

Slovakia | Instant Comment

# Industrial production affected by oil supply outage

## Industrial Output (y/y)

|              |             |           |             |        |             |            |             |
|--------------|-------------|-----------|-------------|--------|-------------|------------|-------------|
| Actual, May: | <b>4.7%</b> | Previous: | <b>7.0%</b> | Erste: | <b>6.8%</b> | Consensus: | <b>5.3%</b> |
|--------------|-------------|-----------|-------------|--------|-------------|------------|-------------|

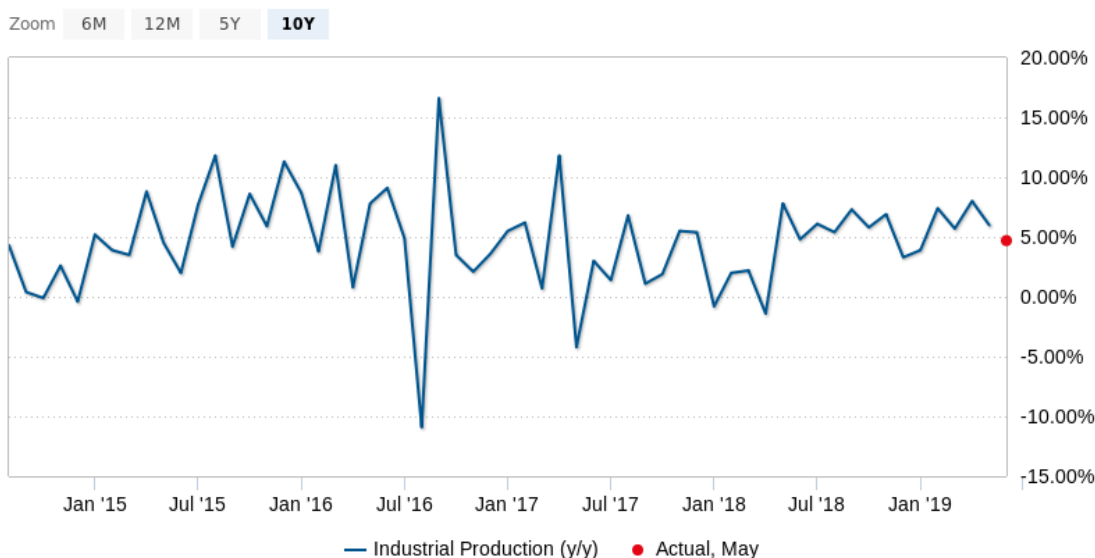
**Industrial production rose by 4.7% y/y (+0.2% m/m) in May, marking a milder rate of growth than expected.** The largest driver was car production (+10.4% y/y), followed by manufacture of electrical equipment that experienced a rebound in spring (+37.2% m/m). Electricity and gas supply also contributed to the broader print in May (+23.3% y/y). On the other hand, the largest drag on IP was manufacture of coke and refined petroleum products which marked a 61% y/y fall. **The latter was affected by the disturbances in oil supply due to chlorine-contaminated oil which got into the system from Russia at that time.**

**After two consecutive year-on-year falls, production in construction rose by 1.6% y/y in May.** On a seasonally-adjusted basis, it marked a monthly increase of 0.1% m/m.

Looking Forward:

Unforeseen one-off factors affected industrial production in May, most notably the halted oil supply. However, despite the clouds present in the external environment, industrial production growth should continue on a decent path. A noticeable boost of car production is due to the fourth car plant, which is gradually moving up to its full production volume (expected to be reached in 2019-20).

**Overall, we expect economic growth to average 3.4% this year,** driven mainly by domestic demand as the external environment is likely to remain overcast (Germany, Euro Area and China slowing down, uncertainty stemming from Brexit and possible inconveniences arising from these issues for the local car sector).



Source: Stat. Office Of The Slovak Republic

**Erste Group Research**  
Slovakia | Industrial Output

**Analyst:**  
Katarina Muchova  
+421 2 486 24762  
muchova.katarina@slsp.sk

## 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  
Ralf Burchert, CEFA (Agency Analyst) +43 (0)5 0100 16314  
Hans Engel (Senior Analyst Global Equities) +43 (0)5 0100 19835  
Margarita Grushanina (Economist AT, 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 (Senior Economist Euro, US) +43 (0)5 0100 17331  
Bernadett Povazsai-Römhild, CEFA (Corporate Bonds) +43 (0)5 0100 17203  
Elena Statelov, CIIA (Corporate Bonds) +43 (0)5 0100 19641  
Gerald Walek, CFA (Economist Euro, CHF) +43 (0)5 0100 16360

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

**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 +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

**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  
Mate Jelić (Fixed income) +385 72 37 1443  
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) +420 956 765 439  
Head: Petr Bartek (Equity) +420 956 765 227  
Jiri Polansky (Fixed income) +420 956 765 192  
Michal Skorepa (Fixed income) +420 956 765 172  
Jan Šumbera (Equity) +420 956 765 218  
Jan Žemlička (Fixed income) +420 956 765 456

**Research Hungary**  
Head: József Miró (Equity) +361 235 5131  
András Nagy (Equity) +361 235 5132  
Orsolya Nyeste (Fixed income) +361 268 4428  
Zsombor Varga (Fixed income) +361 373 2830  
Tamás Pletser, CFA (Oil&Gas) +361 235 5135

**Research Poland**  
Director of Research: Tomasz Duda (Equity) +48 22 330 6253  
Cezary Bernatek (Equity) +48 22 538 6256  
Konrad Grygo (Equity) +48 22 330 6254  
Mateusz Krupa (Equity) +48 22 330 6251  
Michal Pilch (Equity) +48 22 330 6255  
Emil Poplawski (Equity) +48 22 330 6252

**Research Romania**  
Head: Horia Braun-Erdei +40 3735 10424  
Caius Rapanu (Equity) +40 3735 10441  
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

**Research Turkey**  
Ender Kaynar (Equity) +90 212 371 2530  
Umut Cebir (Equity) +90 212 371 2537

### 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

**Group Securities Markets**  
Head: Harald Müller +43 (0)5 0100 84890

**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 Frieberthäuser +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 Zeitlberger-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

### **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)