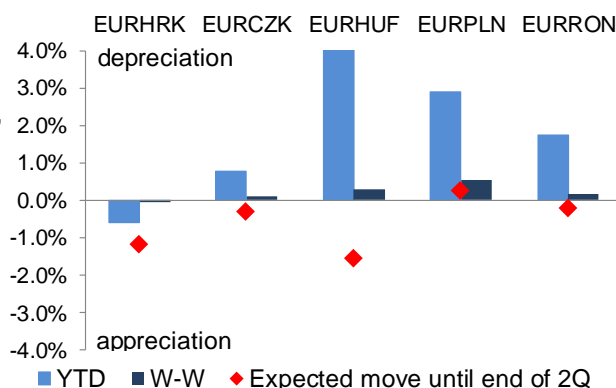




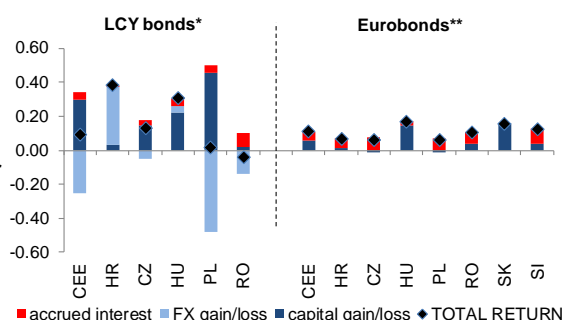
# CEE Market Insights

## Market outlook

The relative outperformance of the forint is unlikely to continue this week on CEE currency markets, due to the loose monetary policy there. After the weakening last week, the Polish zloty came back very close to the levels vs. the euro that we forecast (roughly 4.30 for the EURPLN). We have turned less bullish on the CZK against the euro, as the likelihood of further hikes are lower after the recent hike by the CNB. Meeting minutes released on Friday also indicate that rate-setters are worried by a potentially larger than expected slowdown in the Euro Area.



After a decrease in yields last week in CEE, many releases could affect them this week. Today's inflation releases in the Czech Republic and Romania and Wednesday's GDP releases are the most important to be watched, while Wednesday's central bank meetings in Poland and Romania could also potentially move markets there. We see current yield levels in CEE as not too far away from our forecasts for the coming months.



## Looking ahead this week:

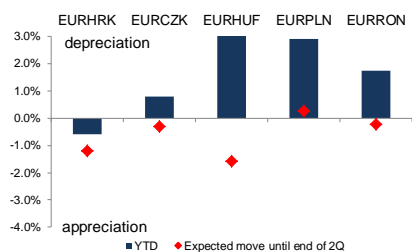
Monday	Tuesday	Wednesday	Thursday	Friday
<b>CZ, RO, RS:</b> CPI <b>RO:</b> Wages	<b>RO:</b> Industry, CA <b>PL:</b> Trade Balance	<b>PL,RO:</b> Target rate <b>CZ,HU,SK,RO,PL:</b> GDP <b>HR,SK,PL:</b> CPI	<b>RS:</b> Current account	<b>SK:</b> Unemployment

This week, CEE countries will publish their inflation data for April and flash estimates of GDP growth for 1Q19. Poland should confirm its already published flash estimate of April inflation (2.2%), while Croatia's inflation is to slightly increase to 0.9% (from 0.8% in March). The flash GDP growth estimate should reveal some deceleration of economic activity in the Czech Republic and Poland. Hungary, Romania and Slovakia should keep their growth momentum from 4Q18, with the former two countries having some decent chances for upside risk. On Wednesday, Poland's MPC will keep rates on hold. The central bank will certainly comment on the recent jump in inflation. The Romanian central bank will also keep the rate unchanged while maintaining tight liquidity conditions in the market. The NBR will also publish its new inflation forecast, which should point to a higher inflation trajectory.

