



# Central European Daily

Tuesday, 29 September 2015

## Headlines

Currencies		% chng
EUR/CZK	27.23	0.0
EUR/HUF	314.8	0.1
EUR/PLN	4.24	0.5
EUR/USD	1.12	0.4
EUR/CHF	1.09	-0.1

### FX Correlation Matrix

	EUR/PLN	EUR/HUF	EUR/USD	EUR/CHF
EUR/CZK	-0.01	0.16	0.15	-0.05
EUR/PLN		0.52	0.23	-0.10
EUR/HUF			0.21	-0.07
EUR/USD				0.03

correlations of 30 min changes over past 5 sessions

FRA 3x6	%	bps chng
CZK	0.26	0
HUF	1.33	0
PLN	1.70	2
EUR	-0.03	1

GB	%	bps chng
Czech Rep. 10Y	0.74	3
Hungary 10Y	3.39	-1
Poland 10Y	2.83	-3
Slovakia 10Y	0.90	-4

CDS 5Y	%	bps chng
Czech Rep.	49	0
Hungary	162	0
Poland	74	0
Slovakia	50	0

Source: Reuters

### Zloty hit a one-month low

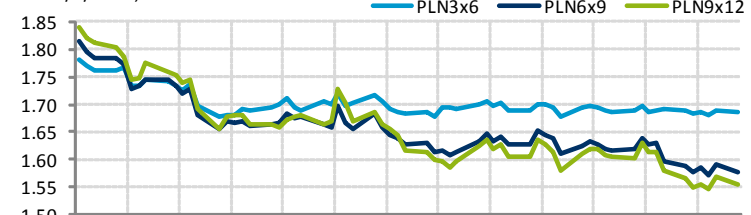
### Regional PMIs in focus this week

While the Czech koruna was eventually little changed on Monday amid a relatively thin (holiday) trade, the zloty weakened by about 0.3 % and hit a one-month low against the euro as world stock indices kept sliding and overall global market sentiment remained negative. Moreover, the Polish fixed-income market has begun to bet on a rate cut (see the chart below).

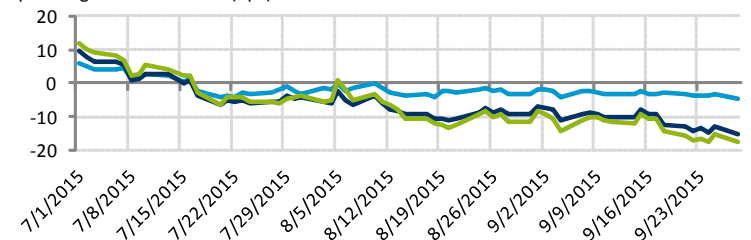
Regarding the rest of this week, regional eye-catcher is a release of manufacturing PMI figures for September. The Polish index is likely to draw the most attention. Let us recall that the index fell sharply in August and hit an eleven-month low. While industrial production itself keeps relatively robust pace of growth of about 5 % year-on-year, market bets on further monetary policy easing could heighten should the index disappoint. Please note that bets on a rate cut increased in the last couple of weeks and markets see solid chance of lowering of official interest rates even in six months horizon. We, however, keep our base case and expect stable rates in the months and quarters to come.

### PL: FRA rates

since 7/1/2015, %

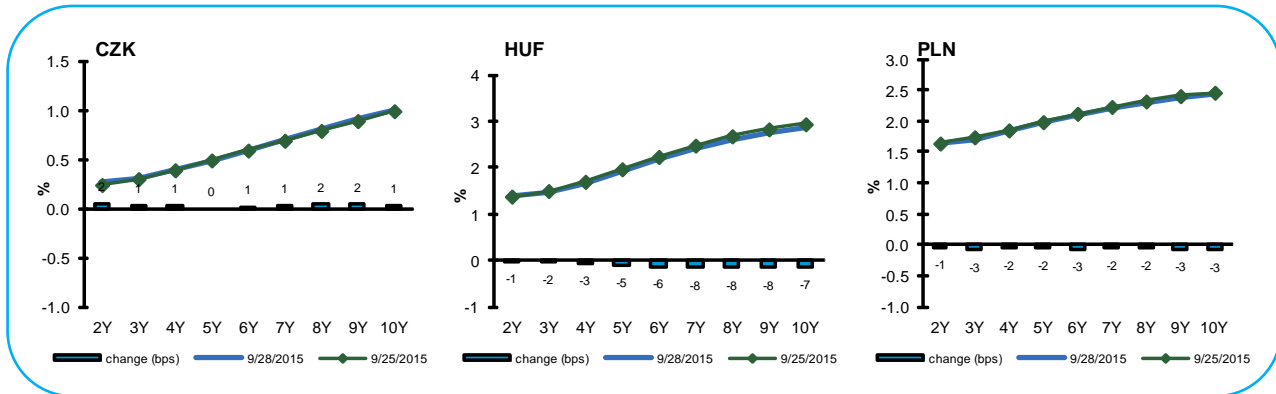


spread against 3M WIBOR (bps)



Market bets on a rate cut in Poland have intensified... (Source: Bloomberg, CSOB).

# Interest-rate Swap Curves



# Calendar

Country	Time	Indicator	Period	Forecast		Actual		Consensus		Previous	
				m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
HU	9:00	Unemployment rate	%	08/01/2015		6.7	6.6	6.8			

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