Credit Research

Head: Gudrun Egger, CEFA +43 (0)5 0100 11909  
Raif Burchert (Agency Analyst) +43 (0)5 0100 16314  
Hans Engel (Senior Analyst International Equities) +43 (0)5 0100 19835  
Christian Enger, CFA (Covered Bonds) +43 (0)5 0100 84052  
Margarita Grushanina (Economist AT, CHF) +43 (0)5 0100 11957  
Peter Kaufmann, CFA (Corporate Bonds) +43 (0)5 0100 11183  
Stephan Lingnau (International Equities) +43 (0)5 0100 16574  
Carmen Riefler-Kowarsch (Covered Bonds) +43 (0)5 0100 19632  
Rainer Singer (Senior Economist Euro, US) +43 (0)5 0100 17331  
Bernadett Povayzsi-Römhild (Corporate Bonds) +43 (0)5 0100 17203  
Gerald Walek, CFA (Economist Euro) +43 (0)5 0100 16360  
Katharina Böhm-Klamt (Quantitative Analyst Euro) +43 (0)5 0100 19632

### Macro/Fixed Income Research CEE

Head CEE: Juraj Kotian (Macro/FI) +43 (0)5 0100 17357  
Zoltan Arokszállasi (Fixed income) +43 (0)5 0100 18781  
Katarzyna Rzentarzewska (Fixed income) +43 (0)5 0100 17356

### CEE Equity Research

Head: Henning Eckuchen, +43 (0)5 0100 19634  
Franz Höfl, CFA (Basic Resources, Real Estate) +43 (0)5 0100 18506  
Daniel Lion, CIIA (Technology, Ind. Goods&Services) +43 (0)5 0100 17420  
Christoph Schultes, MBA, CIIA (Industrials) +43 (0)5 0100 11523  
Vera Sutudja, CFA (Telecom) +43 (0)5 0100 11905  
Thomas Unger, CFA (Banks, Insurance) +43 (0)5 0100 17344  
Vladimira Urbankova, MBA (Pharma) +43 (0)5 0100 17343  
Martina Valenta, MBA (Real Estate) +43 (0)5 0100 11913

### Editor Research CEE

Brett Aarons +420 956 711 014

### Research Croatia/Serbia

Head: Mladen Dodig (Equity) +381 11 22 09178  
Head: Alen Kovac (Fixed income) +385 72 37 1383  
Anto Augustinovic (Equity) +385 72 37 2833  
Milan Deskar-Skrbic (Fixed income) +385 72 37 1349  
Magdalena Dolenc (Equity) +385 72 37 1407  
Ivana Rogic (Fixed income) +385 72 37 2419  
Davor Spoljar, CFA (Equity) +385 72 37 2825

### Research Czech Republic

Head: David Navratil (Fixed income) +420 224 995 439  
Head: Petr Bartek (Equity) +420 224 995 227  
Renáta Durovová (Equity) +420 224 995 213  
Jiri Polansky (Fixed income) +420 224 995 192  
Dana Hajkova (Fixed income) +420 224 995 172  
Martin Krajhanzl (Equity) +420 224 995 434  
Jana Urbankova (Fixed income) +420 224 995 456

### Research Hungary

Head: József Miró, (Equity) +361 235 5131  
Gergely Urmösy, (Fixed income) +361 373 2830  
András Nagy (Equity) +361 235 5132  
Vivien Barczel (Fixed income) +361 373 2026  
Jamás Pletzer, CFA (Oil&Gas) +361 235 5135

### Research Poland

Head: Magdalena Komaracka, CFA (Equity) +48 22 330 6256  
Marek Czachor (Equity) +48 22 330 6254  
Tomasz Duda (Equity) +48 22 330 6253  
Adam Rzepecki (Equity) +48 22 330 6252

### Research Romania

Chief Economist, Director: Radu Craciun +40 3735 10424  
Head: Mihai Caruntu (Equity) +40 3735 10427  
Head: Dumitru Dulgheru (Fixed income) +40 3735 10433  
Chief Analyst: Eugen Sinca (Fixed income) +40 3735 10435  
Dorina Ilasco (Fixed Income) +40 3735 10436

### Research Slovakia

Head: Maria Valachyova, (Fixed income) +421 2 4862 4185  
Katarina Muchova (Fixed income) +421 2 4862 4762

### Treasury - Erste Bank Vienna

**Saving Banks & Sales Retail**  
Head: Thomas Schaufler +43 (0)5 0100 84225

**Equity Retail Sales**  
Head: Kurt Gerhold +43 (0)5 0100 84232

**Fixed Income & Certificate Sales**  
Head: Uwe Kolar +43 (0)5 0100 83214

**Treasury Domestic Sales**  
Head: Markus Kaller +43 (0)5 0100 84239

**Corporate Sales AT**  
Head: Christian Skopek +43 (0)5 0100 84146

### Fixed Income & Credit Institutional Sales

**Institutional Sales**  
Head: Manfred Neuwirth +43 (0)5 0100 84250

**Bank and Institutional Sales**  
Head: Jürgen Niemeyer +49 (0)30 8105800 5503

**Institutional Sales Western Europe AT, GER, FRA, BENELUX**  
Head: Thomas Almen +43 (0)5 0100 84323

Charles-Henry de Fontenilles +43 (0)5 0100 84115  
Marc Pichler +43 (0)5 0100 84118

Rene Klasen +49 (0)30 8105800 5521  
Dirk Seefeld +49 (0)30 8105800 5523

Bernd Bollhof +49 (0)30 8105800 5525

**Bank and Savingsbanks Sales**  
Head: Marc Friebertshäuser +49 (0)711 810400 5540

Sven Kienzle +49 (0)711 810400 5541  
Michael Schmotz +43 (0)5 0100 85542

Ulrich Inhofner +43 (0)5 0100 85544  
Klaus Vosseler +49 (0)711 810400 5560

Andreas Goll +49 (0)711 810400 5561  
Mathias Gindela +49 (0)711 810400 5562

Bernd Thaler +43 (0)5 0100 85583  
Fabian Bütger +49 (0)151 53810580

Jörg Moritzen +49 (0)30 8105800 5581

**Institutional Sales CEE and International**  
Head: Jaromir Malak +43 (0)5 0100 84254

**Central Bank and International Sales**  
Head: Margit Hraschek +43 (0)5 0100 84117

Christian Kössler +43 (0)5 0100 84116  
Gabriele Loecker +43 (0)5 0100 84101

**Institutional Sales PL and CIS**  
Pawel Kielek +48 22 538 6223

Michal Jarmakowicz (Fixed Income) +43 50100 85611

**Institutional Sales Slovakia**  
Head: Peter Krijz +421 2 4862 5624

Monika Smelikova +421 2 4862 5629

**Institutional Sales Czech Republic**  
Head: Ondrej Cech +420 2 2499 5577

Milan Bartos +420 2 2499 5562  
Radek Chupik +420 2 2499 5565

Barbara Suvadova +420 2 2499 5590

**Institutional Sales Croatia**  
Head: Antun Buric +385 (0)7237 2439

Natalija Zujic +385 (0)7237 1638  
Zeljko Pavičić +385 (0)72 37 14 94

**Institutional Sales Hungary**  
Norbert Siklasi +36 1 2355 842

Attila Hollo +36 1 2355 846

**Institutional Sales Romania**  
Head: Ciprian Mitu +43 (0)50100 85612

Stefan Racovita +40 373 516 531

**Institutional Solutions and PM**  
Christopher Lampe-Traupe +43 (0)50100 85507