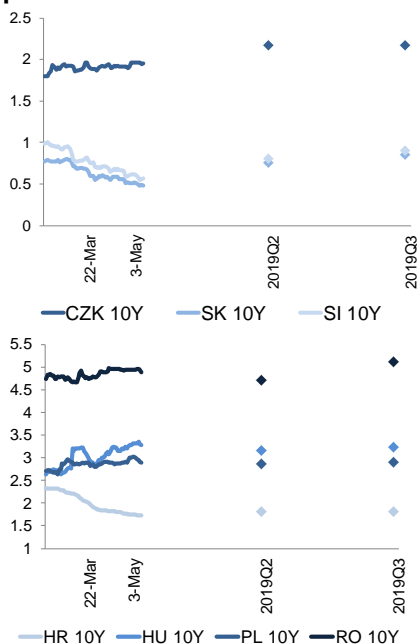
## In case you missed it last week...

- CEE: European Commission released its new forecasts, which indicate fiscal slippage in CEE
- RO: Retail sales increased 9.2% y/y in March
- HU: Headline inflation accelerated to 3.9%, while core rate was flat in April
- HU: March industrial output and retail sales hint at strong GDP growth in 1Q19
- SK: Industrial production rose by 7.3% y/y in March, exceeding both our and consensus expectations
- RS: Central bank left key rate unchanged at 3%

**YTD change on FX market**



**10Y government bond yields, percent**



Source: Erste Group Research, Bloomberg.

**On global markets:**

Alongside the outcome of the current negotiations between the US and China, the EURUSD should be impacted by macro releases from Germany and the US. 1Q GDP figures for Germany will show how the largest Eurozone country fared in a difficult environment for foreign trade. For the US, retail sales will be released, giving markets an indication of how the all-important private consumption is developing.

**CEE currencies:**

Renewed trade tensions on the international level mostly undermined CEE currencies last week. Besides the usually stable (or slightly appreciating) Croatian kuna and Serbian dinar, the Hungarian forint was the most important outlier from this development. While inflation for April was reported at a six-and-a-half-year high, budget developments were very strong. Still, due to the loose monetary policy, we do not think that the HUF has much room to appreciate, and the currency could remain subject to high volatility going forward. The Polish zloty was the worst performer last week, but the actual level of the EURPLN (4.30) is close to our call for the coming months. As for the koruna, we have turned less bullish, as the likelihood of further hikes this year is lower after the recent hike by the CNB. Meeting minutes released on Friday also indicate that rate-setters are worried by a potentially larger than expected slowdown in the Euro Area.

**CEE rates and yields:**

After a decrease in yields last week in CEE, many releases could affect them this week. To start with, rates and yields could be affected by GDP releases for 1Q19 this week. This could reveal that growth was likely much better than in the Euro Area. This fact itself would not be a big surprise, but the exact numbers should be closely watched, as recent figures in many cases point to the fact that the slowdown vs. 4Q18 was likely not that pronounced (actually, some countries could deliver an increase, which was not our expectation a few months ago). There is a decent chance that CEE yields will react more to growth numbers for Germany. As inflation is around highs of central bank target bands in the Czech Republic and Romania, this data could also have the potential to move markets today. Rates also have potential to react to Polish and Romanian central banker meetings, although perhaps to a lower extent. As for Poland, this is due to the fact that the MPC has been sticking to an unchanged rate policy for an extended period of time. That said, the recent jump in inflation could potentially put a hawkish tilt to them. As for Romania, the potential could also be limited by the fact that the policy rate is unlikely to be changed and interbank rates have already reacted to the announcement of a tight liquidity policy. New economic projections could still be interesting to rate markets in Romania, however. We see current yield levels in CEE as not too far from our forecasts for the coming months.

