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## Corporate Strategy & Economic Research

**Zdenko Štefanides**  
Chief Economist

**Andrej Arady**  
Senior Economist

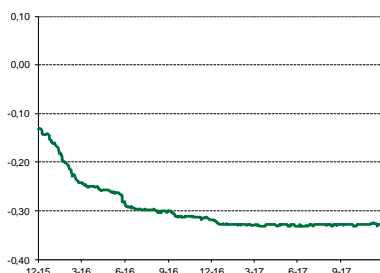
## Contents

Highlights, Events & Trends ....	1
Economic Activity.....	2
Inflation .....	6
External & Fiscal Balances.....	8
FX & Interest Rates .....	9
Monthly Forecasts.....	11
Macroeconomic Indicators .....	12
Market Data.....	13
Charts.....	14

## EUR/USD



## 3M EURIBOR



## Highlights

- GDP growth in 3Q17 was revised upwards to 3.4% y/y
- Growth is driven mainly by domestic demand stemming from private sector
- Real activity picked up as 4Q opened
- Inflation further increased to 1.9% y/y on food prices in November
- Labor market further tightened, wage growth accelerated to above 5% y/y in 3Q17, the pace last seen in pre-crisis period

## Key Expected Events

- Jan 25<sup>th</sup> – The ECB meeting. From January onwards, the ECB will halve the monthly volume of asset purchases
- Jan 31<sup>st</sup> – The Fed meeting. After the hike in December, in the beginning of 2018 we expect a short pause in the hiking cycle

## Market Trends

	Last	Close		Last month	Trend		YTD
		30.11.2017	31.10.2017		Last week		
EUR/USD	1,185	1,189	1,165	2,10%	▲ -0,2%	▼	-2,0%
GBP/USD	1,335	1,351	1,327	1,78%	▲ -0,5%	▼	-14,3%
EURIBOR 3M	-0,33	-0,33	-0,33	0,00	▲ 0,00	▼	-0,41
EURIBOR 12M	-0,19	-0,19	-0,19	0,00	▼ 0,00	▼	-0,51
SK 5Y GB yield	-0,48	-0,56	-0,47	-0,09	▼ 0,00	▲	-1,06
SK 10Y GB yield	0,82	0,82	0,82	0,00	- 0,00	-	-0,28

## Forecasts

	Last	Forecast			
		1Q18	2Q18	3Q18	4Q18
EUR/USD	1,185	1,17	1,19	1,21	1,22
EUR/CZK	25,56	25,5	25,4	25,3	25,3
EURIBOR 3M	-0,33	-0,33	-0,32	-0,33	-0,32
EURIBOR 12M	-0,19	-0,19	-0,19	-0,19	-0,14
SK 10Y GB yield	0,82	1,14	1,44	1,53	1,65
ECB refi rate	0,00	0,00	0,00	0,00	0,00
Fed funds rate	1,50	1,50	1,75	2,00	2,25
BoE prime rate	0,50	0,50	0,50	0,75	0,75

Source: Intesa Sanpaolo, VÚB banka research

## Economic Activity

*GDP growth on the path towards 3.4% y/y in full 2017*

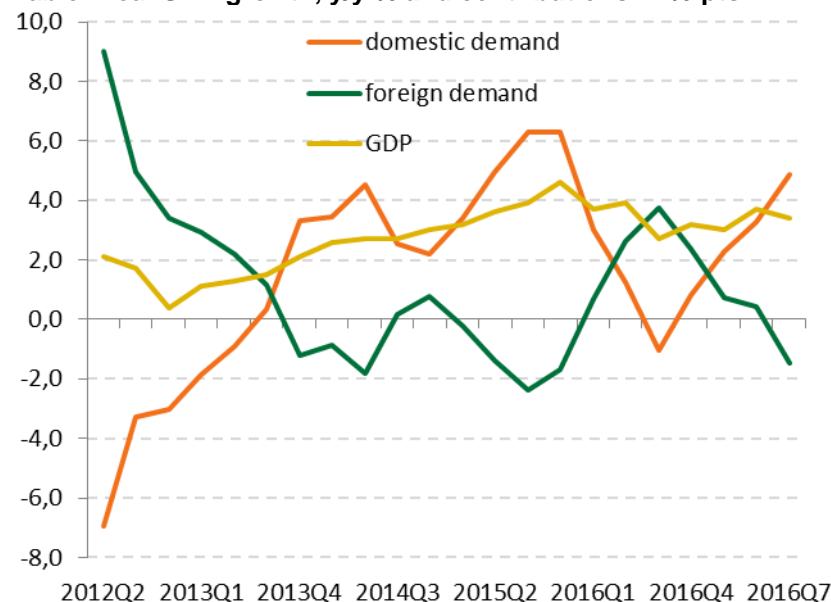
Economic growth in 2017 thus far met expectations. The second estimate of 3Q17 GDP revised growth in the third quarter up to 3.4% y/y from a snap estimate 3.3% y/y published a month ago. Details of growth composition showed that the growth is driven by domestic demand, mainly by private sector. Household consumption is now increasing at the highest pace in post-crisis period, exceeding overall GDP growth. Investments bounced from contraction in 2Q back to growth in 3Q. Investment activity is considerably boosted by residential boom in Bratislava. Quarter-on-quarter volatility is rather an accounting issue than genuine fluctuations of investment activity.

**Table: GDP growth, y/y %**

	2015	2016	1Q17	2Q17	3Q17
<b>real GDP</b>	3,9	3,3	<b>3,0</b>	<b>3,7</b>	<b>3,4</b>
<b>nominal GDP</b>	3,7	2,9	<b>3,9</b>	<b>4,5</b>	<b>5,0</b>
<b>total consumption</b>	3,0	2,4	<b>2,2</b>	<b>2,5</b>	<b>2,5</b>
of which household consumption	2,3	2,6	<b>3,4</b>	<b>3,6</b>	<b>4,0</b>
of which public consumption	5,4	1,6	<b>-1,1</b>	<b>-0,3</b>	<b>-1,4</b>
<b>fixed investments</b>	19,8	-8,3	<b>0,8</b>	<b>-5,4</b>	<b>10,4</b>
<b>export</b>	6,4	6,2	<b>8,2</b>	<b>-0,3</b>	<b>3,8</b>
<b>import</b>	8,4	3,7	<b>7,7</b>	<b>-0,8</b>	<b>5,9</b>

Source: ŠUSR, VUB

**Table: Real GDP growth, y/y % and contributions in %-pts**



Source: Eurostat, VUB

## Economic Activity

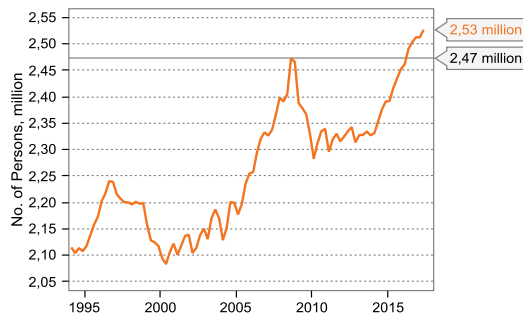
*Outlook is for acceleration towards 3.8% y/y*

As for the outlook, solid growth of private consumption and investments should persist also to the next year and remain the key drivers of growth. Household income is currently increasing at the highest pace since 2008, due both fast increasing number of jobs and wages. Household confidence is now the highest in the past decade. Capacities in industry, serving for strong demand from Eurozone, are running above long-term average which prompt businesses to invest. Furthermore, growth in the following years should be supported also by extraordinary investments in automotive (part of announced investments for 2017 was postponed to next years, while some of already invested resources should start to boost production). Growth thus could further accelerate close to 4% y/y in the next year. It may even exceed neighboring countries' pace of expansion, compensating for that missed opportunity in 2017, when growth, even if solid, was the lowest in the CEE-4 region.

