

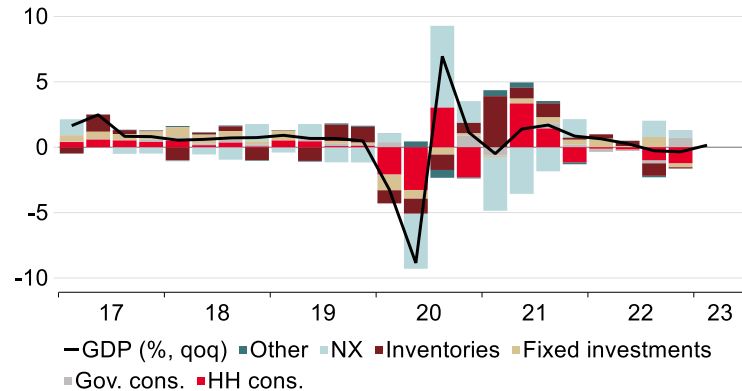
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3 MAY 2023

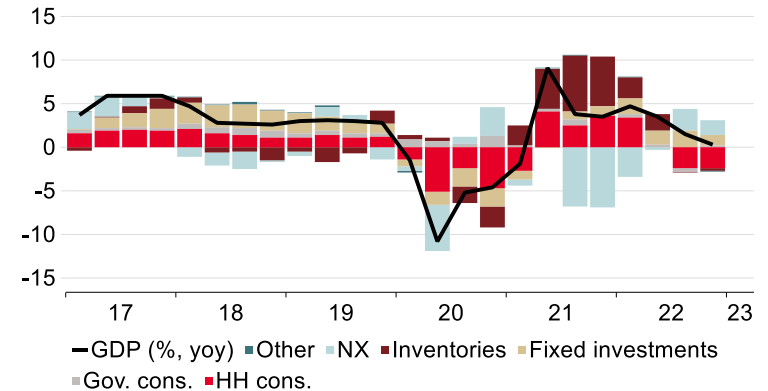
# CZECH ECONOMIC OUTLOOK

# CURRENT STATE OF THE CZECH ECONOMY

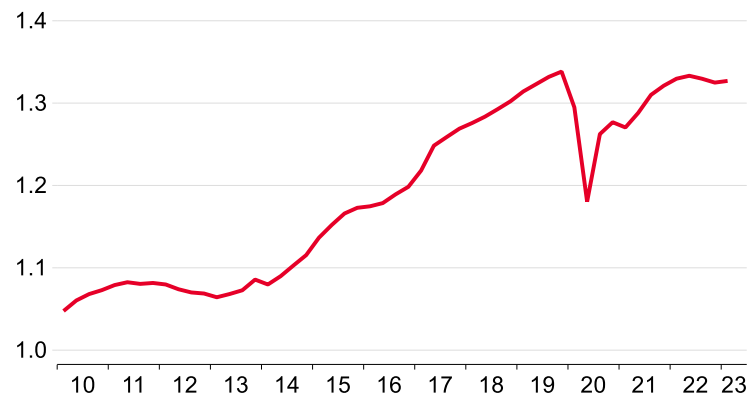
## GDP (% , pp, qoq)