## Calendar

Time	Country	Indicator	Period	Survey	Erste Est.	Prev.	Pre Comment
<b>13-May</b>							
9:00	CZ	CPI (y/y)	Apr	3.1%	<b>2.9%</b>	3%	We expect headline inflation to slow down gradually in coming months. However, pro-inflationary factors will remain sufficiently high to keep inflation above target during this year. April print is expected to come just tad under last month's figure. Low base effect (vegetables) was key reason for recent rise of inflation, but April is last month in which base effects play role.
12:00	RS	CPI (y/y)	Apr		<b>2.7%</b>	3%	
<b>14-May</b>							
	RO	Current Account (m)	Mar			-568	
8:00	RO	Industrial Production (y/y)	Mar		<b>2.1%</b>	1.8%	Industrial production probably performed slightly better in March.
14:00	PL	Trade Balance	Mar	-1021		-1327	
<b>15-May</b>							
	PL	Target Rate	May 15	1.5%	<b>1.5%</b>	1.5%	We do not expect any change in policy rate, despite rising headline inflation.
	RO	Target Rate	May 15	2.5%	<b>2.5%</b>	2.5%	Unchanged policy rate, but tighter liquidity conditions in market.
8:00	RO	GDP (y/y)	1Q A	4.2%	<b>4.4%</b>	4.1%	Retail sales and services were strong in 1Q19.
9:00	CZ	GDP (y/y)	1Q A	2.4%	<b>2.3%</b>	2.6%	Despite economic development in Eurozone, domestic demand remains relatively high and will be main driving force behind growth of Czech economy.
9:00	HU	GDP (y/y)	1Q P	5.4%	<b>5.1%</b>	5.1%	Contribution of industry and construction to 1Q GDP growth could have been fairly strong, while on final use side, households consumption could have been main driver.
9:00	SK	CPI (y/y)	Apr		<b>2.4%</b>	2.7%	Inflation is likely to have eased its pace in April. A milder increase of consumer prices is expected.
9:00	SK	GDP (y/y)	1Q P		<b>3.7%</b>	3.6%	Economic growth is likely to have eased a bit, still driven predominantly by domestic demand with a small positive contribution of net exports.
10:00	PL	CPI (y/y)	Apr F			2.2%	
10:00	PL	GDP (y/y)	1Q P	4.4%	<b>4.7%</b>	4.9%	Private consumption will most likely remain key driver of GDP growth in 1Q19.
11:00	HR	CPI (y/y)	Apr		<b>0.8%</b>	0.9%	Inflation is expected to remain in tight band in April.
<b>16-May</b>							
	RS	Current Account (m)	Mar			-313	
<b>17-May</b>							
	SK	Unemployment Rate	Apr		<b>4.95%</b>	5.0%	Further positive development on the labour market is expected.

Sources: Bloomberg, Reuters

## Capital market forecasts

Government bond yields					
	current	2019Q2	2019Q3	2019Q4	2020Q1
<b>Croatia 10Y</b>	1.73	1.80	1.80	1.80	1.90
spread (bps)	177	163	154	145	151
<b>Czech Rep. 10Y</b>	1.95	2.17	2.17	2.33	2.44
spread (bps)	200	200	191	198	205
<b>Hungary 10Y</b>	3.28	3.14	3.23	3.40	3.46
spread (bps)	332	297	297	305	307
<b>Poland 10Y</b>	2.89	2.85	2.90	3.00	3.10
spread (bps)	294	268	264	265	271
<b>Romania10Y</b>	4.90	4.70	5.10	5.20	5.40
spread (bps)	494	453	484	485	501
<b>Slovakia 10Y</b>	0.48	0.75	0.85	0.85	0.95
spread (bps)	52	58	59	50	56
<b>Slovenia 10Y</b>	0.57	0.80	0.90	0.90	1.00
spread (bps)	61	63	64	55	61
<b>Serbia 5Y</b>	3.91	3.96	3.90	3.93	3.95
<b>DE10Y (BBG)*</b>	-0.04	0.17	0.26	0.35	0.39

3M Money Market Rate					
	current	2019Q2	2019Q3	2019Q4	2020Q1
<b>Croatia</b>	0.46	0.50	0.50	0.50	0.50
<b>Czech Republic</b>	2.20	2.18	2.18	2.18	2.24
<b>Hungary</b>	0.16	0.22	0.30	0.45	0.60
<b>Poland</b>	1.72	1.72	1.72	1.72	1.72
<b>Romania</b>	3.30	3.20	3.70	3.60	3.50
<b>Serbia</b>	2.97	2.96	2.98	2.98	2.99
<b>Eurozone</b>	-0.31	-0.30	-0.30	-0.30	-