*Labor market further tightened*

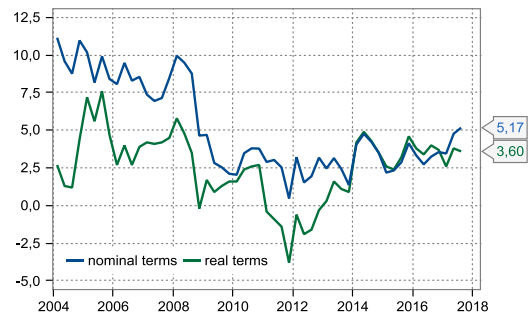
Decent growth of domestic economy is intertwined also with an extraordinary progress on labor market. Number of jobs increased to a new all-time maximum, over the year 1.6% to 2,54mln according to LFS methodology. Unemployment rate decreased from 8.1% in 2Q to 8.0% in 3Q, 1.5%-pts below corresponding period a year ago. Labor shortages in the beginning of 4Q further intensified, pushing on wages, which posted in 3Q17 growth of 5.2%/y/y, which is the pace last seen in pre-crisis period.

**Chart: Number of jobs**



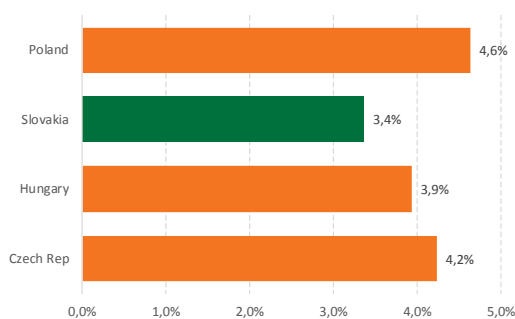
Source: Stat Office, Macrobond, VUB

**Chart: Wage growth**

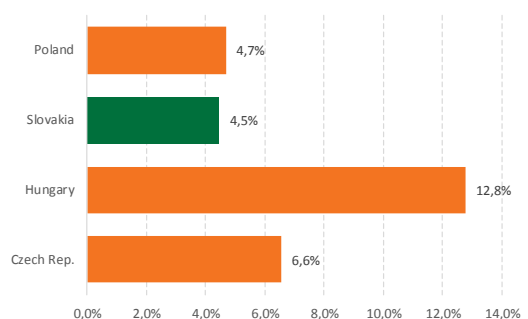


Source: Macrobond, VUB

**Chart: Real GDP growth 1-3Q 2017**



**Chart: Wage growth 1-3Q 2017**



## Economic Activity

*Economic activity picked up as 4Q17 opened*

Activity in the beginning of 4Q17 picked up in all reported sectors. Industry posted rebound in most of manufacturing subsectors, including cars, electrical equipment and machinery (see the table below). The driver of growth, contributing more than 2%-pts in October remained production of basic metals. New orders in industry increased in seasonally adjusted terms 1.9% m/m, easing the year-on-year decrease from 4.6% in September to 2.2% in October.

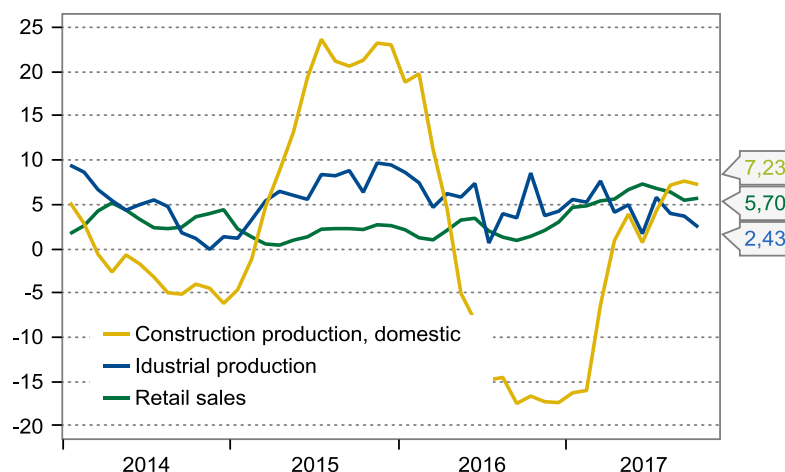
**Table: Industrial production breakdown, % y/y**

	2014	2015	2016	1Q17	2Q17	3Q17	Sep 17	Oct 17
<b>Industry in total</b>	<b>8,6</b>	<b>7,0</b>	<b>4,7</b>	<b>7,7</b>	<b>1,7</b>	<b>3,7</b>	<b>2,3</b>	<b>5,4</b>
<i>Mining and quarrying</i>	<i>2,9</i>	<i>0,4</i>	<i>-3,1</i>	<i>9,4</i>	<i>-5,6</i>	<i>-6,6</i>	<i>-6,6</i>	<i>-4,9</i>
<b>Manufacturing in total</b>	<b>10,5</b>	<b>7,7</b>	<b>5,2</b>	<b>7,5</b>	<b>1,2</b>	<b>3,8</b>	<b>1,8</b>	<b>5,5</b>
Food products	-1,5	4,8	0,3	22,5	5,2	-5,7	-2,3	3,9
Textiles, leather	-12,3	-0,4	23,9	1,4	-1,2	-3,1	-4,9	2,9
Wood and paper	-0,1	2,8	0,2	-3,1	1,9	1,1	-2,8	6,0
Coke and petroleum	-9,4	19,6	-3,3	14,2	-0,4	-2,3	2,6	7,3
Chemicals	-5,7	8,0	2,4	0,5	-3,6	4,4	12,9	39,4
Pharmaceuticals	-11,4	4,8	-43,7	15,8	3,0	8,1	7,9	48,1
Rubber and plastics	67,7	10,2	6,3	10,8	5,9	6,7	3,6	5,8
Basic metals	13,0	3,8	9,8	16,2	14,1	13,4	14,4	15,2
Computer, electronic	1,7	-9,1	-3,0	3,3	-10,6	-8,5	-6,6	-11,9
Electrical equipment	14,4	15,5	8,5	9,5	4,8	4,9	-0,8	5,9
Machinery	5,4	8,4	3,2	12,0	-0,8	0,8	-2,6	2,7
Transport equipment	3,4	10,6	6,8	4,5	-3,8	4,4	-1,9	1,8
Other manufacturing	14,6	10,6	2,2	-1,5	0,6	8,7	10,1	14,3
Utilities	<i>-4,3</i>	<i>3,0</i>	<i>1,9</i>	<i>7,6</i>	<i>9,0</i>	<i>5,2</i>	<i>9,7</i>	<i>6,3</i>