## GDP (% , pp, yoy)



## Real GDP (2015 CZKtn)

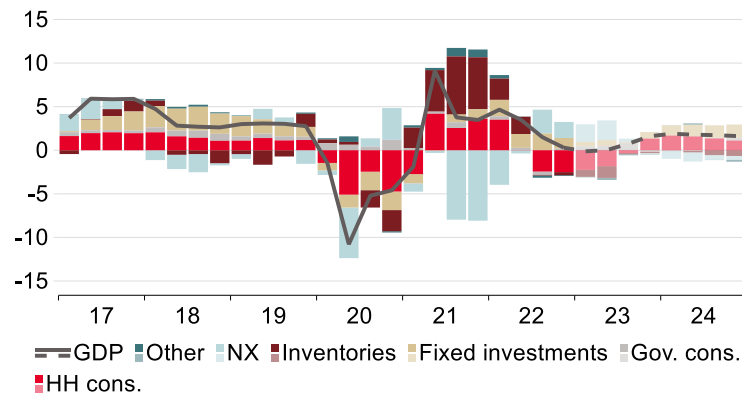


## Real household consumption (2015 CZKbn)

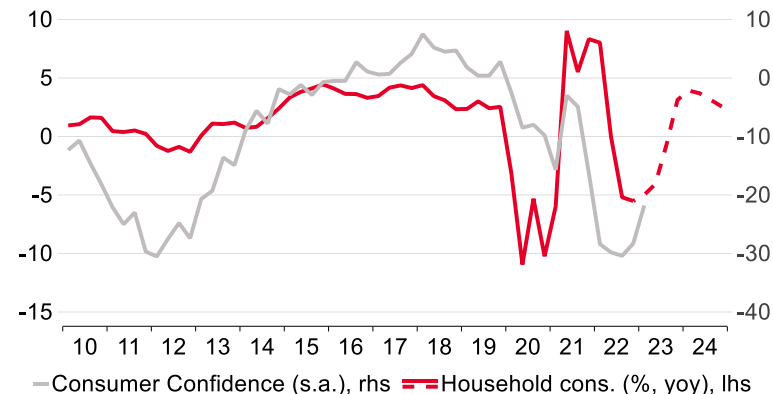


# ECONOMIC ACTIVITY & LABOUR MARKET – OUR FORECASTS

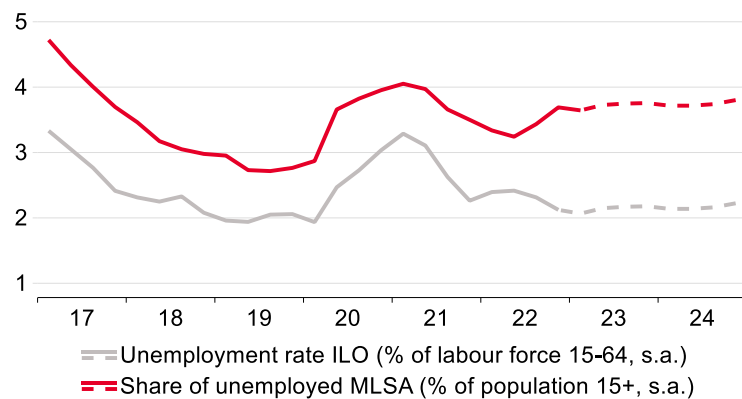
## GDP growth (% , pp, yoy)



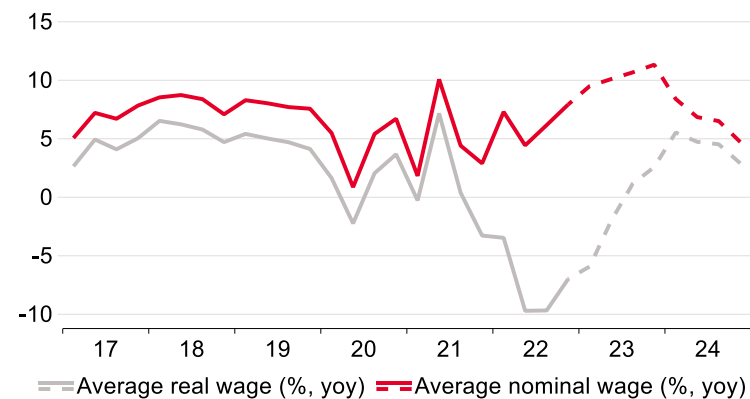
## Real household consumption (% , yoy)