FX					
	current	2019Q2	2019Q3	2019Q4	2020Q1
<b>EURHRK</b>	7.41	7.32	7.42	7.45	7.42
forwards		7.41	7.41	7.41	7.41
<b>EURCZK</b>	25.73	25.65	25.51	25.31	25.03
forwards		25.75	25.75	25.75	25.75
<b>EURHUF</b>	323.7	319.0	320.0	322.0	322.0
forwards		326.9	326.9	327.0	327.0
<b>EURPLN</b>	4.30	4.31	4.32	4.29	4.29
forwards		4.30	4.30	4.30	4.30
<b>EURRON</b>	4.76	4.75	4.75	4.77	4.79
forwards		4.76	4.76	4.76	4.76
<b>EURRSD</b>	118.0	117.5	117.9	118.2	118.0
forwards		-	-	-	-
<b>EURUSD</b>	1.12	1.15	1.18	1.18	-

Key Interest Rate					
	current	2019Q2	2019Q3	2019Q4	2020Q1
<b>Croatia</b>	0.30	0.30	0.30	0.30	0.30
<b>Czech Republic</b>	2.00	2.00	2.00	2.00	2.00
<b>Hungary</b>	0.90	0.90	0.90	0.90	0.90
<b>Poland</b>	1.50	1.50	1.50	1.50	1.50
<b>Romania</b>	2.50	2.50	2.50	2.50	2.50
<b>Serbia</b>	3.00	3.00	3.00	3.00	3.00
<b>Eurozone</b>	0.00	0.00	0.00	0.00	-