Growth of construction output picked up to 11.9% y/y in October from 1.3% in September. Adjusted for the season, output increased 5.7% over the month. This growth was driven primarily by new domestic residential construction (growing 19.8% y/y, accounting for nearly 25% of overall output) and new domestic civil engineering (growing 31.5% y/y, accounting for 31% of overall output).

Retail sales in October increased by mere 0.1% over the month in seasonally adjusted terms, which nonetheless pushed the year-on-year growth up to 5.6% from 5.1% in September.

**Chart: Trends in economic activity, 3MMA, %**



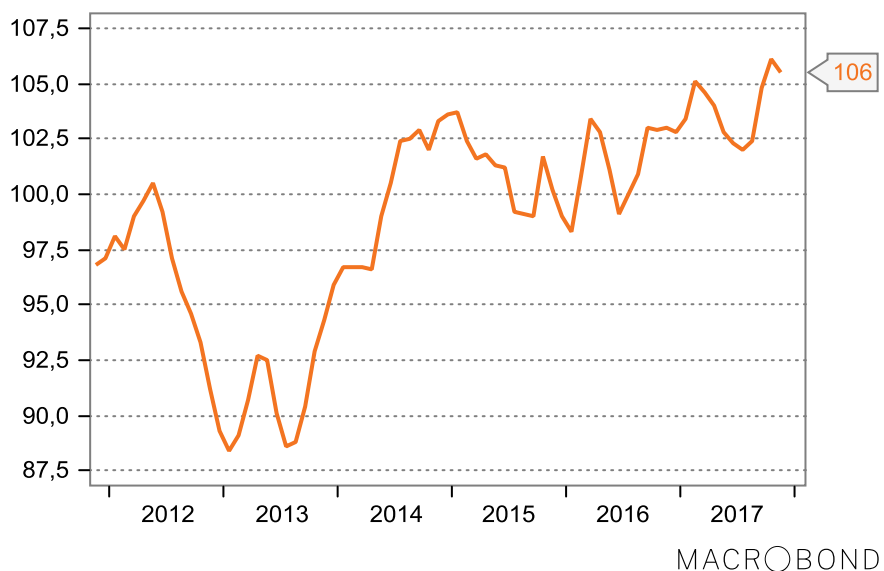
Source: Stat Office, Macrobond, VUB

## Economic Activity

*Sentiment  
remained high*

Index of economic sentiment calculated as a three-month moving average slipped down in November 0.6 points to 105.5 from post-crisis maximum reached in October. In November alone, confidence lost a bit of previous optimism in industry on lower new orders, as well as in construction and services. Confidence in retail and among households, on contrary, improved.

**Chart: Index of economic sentiment, 3MMA**



## Inflation

*Inflation picked further up*

Consumer prices posted in November higher than expected growth. This was mainly due to further increase of food prices (0.9% m/m in November vs 1.1% m/m in October), contributing to month-on-month growth 0.16%-pts. Increasing prices of fuels (3.2% m/m in November) and some of demand-sensitive items added additional pressure. Overall consumer prices increased over the month 0.3%, adding onto 0.3% growth in October. Year-on-year inflation thus picked up to 1.9% in November from 1.7% in October. Net inflation ex fuels after the previous four month of stagnation picked up a tenth, to 1.5% y/y.

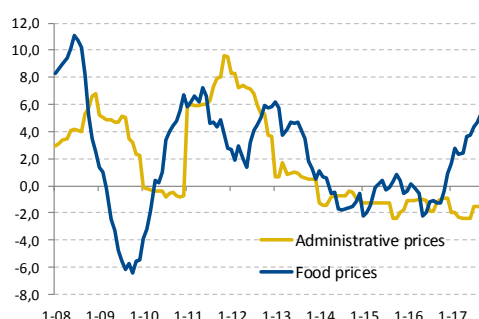
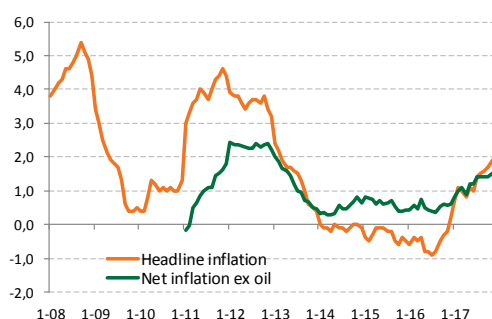
The recent stronger than expected growth of prices prompted us to revise full-year forecast for 2017 upwards, from 1.2% y/y to 1.3%, resp. Looking ahead, in the beginning of 2018, we expect headline inflation to pick up to above 2% y/y on hike of administrative prices. Underlying inflation is expected to rise gradually over the medium term, supported by rising wage growth. This though should be partially offset by moderation of imported inflation from Eurozone. After the January's spike in inflation, we expect thus rather a flat profile of inflation in the course of 2018.

**Table: Consumer inflation, y/y%**

	2014	2015	2016	2017			2017	
				1Q	2Q	3Q	Oct	Nov
<b>EU-norm consumer inflation (HICP)</b>	-0,1	-0,3	-0,5	1,0	1,0	1,6	1,8	2,1
Goods	-0,6	-0,8	-1,4	0,6	0,6	1,4	1,7	-
Nonenergy	0,0	0,4	0,2	0,5	0,7	0,8	0,5	-
Energy	-2,2	-3,9	-3,5	-1,9	-3,4	-2,4	-2,5	-
Food	-0,2	-0,1	-2,0	2,0	2,7	4,0	5,3	-
Services	1,0	0,6	1,5	1,8	1,8	2,1	2,1	-
<b>Headline consumer inflation (CPI)</b>	-0,1	-0,3	-0,5	0,9	1,0	1,5	1,7	1,9
Regulated prices	-0,9	-1,6	-1,2	-2,1	-2,4	-1,5	-1,7	-1,7
<b>Core inflation</b>	0,2	0,0	0,1	1,6	1,7	2,2	2,5	2,8
Foodstuff	-0,7	-0,4	-0,8	2,2	3,2	4,8	6,5	6,9
Net inflation	0,4	0,1	0,3	1,4	1,3	1,5	1,4	1,7
<b>PPI - domestic</b>	-3,5	-4,2	-4,3	2,0	1,9	1,6	2,1	1,7