## Unemployment rate

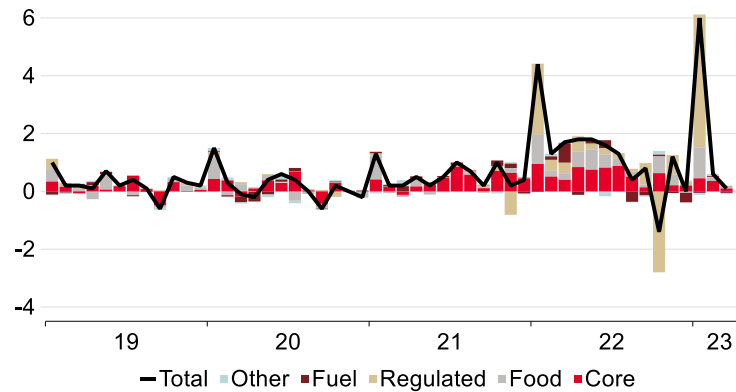


## Average wage growth

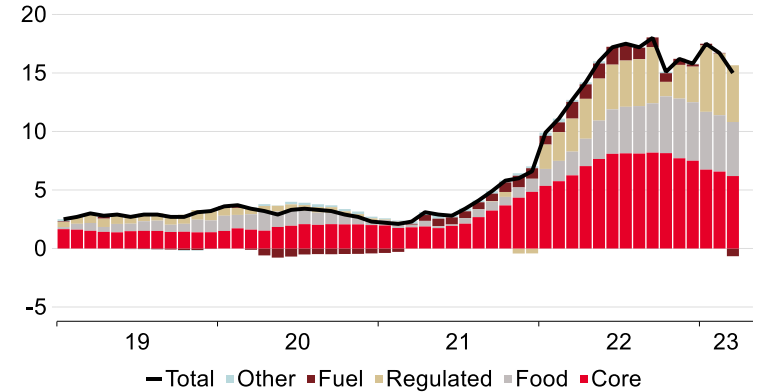


# RECENT INFLATION DEVELOPMENTS

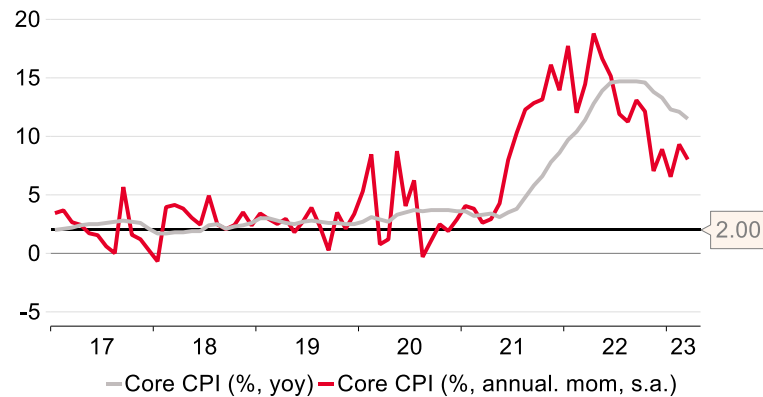
CPI (% , pp, mom, n.s.a.)



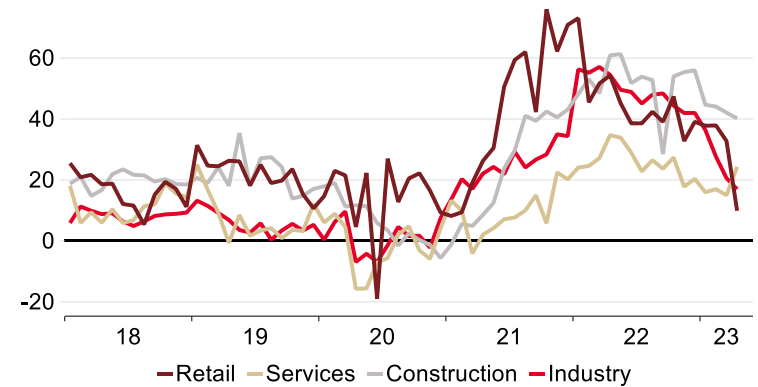
CPI (% , pp, yoy)



Core CPI

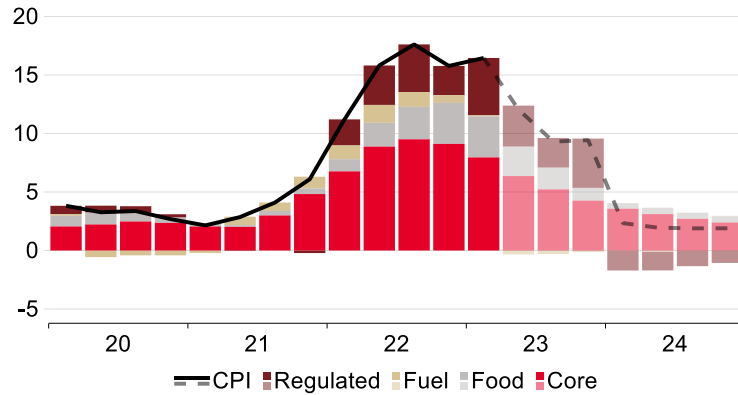


Expected price change by firms in 3M horizon (% , balance)