## Macro forecasts

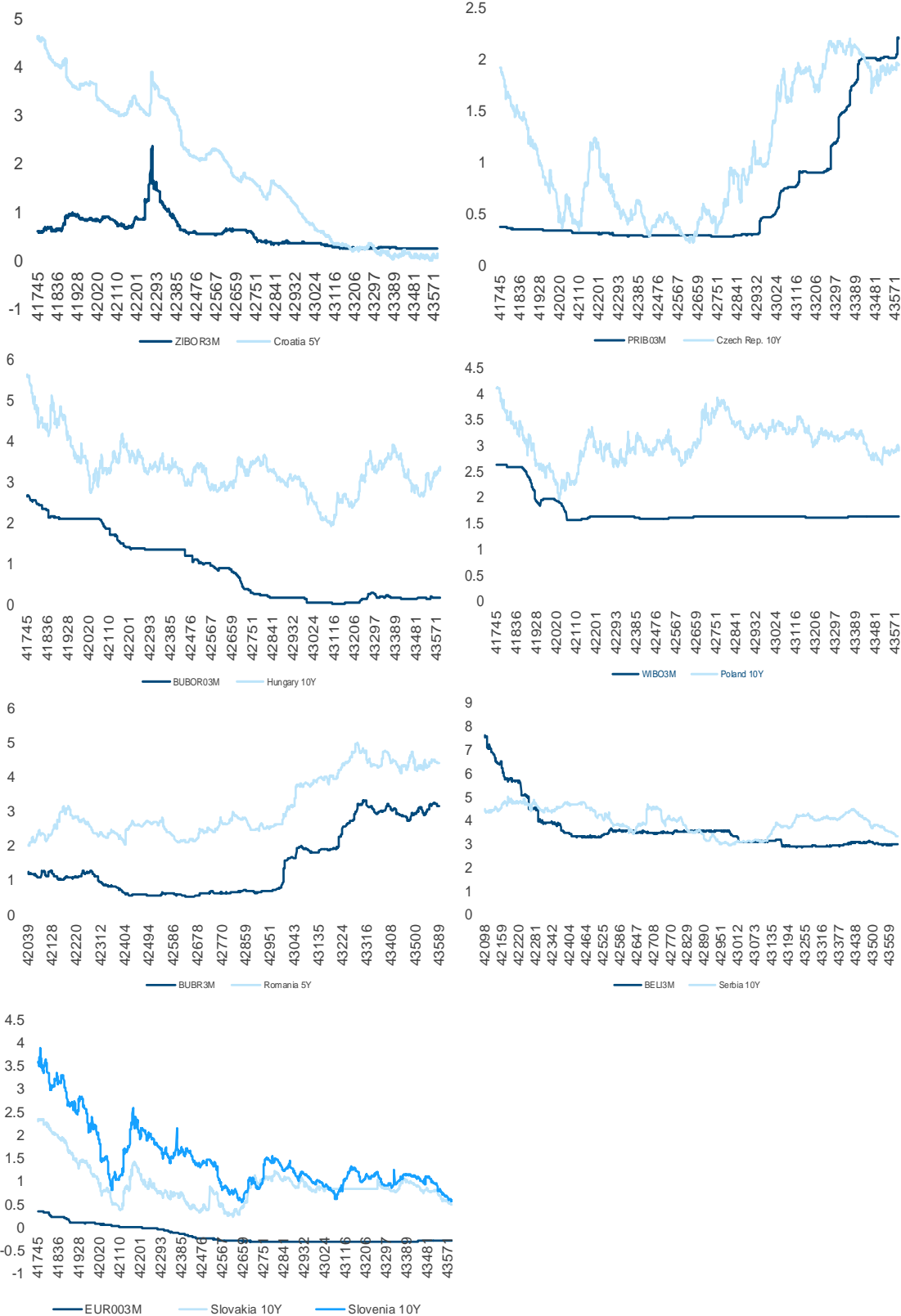
Real GDP growth (%)					Average inflation (%)					Unemployment (%)				
	2017	2018f	2019f	2020f		2017	2018f	2019f	2020f		2017	2018f	2019f	2020f
Croatia	2.9	2.6	2.3	2.3	Croatia	1.1	1.5	1.0	1.2	Croatia	11.3	8.4	7.4	6.4
Czech Republic	4.5	3.0	2.5	2.8	Czech Republic	2.4	2.2	2.3	2.0	Czech Republic	2.4	2.4	2.5	3.0
Hungary	4.1	4.9	3.8	2.9	Hungary	2.4	2.8	3.1	2.9	Hungary	4.2	3.7	3.6	3.5
Poland	4.8	5.1	4.2	3.4	Poland	2.0	1.6	2.2	2.4	Poland	7.2	6.1	6.3	6.4
Romania	7.0	4.1	3.1	3.7	Romania	1.3	4.6	3.6	3.1	Romania	4.9	4.2	3.8	4.0
Serbia	2.0	4.3	3.0	3.3	Serbia	3.2	2.0	2.3	2.4	Serbia	13.5	12.7	12.2	11.7
Slovakia	3.2	4.1	3.4	3.6	Slovakia	1.3	2.5	2.5	2.5	Slovakia	8.1	6.5	6.3	5.8
Slovenia	4.9	4.5	3.2	3.1	Slovenia	1.4	1.7	1.3	1.5	Slovenia	6.6	5.1	4.2	3.7
<b>CEE8 average</b>	<b>4.7</b>	<b>4.4</b>	<b>3.5</b>	<b>3.3</b>	<b>CEE8 average</b>	<b>1.9</b>	<b>2.4</b>	<b>2.5</b>	<b>2.4</b>	<b>CEE8 average</b>	<b>6.2</b>	<b>5.3</b>	<b>5.2</b>	<b>5.2</b>