Source: SUSR, NBS

**Chart: Headline and net inflation ex oil, y/y%**  
**Chart: Regulated and food inflation, y/y%**

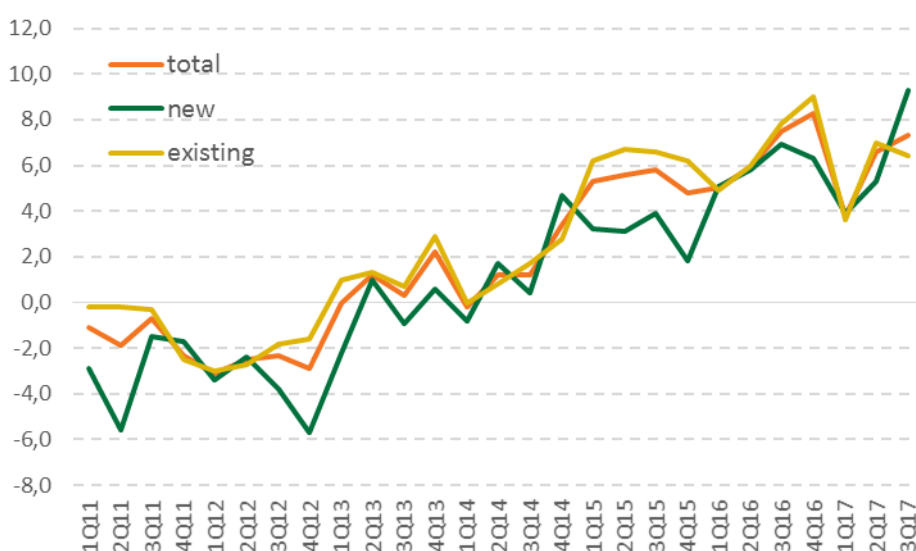


## Inflation

*Growth of house prices remains brisk*

Property price inflation in Slovakia remains in higher single digits. Depending on methodology, though, their latest trends appear ambiguous. Offered property prices reported by the National Bank namely have moderated their year-on-year growth dynamics, to 6.4% in 3Q from 7.0% in 2Q and 7.6% in 1Q, resp. In Bratislava region itself, offered residential property prices have even been reported down over the quarter. By contrast, the latest published data on actual transaction prices, published by the Slovak Statistical Office post the opposite trend as their year-on-year growth picked up to 7.3% in 3Q from 6.6% in 2Q, resp. Acceleration of this property price growth was due to new dwellings, which picked up from 5.3%/y to 9.3%, resp. Growth of existing dwellings meanwhile moderated, from 7.0% to 6.4% y/y.

**Chart: Realized prices of dwellings, y/y%**



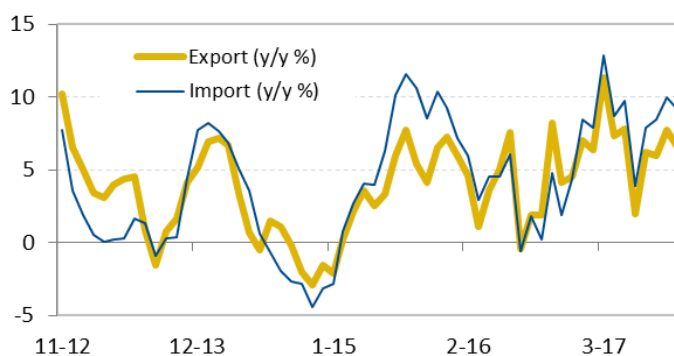
Source: SUSR, VUB

## External and Fiscal Balances

*Foreign trade posted a huge surplus as 4Q opened*

Growth pace of both exports and imports remained high in October. Exports accelerated to 9.7% y/y from 7.8% in September. Imports accelerated to 8.5% y/y from 7.2%, resp. The balance of foreign merchandise trade posted in October a surplus €505mln. The cumulative balance reached after the first ten months a surplus €2.75bn, which is though still nearly 773mln lower than a year ago at this stage. Recovering domestic demand requires higher imports, lowering the surplus. Geographic details of foreign trade showed in the 1-3Q17 stable or even a bit increasing share of UK on total Slovak foreign trade compared with previous two years. Volumes of traded goods are increasing even a bit faster than overall growth of Slovak foreign trade. Ongoing talks on Brexit thus have so far had no impact on foreign trade between UK and Slovakia.

**Chart: Exports and imports growth (% y/y, 3mma)**



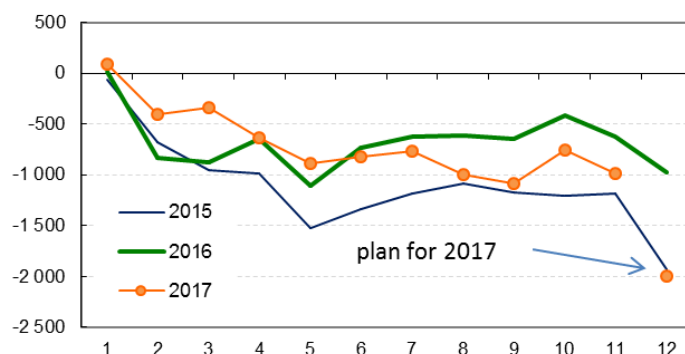
Source: ŠUSR, VUB

*State budget widened the deficit over the year by €359mln*

After the first eleven months of 2017, cumulative revenues remained decreasing (3.0% y/y November which is equivalent to €371mln), whereas expenses remained nearly the same as a year ago (decreasing by mere 0.1% in November or €12mln). Both revenues and expenses remained to be negatively affected by lower EU money. The cumulative gap of State budget amounted €981mln, which was 359mln wider than a year ago at this stage. The gap increased mainly due to lower tax revenues (VAT remained increasing, but CIT decreased significantly), higher interest payments, transfers to State-owned Social insurance and higher discretionary expenses. EU money in balance helped to narrow the gap.

Budget for 2018 was definitely approved with only minor changes relative to the draft presented two months ago. The deficit is projected to decrease from expected 1.63% of GDP in 2017 to 0.83% of GDP in 2018. Gross debt should decrease below 50% of GDP.

**Chart: State budget (in EUR mln, monthly basis, cumulative)**





## External and Fiscal Balances

*ECB's policy  
remained  
unchanged*

The strong cyclical momentum was confirmed also by December PMI surveys. Eurozone ends 2017 with 82-month high confidence among purchasing managers. Manufacturing sector alone posted even the record high value. Prompted by stronger than expected data, ECB staff in December revised their growth forecast for 2017-19 upward. In the Governing council of the ECB nevertheless still prevails doves. At the December meeting, both current settings and trajectory of monetary policy remained unchanged – extremely easy. We hold our view of the first hike of the refi rate in June 2019.

