



Central European Daily

Tuesday, 13 October 2015

Headlines

CNB's Rusnok drops no hint at possible extension of intervention regime

With the exception of the Hungarian forint the Central European currencies were only little changed yesterday. The forint continued to strengthen and hit a three-week high against the euro.

The koruna remains fairly stable after the most recent interview with Czech National Bank's board member Jiri Rusnok (the most likely successor to the current governor, Mr. Singer, whose tenure ends next July) brought no groundbreaking news. Regarding suspected prolongation of the intervention regime, Mr. Rusnok neither confirmed it nor denied its possibility. We expect that the new CNB forecast to be released in November will shed more light on the matter.

Although the CEE calendar is well-filled in the rest of this week (mainly thanks to Polish macroeconomic data), the most interesting figure – the Polish industrial production in September – will not be released until next Monday.

Regarding upcoming parliamentary elections in Poland, current finance minister Szcurek warned against pre-election pledges of the opposition party PiS (which leads in the polls). Offensive vocabulary used in the speech supports our view that the elections (to be held on 25th October) can be a period of high market volatility.

Currencies		% chng
EUR/CZK	27.08	0.0
EUR/HUF	309.7	-0.5
EUR/PLN	4.23	0.3
EUR/USD	1.14	0.0
EUR/CHF	1.09	0.1

FX Correlation Matrix

	EUR/PLN	EUR/HUF	EUR/USD	EUR/CHF
EUR/CZK	-0.20	0.09	-0.12	-0.08
EUR/PLN		0.39	0.36	0.10
EUR/HUF			0.13	-0.03
EUR/USD				-0.06

correlations of 30 min changes over past 5 sessions

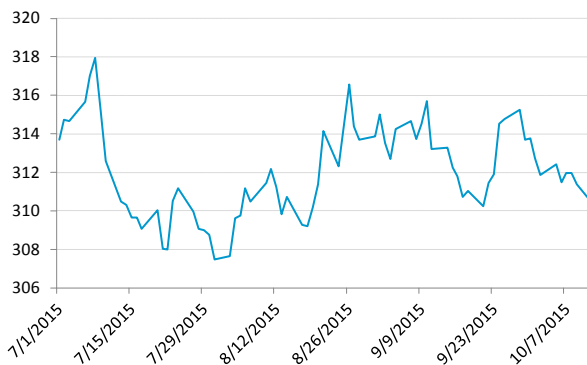
FRA 3x6	%	bps chng
CZK	0.25	0
HUF	1.34	0
PLN	1.72	0
EUR	-0.04	0

GB	%	bps chng
Czech Rep. 10Y	0.64	1
Hungary 10Y	3.30	0
Poland 10Y	2.68	0
Slovakia 10Y	0.82	-4

CDS 5Y	%	bps chng
Czech Rep.	49	0
Hungary	166	0
Poland	76	0
Slovakia	48	0

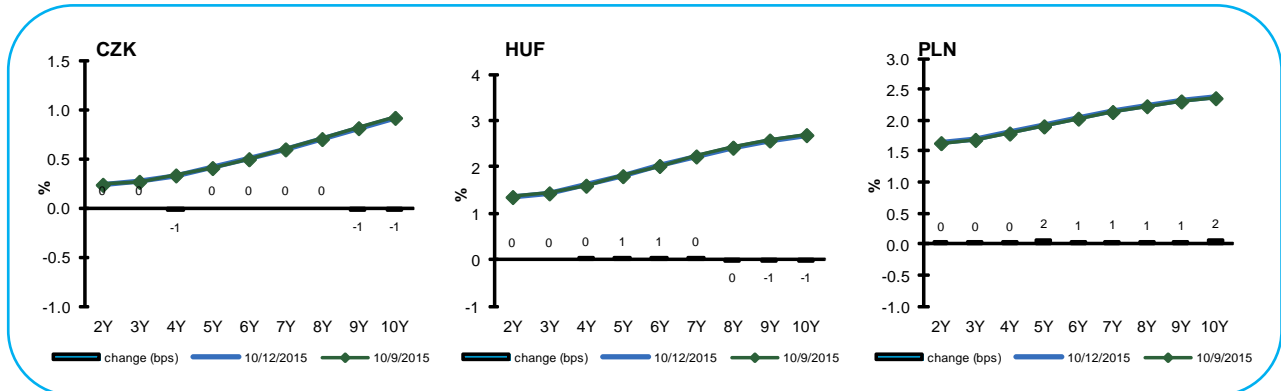
Source: Reuters

EURHUF



Forint hit a three-week high yesterday... (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

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