Public debt (% of GDP)					C/A (%GDP)					Budget Balance (%GDP)				
	2017	2018f	2019f	2020f		2017	2018f	2019f	2020f		2017	2018f	2019f	2020f
Croatia	77.8	74.1	71.4	69.3	Croatia	3.7	2.6	1.4	0.5	Croatia	0.9	0.2	0.0	-0.5
Czech Republic	34.7	33.2	32.1	31.4	Czech Republic	1.1	0.6	0.5	0.6	Czech Republic	1.5	1.5	1.1	0.9
Hungary	73.4	70.8	68.4	66.6	Hungary	2.8	0.5	-0.1	0.7	Hungary	-2.2	-2.2	-1.8	-1.8
Poland	50.6	48.9	50.1	49.3	Poland	0.2	-0.4	-0.5	-0.7	Poland	-1.4	-0.4	-1.9	-2.6
Romania	35.2	35.0	35.1	35.3	Romania	-3.2	-4.5	-4.9	-5.3	Romania	-2.7	-3.0	-3.0	-2.5
Serbia	57.9	53.8	51.5	49.2	Serbia	-5.2	-5.2	-5.5	-5.2	Serbia	1.1	0.6	-0.5	-0.5
Slovakia	50.9	48.9	47.8	46.1	Slovakia	-2.0	-2.5	-2.4	-1.2	Slovakia	-0.8	-0.7	-0.7	-0.4
Slovenia	72.4	67.0	63.8	60.8	Slovenia	7.2	7.3	6.5	5.8	Slovenia	0.0	0.0	0.50	0.3
<b>CEE8 average</b>	<b>50.2</b>	<b>48.3</b>	<b>47.9</b>	<b>46.9</b>	<b>CEE8 average</b>	<b>0.1</b>	<b>-0.7</b>	<b>-1.0</b>	<b>-1.0</b>	<b>CEE8 average</b>	<b>-0.9</b>	<b>-0.6</b>	<b>-1.3</b>	<b>-1.5</b>

Note: \*Information on past performance is not a reliable indicator for future performance. Forecasts are not a reliable indicator for future performance.

## Appendix



Note: \*Information on past performance is not a reliable indicator for future performance. Forecasts are not a reliable indicator for future performance.

## Erste Group Research

CEE Market Insights | Fixed Income | Central and Eastern Europe

13 May 2019

### Contacts

#### Group Research

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

**CEE Macro/Fixed Income Research**  
Head: Juraj Kotian (Macro/FI) +43 (0)5 0100 17357  
Zoltan Arokszallasi, CFA (Fixed income) +43 (0)5 0100 18781  
Katarzyna Rzentarzewska (Fixed income, Poland) +43 (0)5 0100 17356  
Malgorzata Krzywicka (Fixed income) +43 (0)5 0100 17338

**Croatia/Serbia**  
Alen Kovac (Head) +385 72 37 1383  
Mate Jelić +385 72 37 1443  
Ivana Rogic +385 72 37 2419

**Czech Republic**  
David Navratil (Head) +420 956 765 439  
Jiri Polansky +420 956 765 192  
Michal Skorepa +420 956 765 172

**Hungary**  
Orsolya Nyeste +361 268 4428  
Zsombor Varga +361 373 2830

**Romania**  
Horia Braun-Erdei (Head) +40 3735 10424  
Eugen Sinca +40 3735 10435  
Dorina Ilasco +40 3735 10436

**Slovakia**  
Maria Valachyova (Head) +421 2 4862 4185  
Katarina Muchova +421 2 4862 4762

**Major Markets & Credit Research**  
Head: Gudrun Egger, CEFA +43 (0)5 0100 11909  
Ralf Burchert, CEFA (Agencies) +43 (0)5 0100 16314  
Hans Engel (Global Equities) +43 (0)5 0100 19835  
Margarita Grushanina (Austria, Quant Analyst) +43 (0)5 0100 11957  
Peter Kaufmann, CFA (Corporate Bonds) +43 (0)5 0100 11183  
Heiko Langer (Covered Bonds/Financials) +43 (0)5 0100 85509  
Stephan Lingnau (Global Equities) +43 (0)5 0100 16574  
Carmen Riefler-Kowarsch (Covered Bonds/Financials) +43 (0)5 0100 19632  
Rainer Singer (Euro, US) +43 (0)5 0100 17331  
Bernadett Povaszai-Römhild, CEFA (Corporate Bonds) +43 (0)5 0100 17203  
Elena Statelov, CIIA (Corporate Bonds) +43 (0)5 0100 19641  
Gerald Walek, CFA (Euro, CHF) +43 (0)5 0100 16360