ECB's actual vs. previous forecast in []

	2017	2018	2019	2020
GDP y/y %	2.4 [2.2]	2.3 [1.8]	1.9 [1.7]	1.7
HICP y/y %	1.5 [1.5]	1.4 [1.3]	1.5 [1.5]	1.7
Core HICP y/y %	1.0 [1.1]	1.1 [1.3]	1.5 [1.5]	1.8

Source: ECB

*FED hiked...*

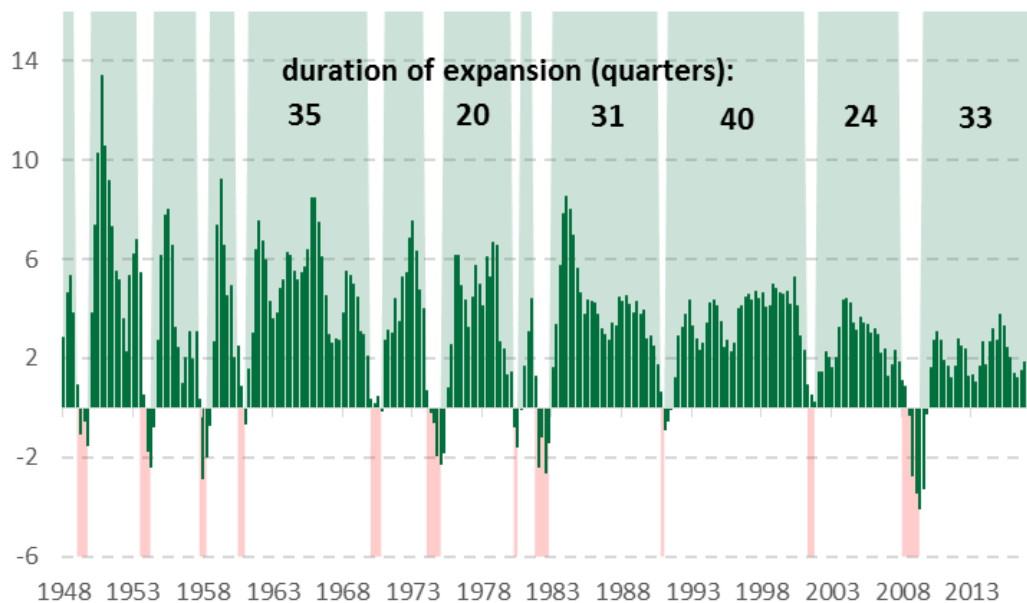
As broadly expected, at its latest policy meeting on 12-13 December, Fed increased fed funds range 25 bps to 1.25%-1.50% and confirmed positive outlook. US expansion, now in its ninth year, is the third-longest in history. And according to official forecasts, it is likely to overcome the duration of the hitherto longest expansion in the 1990s, which lasted 10 years - forecasts of economic growth for 2017 and 2018 were namely revised upwards, both to 2.5% from previously expected 2.4% and 2.1% respectively.

*...but remains  
cautious in  
normalizing  
policy*

Clearly though, the intensity of US recovery and expansion in the current cycle lacks behind the previous ones, which justifies the hitherto rather cautious policy normalization path. Despite raising growth forecasts higher, the Fed maintains the projected rate path for 2018-19 unchanged - foreseeing the Fed-fund rate to reach 2.1% at end-2018 and 2.7% at end-2019, resp. Median projection for rates in 2020 was raised to 3.1% from 2.9%, but clearly even at these levels, real Fed funds-rate will be very low relative to previous business cycles. We stick to our forecast of three hikes in 2018, with a possible pause at the beginning of the year.

## FX and Interest Rates

Chart: US GDP growth vs period of expansions (% y/y and quarters)



Source: Bloomberg, Macrobond, VUB, NBER

## Monthly Forecasts

Date	Data	Period	Last month	Actual	VÚB estimates
Dec	Foreign trade	Oct	479,0%	505mil	500mil
Dec	Industrial production	Oct	2,3%	5,4%	5,0%
Dec	Construction productin	Oct	1,3%	11,9%	n/a
Dec	CPI m/m	Nov	0,3%	0,3%	0,2%
Dec	CPI y/y	Nov	1,7%	1,9%	1,7%
Dec	Core CPI m/m	Nov	0,4%	0,4%	0,3%
Dec	Core CPI y/y	Nov	2,5%	2,8%	2,7%
Dec	GDP	3Q	3,7%	3,4%	3,4%
Dec	New orders in manufacturing m/m	Oct	-9,1%	1,9%	n/a
Dec	New orders in manufacturing y/y	Oct	-4,6%	-2,2%	n/a
Dec	HICP m/m	Nov	0,3%	0,3%	0,2%
Dec	HICP y/y	Nov	1,8%	2,1%	2,0%
Dec	PPI m/m	Nov	0,6%	0,5%	n/a
Dec	PPI y/y	Nov	2,1%	1,7%	n/a
28.12	Economic sentiment	Dec	105,5	-	n/a
8.1	Retail sales	Nov	5,6	-	6,0%
9.1	Foreign trade	Nov	505mln	-	280mln
11.1	Industrial production	Nov	5,4%	-	5,0%
11.1	Construction productin	Nov	11,9%	-	n/a
15.1	CPI m/m	Dec	0,3%	-	0,0%
15.1	CPI y/y	Dec	1,9%	-	1,8%
15.1	Core CPI m/m	Nov	0,4%	-	0,0%
15.1	Core CPI y/y	Nov	2,8%	-	2,7%
16.1	New orders in manufacturing m/m	Nov	1,9%	-	n/a
16.1	New orders in manufacturing y/y	Nov	-2,2%	-	n/a
17.1	HICP m/m	Dec	0,3%	-	0,0%
17.1	HICP y/y	Dec	2,1%	-	2,1%
26.1	PPI m/m	Dec	0,5%	-	n/a
26.1	PPI y/y	Dec	1,7%	-	n/a
29.1	Economic sentiment	Jan	-	-	n/a