**CEE Equity Research**  
Head: Henning Eßkuchen +43 (0)5 0100 19634  
Daniel Lion, CIIA (Technology, Ind. Goods&Services) +43 (0)5 0100 17420  
Michael Marschallinger, CFA +43 (0)5 0100 17906  
Christoph Schultes, MBA, CIIA (Real Estate) +43 (0)5 0100 11523  
Vera Sutedja, CFA, MBA (Telecom, Steel) +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 +43 (0)5 0100 11913

**Croatia/Serbia**  
Mladen Dodig (Head) +381 11 22 09178  
Anto Augustinovic +385 72 37 2833  
Magdalena Dolenec +385 72 37 1407  
Davor Spoljar, CFA +385 72 37 2825

**Czech Republic**  
Petr Bartek (Head) +420 956 765 227  
Marek Dongres +420 956 765 218  
Jan Safranek +420 956 765 218

**Hungary**  
József Miró (Head) +361 235 5131  
András Nagy +361 235 5132  
Tamás Pletser, CFA +361 235 5135

**Poland**  
Tomasz Duda (Head) +48 22 330 6253  
Cezary Bernatek +48 22 538 6256  
Konrad Grygo +48 22 330 6254  
Mateusz Krupa, CFA +48 22 330 6251  
Michal Pilch +48 22 330 6255  
Emil Poplawski +48 22 330 6252

**Romania**  
Caius Rapanu +40 3735 10441

**Turkey**  
Umut Cebir +90 2129120445  
Lina Barokas +90 2129120445

#### Treasury – Erste Bank Vienna

**Group Markets Retail Sales**  
Head: Christian Reiss +43 (0)5 0100 84012

**Markets Retail Sales AT**  
Head: Markus Kaller +43 (0)5 0100 84239

**Group Markets Execution**  
Head: Kurt Gerhold +43 (0)5 0100 84232

**Retail & Sparkassen Sales**  
Head: Uwe Kolar +43 (0)5 0100 83214

**Corporate Treasury Product Distribution AT**  
Head: Christian Skopek +43 (0)5 0100 84146

#### Fixed Income Institutional Sales

**Institutional Distribution non CEE**  
Head: Jaromir Malak +43 (0)5 0100 84254  
Karin Rattay +43 (0)5 0100 84118  
Christian Kienesberger +43 (0)5 0100 84323  
Bernd Bollhof +49 (0)30 8105800 5525  
Rene Klasen +49 (0)30 8105800 5521  
Christopher Lampe-Traupe +49 (0)30 8105800-5507  
Charles-Henry La Coste de Fontenilles +43 (0)5 0100 84115  
Bernd Thaler +43 (0)5 0100 84119

**Bank Distribution**  
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 Gindele +49 (0)711 810400 5562

**Institutional Distribution CEE**  
Head: Jaromir Malak +43 (0)5 0100 84254

**Institutional Distribution PL and CIS**  
Pawel Kielek +48 22 538 6223  
Michal Jarmakowicz +43 50100 85611

**Institutional Distribution Slovakia**  
Head: Sarlota Sipulova +421 2 4862 5619  
Monika Smelikova +421 2 4862 5629

**Institutional Distribution Czech Republic**  
Head: Ondrej Cech +420 2 2499 5577  
Milan Bartos +420 2 2499 5562  
Barbara Suvadova +420 2 2499 5590

**Institutional Asset Management Czech Republic**  
Head: Petr Holecek +420 956 765 453  
Martin Perina +420 956 765 106  
Petr Valenta +420 956 765 140  
David Petracek +420 956 765 809  
Blanca Weinerova +420 956 765 317

**Institutional Distribution Croatia**  
Head: Antun Buric +385 (0)7237 2439  
Zvonimir Tukač +385 (0)7237 1787  
Natalija Zujic +385 (0)7237 1638