## Slovak Macroeconomic Indicators

		2012	2013	2014	2015	2016	1Q17	2Q17	3Q17	VIII.17	IX.17	X.17	2017F	2018F
<b>GDP</b>														
Real GDP	y/y %growth	1,7	1,5	2,6	3,8	3,3	3,0	3,7	3,4	-	-	-	3,4	3,8
Nominal GDP	y/y %growth	2,9	2,0	2,4	3,6	3,1	3,9	4,5	5,0	-	-	-	4,5	5,4
GDP (current prices)	EUR bn	72,7	74,2	76,0	78,7	81,0	19,3	21,2	22,3	-	-	-	84,6	89,2
GDP per capita	EUR	13 453	13 707	14 026	14 514	14 949	3 567	3 910	4 116	-	-	-	15 605	16 453
Household consumption	y/y %growth	-0,4	-0,8	1,4	2,2	2,7	3,4	3,6	4,0	-	-	-	3,7	3,5
Public consumption	y/y %growth	-2,1	2,2	5,3	5,3	2,6	-1,1	-0,3	-1,4	-	-	-	-0,9	1,4
Gross Fixed Capital Formation	y/y %growth	-9,0	-0,9	1,2	16,9	-3,3	0,8	-5,4	10,4	-	-	-	3,2	4,8
Exports	y/y %growth	9,3	6,7	3,7	7,0	4,0	8,2	-0,3	3,8	-	-	-	4,1	6,2
Imports	y/y %growth	2,5	5,6	4,4	8,1	2,3	7,7	-0,8	5,9	-	-	-	3,2	6,2
<b>Inflation</b>														
CPI	y/y %growth	3,2	0,4	-0,1	-0,5	0,2	1,0	1,0	1,6	1,5	1,6	1,8	1,8	2,1
CPI	average	3,6	1,4	-0,1	-0,3	-0,5	0,9	1,0	1,5	-	-	-	1,3	2,1
HICP	y/y %growth	3,4	0,4	-0,1	-0,5	0,2	1,0	1,0	1,8	1,6	1,8	1,8	2,1	2,1
HICP	average	3,7	1,5	0,0	-0,3	-0,5	1,0	1,0	1,6	-	-	-	1,4	2,1
Core CPI	y/y %growth	3,0	0,4	0,2	-0,2	0,9	1,7	1,7	2,3	2,2	2,3	2,5	2,2	2,2
Core CPI	average	2,7	1,5	0,2	0,0	0,1	1,6	1,7	2,2	-	-	-	2,0	2,2
PPI	y/y %growth	3,9	-1,7	-3,7	-4,5	-1,8	3,0	1,4	2,1	2,1	2,1	2,1	2,4	2,5
PPI	average	3,9	-0,1	-3,5	-4,2	-4,3	2,0	1,9	1,6	-	-	-	2,4	2,5
<b>External balances</b>														
Foreign trade balance - cumul.	EUR mio	3555,7	4232,4	4 702,4	3 302,9	3 672,1	861,5	1806,2	2249,1	1865,7	1770,1	2249,0	2 864,0	2 700,0
12M Trade balance / GDP	%	4,9	5,7	6,2	4,3	4,5	-	-	-	-	-	-	3,4	-
Exports	y/y %growth	9,4	3,3	0,9	4,9	3,6	11,4	1,9	7,7	4,6	7,1	8,5	7,5	6,2
Imports	y/y %growth	5,1	2,3	0,1	7,5	3,1	12,8	3,9	10,0	10,1	7,9	9,7	8,8	7,0
<b>Labor market</b>														
Unemployment rate	eop	14,4	13,5	12,3	10,6	8,8	8,0	6,9	6,4	6,5	6,4	6,1	6,0	5,6
Unemployment rate	average	13,6	14,1	12,8	11,5	9,5	8,4	7,3	6,6	-	-	-	7,1	5,6
Unemployment (LFSS)	average	14,0	14,2	13,2	11,5	9,7	8,7	8,1	8,0	-	-	-	8,3	7,7
Gross monthly wages	EUR average	800	824	858	883	911	897	944	935	-	-	-	952	1 000
Nominal monthly wages	y/y %growth	2,4	2,4	4,1	2,9	3,4	3,5	4,8	5,2	-	-	-	4,4	4,9
Real monthly wages	y/y %growth	-1,2	1,0	4,2	3,2	3,9	2,6	3,8	3,6	-	-	-	3,2	3,2
<b>Production, sales &amp; sentiment</b>														
Industrial output	y/y % average	8,1	5,3	3,8	5,9	4,9	7,7	1,7	3,3	-0,5	2,3	5,4	4,0	6,0
Construction output	y/y % average	-12,5	-5,3	-3,3	16,3	-6,7	-6,0	-0,2	6,3	6,0	1,3	11,9	1,5	2,0
Retail sales	y/y % average	-1,0	0,1	3,6	1,7	2,0	5,4	7,5	5,5	6,4	5,1	5,6	6,0	4,0
Economic sentiment indicator	eop	88,6	96,1	102,9	99,0	102,8	104,6	102,3	104,8	102,4	104,8	106,1	-	-
<b>Interest rates</b>														
ECB refi rate	eop	0,75	0,25	0,05	0,05	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
3M EURIBOR	eop	0,20	0,29	0,08	-0,13	-0,32	-0,33	-0,33	-0,33	-0,33	-0,33	-0,33	-0,32	-0,32
1Y EURIBOR	eop	0,54	0,56	0,33	0,06	-0,08	-0,11	-0,16	-0,17	-0,16	-0,17	-0,19	-0,20	-0,14
10Y SK bond yield	eop	2,2	2,5	1,1	0,7	0,9	1,09	-0,02	0,86	0,80	0,86	0,82	0,9	1,6
10Y EU bond yield	eop	1,3	1,9	0,5	0,6	0,2	0,33	0,47	0,46	0,36	0,46	0,36	0,4	1,0
<b>Exchange rates</b>														
EUR/USD	eop	1,320	1,379	1,210	1,087	1,052	1,065	1,143	1,181	1,188	1,181	1,165	1,166	1,220
EUR/USD	average	1,286	1,328	1,328	1,110	1,105	1,065	1,101	1,175	1,182	1,191	1,175	1,127	1,190

Note: all data end year unless specified, \*forecasts based on ESA95 methodology

Source: National Bank of Slovakia, Statistical Office of SR, National Labor Office, VUB banka, Intesa Sanpaolo

# VUB Bank Monthly

## Market Data

### MONEY MARKET & FIXED INCOME MARKETS

MM rates	Last	Close		Last month	Trend Last week	YTD
		30.11.2017	31.10.2017			
LIBOR EUR 1M	-0,41	-0,40	-0,40	0,00	▼	-0,41
LIBOR EUR 3M	-0,39	-0,38	-0,38	0,00	▼	-0,44
LIBOR EUR 12M	-0,26	-0,25	-0,23	-0,02	▼	-0,55
LIBOR USD 1M	1,51	1,37	1,24	0,13	▲	1,34
LIBOR USD 3M	1,64	1,49	1,38	0,11	▲	1,39
LIBOR USD 12M	2,07	1,95	1,85	0,10	▲	1,44
LIBOR GBP 1M	0,49	0,49	0,40	0,09	▲	-0,01
LIBOR GBP 3M	0,51	0,52	0,44	0,08	▲	-0,05
LIBOR GBP 12M	0,76	0,79	0,77	0,01	▲	-0,22

MM rates	Last	Close		Last month	Trend Last week	YTD
		30.11.2017	31.10.2017			
EURIBOR 1W	-0,38	-0,38	-0,38	0,00	▶	-0,36
EURIBOR 2W	-0,37	-0,38	-0,38	0,00	▶	-0,36
EURIBOR 1M	-0,37	-0,37	-0,37	0,00	▲	-0,39
EURIBOR 2M	-0,34	-0,34	-0,34	0,00	▲	-0,38
EURIBOR 3M	-0,33	-0,33	-0,33	0,00	▲	-0,41
EURIBOR 6M	-0,27	-0,27	-0,28	0,00	▲	-0,44
EURIBOR 9M	-0,22	-0,22	-0,22	0,00	▲	-0,46
EURIBOR 1Y	-0,19	-0,19	-0,19	0,00	▼	-0,51

Government bonds	Last	Close		Last month	Trend Last week	YTD
		30.11.2017	31.10.2017			
EU GB 2Y	-0,66	-0,68	-0,75	0,07	▲	-0,56
EU GB 5Y	-0,24	-0,31	-0,35	0,04	▲	-0,26
EU GB 10Y	0,41	0,31	0,36	0,00	▲	-0,13
EU GB 30Y	1,23	1,19	1,23	-0,04	▼	-0,16
US GB 2Y	1,85	1,78	1,60	0,18	▲	1,18
US GB 5Y	2,22	2,14	2,02	0,12	▲	0,57
US GB 10Y	2,48	2,41	2,38	0,03	▲	0,31
US GB 30Y	2,86	2,83	2,88	-0,05	▼	0,10
JP GB 2Y	-0,15	-0,16	-0,16	0,00	▲	-0,12
JP GB 5Y	-0,10	-0,11	-0,09	-0,02	▼	-0,13
JP GB 10Y	0,06	0,04	0,07	-0,03	▼	-0,27
JP GB 30Y	0,82	0,80	0,87	-0,05	▼	-0,42

Government bonds	Last	Close		Last month	Trend Last week	YTD
		30.11.2017	31.10.2017			
SK GB 2Y	-0,37	-0,44	-0,43	-0,01	▼	-0,92
SK GB 5Y	-0,48	-0,56	-0,47	-0,09	▼	-1,06
SK GB 10Y	0,82	#N/A	0,82	#VALUE!	##	-0,28
CZ GB 2Y	0,36	0,32	0,26	0,06	▲	0,20
CZ GB 5Y	0,79	0,85	0,84	0,02	▲	0,57
CZ GB 10Y	1,70	1,74	1,67	0,07	▲	0,96
PL GB 2Y	1,74	1,61	1,62	0,00	▼	-0,04
PL GB 5Y	2,69	2,76	2,66	0,11	▲	0,55
PL GB 10Y	3,35	3,35	3,44	-0,09	▼	0,83
HU GB 3Y	0,52	0,57	0,51	0,06	▲	-2,20
HU GB 5Y	1,07	1,09	1,22	-0,13	▼	-2,08
HU GB 10Y	2,01	2,13	2,48	-0,35	▼	-1,59

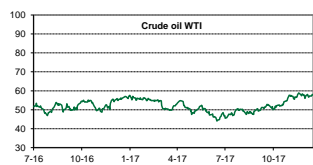
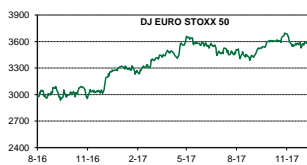
Bond spreads *	Last	Close		Last month	Trend Last week	YTD
		30.11.2017	31.10.2017			
EU GB 2Y	2,51	2,47	2,35	0,12	▲	1,74
EU GB 5Y	2,46	2,45	2,37	0,08	▲	0,83
EU GB 10Y	2,07	2,04	2,02	0,03	▲	0,44
JP GB 2Y	1,99	1,94	1,76	0,18	▲	1,31
JP GB 5Y	2,32	2,25	2,11	0,14	▲	0,70
JP GB 10Y	2,42	2,37	2,31	0,06	▲	0,57
SK GB 2Y	-0,34	-0,36	-0,44	0,08	▲	0,13
SK GB 5Y	0,25	0,25	0,12	0,13	▲	0,80
SK GB 10Y	0,41	#VALUE!	0,45	#VALUE!	##	-0,15

Bond spreads *	Last	Close		Last month	Trend Last week	YTD
		30.11.2017	31.10.2017			
CZ GB 2Y	-1,01	-1,00	-1,01	0,00	▲	-0,76
CZ GB 5Y	-1,03	-1,16	-1,19	0,02	▲	-0,83
CZ GB 10Y	-1,29	-1,38	-1,31	-0,07	▼	-1,09
PL GB 2Y	-2,40	-2,30	-2,37	0,07	▲	-0,51
PL GB 5Y	-2,93	-3,07	-3,01	-0,07	▼	-0,80
PL GB 10Y	-2,94	-2,98	-3,08	0,10	▲	-0,96
HU GB 3Y	-1,10	-1,18	-1,17	-0,02	▼	1,70
HU GB 5Y	-1,31	-1,40	-1,57	0,17	▲	1,82
HU GB 10Y	-1,60	-1,76	-2,12	0,35	▲	1,46

### STOCK EXCHANGE & COMMODITY MARKETS

Equity indices	Last	Close		Last month	Trend Last week	YTD
		30.11.2017	31.10.2017			
DJIA 30	24 727	24 272	23 377	3,8%	▲	38,7%
S&P 500	2 679,3	2 647,6	2 575,3	2,8%	▲	30,1%
NASDAQ Comp.	6 961	6 874	6 728	2,2%	▲	47,0%
NASDAQ 100	6 472	6 366	6 249	1,9%	▲	52,8%
DAX 30	13 057	13 024	13 200	-1,6%	▼	33,2%
CAC 40	5 352	5 373	5 503	-2,4%	▼	25,3%
FTSE 100	7 559	7 327	7 493	-2,2%	▼	15,1%
DJ Euro stoxx 50	3 549	3 570	3 674	-2,8%	▼	12,8%
NIKKEI 225	22 866	22 725	22 012	3,2%	▲	31,0%
TOPIX	1 823	1 792	1 766	1,5%	▲	29,5%
HANG SENG	29 367	29 177	28 246	3,3%	▲	24,4%
PX 50	1 080	1 059	1 066	-0,6%	▼	14,1%
BUX	38 794	38 674	39 612	-2,4%	▼	133,2%
WIG 20	2 460	2 409	2 525	-4,6%	▼	6,2%
RTS Index	1 123	1 132	1 113	1,6%	▲	42,0%
SAX	325,1	322,9	320,5	0,7%	▲	46,2%