**Institutional Distribution Hungary**  
Head: Peter Csizmadia +36 1 237 8211  
Attila Hollo +36 1 237 8209  
Gabor Balint +36 1 237 8205

**Institutional Distribution Romania and Bulgaria**  
Head: Ciprian Mitu +43 (0)50100 85612  
Crisitan Adascalita +40 373 516 531

**Group Institutional Equity Sales**  
Head: Brigitte Zeitberger-Schmid +43 (0)50100 83123  
Werner Fürst +43 (0)50100 83121  
Josef Kerekes +43 (0)50100 83125  
Cormac Lyden +43 (0)50100 83120

**Business Support**  
Bettina Mahoric +43 (0)50100 86441

## **Erste Group Research**

CEE Market Insights | Fixed Income | Central and Eastern Europe

13 May 2019

### **Disclaimer**

This publication was prepared by Erste Group Bank AG or any of its consolidated subsidiaries (together with consolidated subsidiaries "Erste Group") independently and objectively as other information pursuant to the Circular of the Austrian Financial Market Authority regarding information including marketing communication pursuant to the Austrian Securities Supervision Act. This publication serves interested investors as additional source of information and provides general information, information about product features or macroeconomic information without emphasizing product selling marketing statements. This publication does not constitute marketing communication pursuant to Art. 36 (2) Austrian Securities Supervision Act as no direct buying incentives were included in this publication, which is of information character. This publication does not constitute investment research pursuant to § 36 (1) Austrian Securities Supervision Act. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to the prohibition on dealing ahead of the dissemination of investment research. The information only serves as non-binding and additional information and is based on the level of knowledge of the person in charge of drawing up the information on the respective date of its preparation. The content of the publication can be changed at any time without notice. This publication does not constitute or form part of, and should not be construed as, an offer, recommendation or invitation to subscribe for or purchase any securities, and neither this publication nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or inclusion of a security or financial product in a trading strategy. Information provided in this publication are based on publicly available sources which Erste Group considers as reliable, however, without verifying any such information by independent third persons. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, Erste Group (including its representatives and employees) neither expressly nor tacitly makes any guarantee as to or assumes any liability for the up-to-dateness, completeness and correctness of the content of this publication. Erste Group may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Erste Group endorses, recommends or approves any material on the linked page or accessible from it. Neither a company of Erste Group nor any of its respective managing directors, supervisory board members, executive board members, directors, officers of other employees shall be in any way liable for any costs, losses or damages (including subsequent damages, indirect damages and loss of profit) howsoever arising from the use of or reliance on this publication. Any opinion, estimate or projection expressed in this publication reflects the current judgment of the author(s) on the date of publication of this document and do not necessarily reflect the opinions of Erste Group. They are subject to change without prior notice. Erste Group has no obligation to update, modify or amend this publication 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 securities or financial instruments is not indicative for future results. No assurance can be given that any financial instrument or issuer described herein would yield favorable investment results or that particular price levels may be reached. Forecasts in this publication are based on assumptions which are supported by objective data. However, the used forecasts are not indicative for future performance of securities or financial instrument. Erste Group, 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. Erste Group may act as a market maker in the financial instruments or companies discussed herein and may also perform or seek to perform investment services for those companies. Erste Group may act upon or use the information or conclusion contained in this publication before it is distributed to other persons. This publication is subject to the copyright of Erste Group and may not be copied, distributed or partially or in total provided or transmitted to unauthorized recipients. By accepting this publication, a recipient hereof agrees to be bound by the foregoing limitations.

© Erste Group Bank AG 2019. All rights reserved.

### **Published by:**

**Erste Group Bank AG**  
**Group Research**  
**1100 Vienna, Austria, Am Belvedere 1**  
**Head Office: Wien**  
**Commercial Register No: FN 33209m**  
**Commercial Court of Vienna**

**Erste Group Homepage: [www.erstegroup.com](http://www.erstegroup.com)**