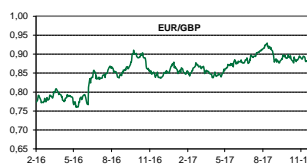
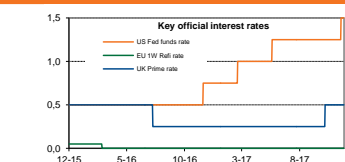
Commodities	Last	Close		Last month	Trend Last week	YTD
		30.11.2017	31.10.2017			
Crude Oil WTI	58,0	57,5	54,7	5,0%	▲	-14,6%
Crude Oil BRENT	64,5	62,6	60,7	3,2%	▲	-13,6%
GOLD	1 264,4	1 274,9	1 271,1	0,3%	▲	6,7%
SILVER	16,14	16,44	16,72	-1,7%	▼	2,8%
PLATINUM	915	943	919	2,6%	▲	-24,3%
PALLADIUM	1 039	1 010	984	2,7%	▲	30,2%



### FOREIGN EXCHANGE MARKET

Currency crosses	Last	Close		Last month	Trend Last week	YTD
		30.11.2017	31.10.2017			
EUR/USD	1,1853	1,1892	1,1647	1,0%	▲	-7,2%
GBP/USD	1,3351	1,3509	1,3273	-0,6%	▼	-7,2%
USD/JPY	113,52	112,51	113,68	-2,7%	▼	-5,3%
USD/CHF	0,9893	0,984	0,9966	-0,9%	▼	-2,0%
EUR/CHF	1,17255	1,170	1,16072	-2,9%	▼	0,1%
EUR/GBP	0,8878	0,8803	0,8775	0,6%	▲	-1,2%
EUR/JPY	134,54	133,80	132,41	-1,5%	▼	0,8%
EUR/CZK	25,73	25,50	25,66	0,8%	▲	3,4%
USD/CZK	21,71	21,45	22,03	-1,2%	▼	5,6%
EUR/PLN	4,201	4,204	4,241	2,3%	▲	-5,3%
USD/PLN	3,544	3,535	3,641	0,2%	▲	0,4%
EUR/HUF	312,36	313,08	311,34	5,7%	▲	60,3%
USD/HUF	263,54	263,27	267,31	3,5%	▲	63,5%
EUR/RON	4,64	4,64	4,60	2,1%	▲	-2,0%
USD/RON	3,91	3,90	3,95	1,8%	▲	-14,3%
EUR/RUB	69,31	69,49	67,92	-1,0%	▼	-5,3%
USD/RUB	58,48	58,45	58,32	-1,2%	▼	-0,5%

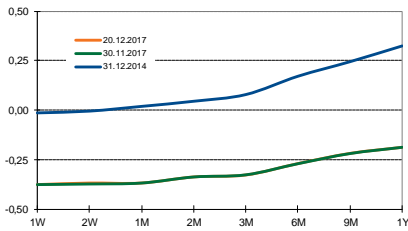
Key official interest rates	Actual	Beginning of the year
EU	0,00	0,05
US	1,50	0,25
UK	0,50	0,50
CZ	0,50	0,05
PL	1,50	2,00
HU	0,90	2,10



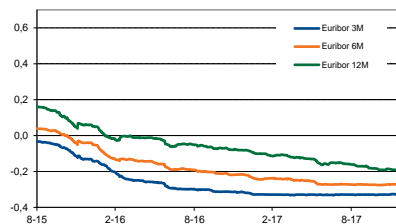
\* EU and JP vs. US; SK, CZ, PL and HU vs. EU Data source for government bonds yields is Bloomberg fair value  
 Last - Last quote during update Close - Close value on a specified date Last month - Performance during last month Last week - Performance during last week YTD - Performance since start of the year  
 Updated on: 21.12.2017 14:07

## Graphs

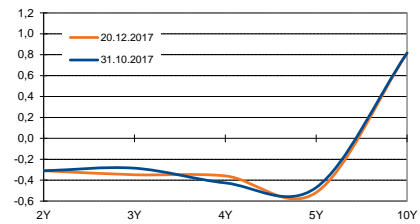
### EURIBOR Curve



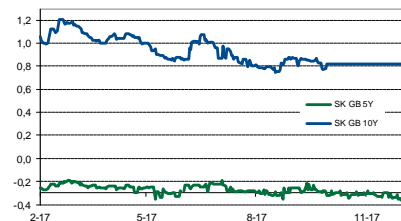
### 3M, 6M, 12M EURIBOR



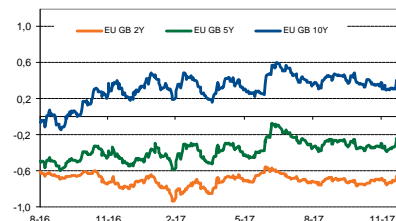
### SK Yield Curve



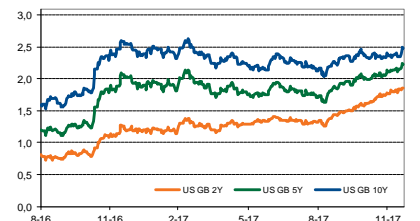
### SK GB Yields



### EU GB Yields



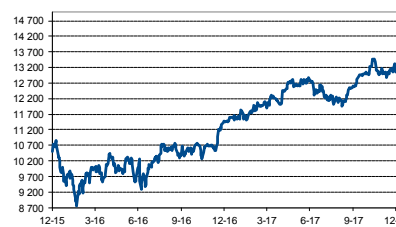
### US GB Yields



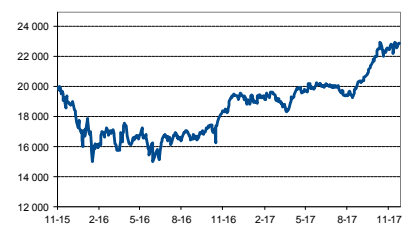
### DJIA 30



### DAX 30



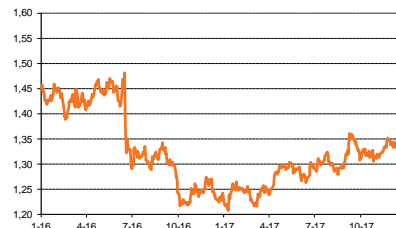
### NIKKEI 225



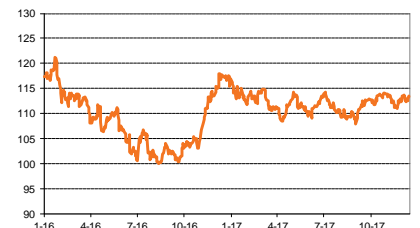
### EUR/USD



### GBP/USD



### USD/JPY



This material is prepared by: Economic Research Department, VUB banka

#### Chief economist

Zdenko Štefanides

+421 2 5055 2567

zstefanides@vub.sk

#### Senior economist

Andrej Arady

+421 2 5055 2812

aarady@vub.sk

#### Sales

Lenka Cyprichová

+421 2 5055 9610

Lukáš Žitný

+421 2 5055 9650

Róbert Jaselský

+421 2 5055 9630

Zuzana Šikulová

+421 2 5055 9620

Tomáš Čár

+421 2 5055 9595

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