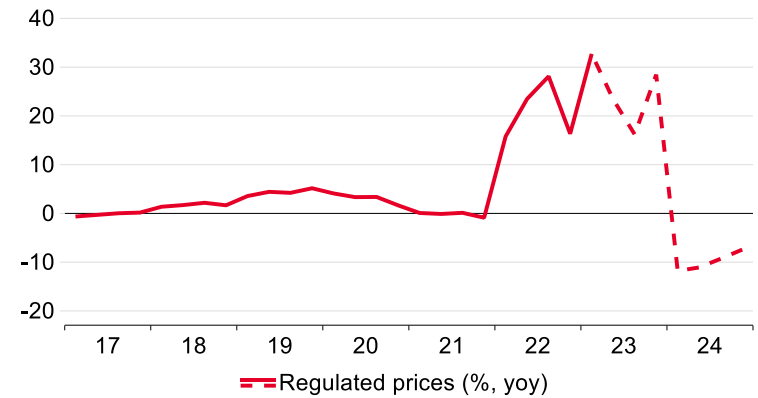


# FORECAST OF CPI INFLATION

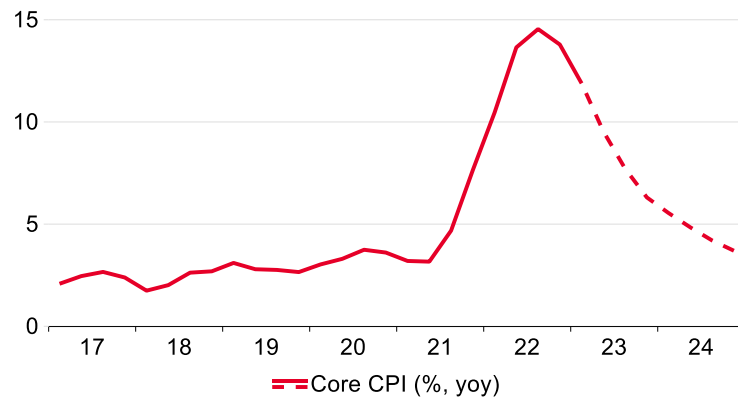
## CPI (% , pp, yoy)



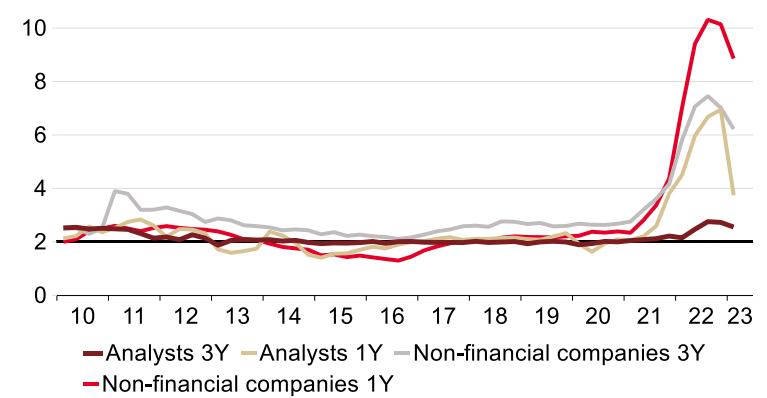
## Regulated prices



## Core CPI

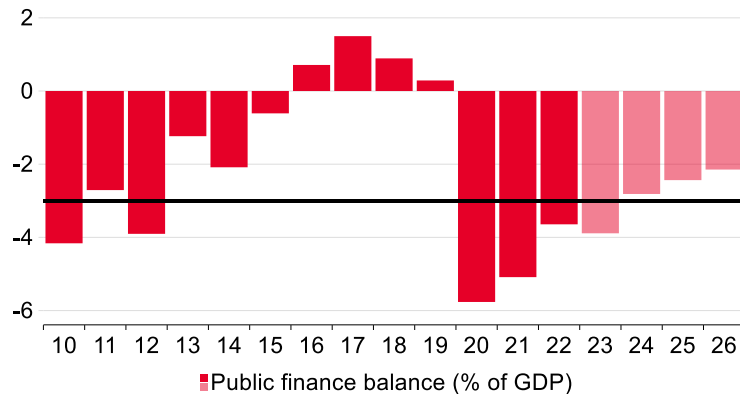


## Inflation expectations (% , yoy)

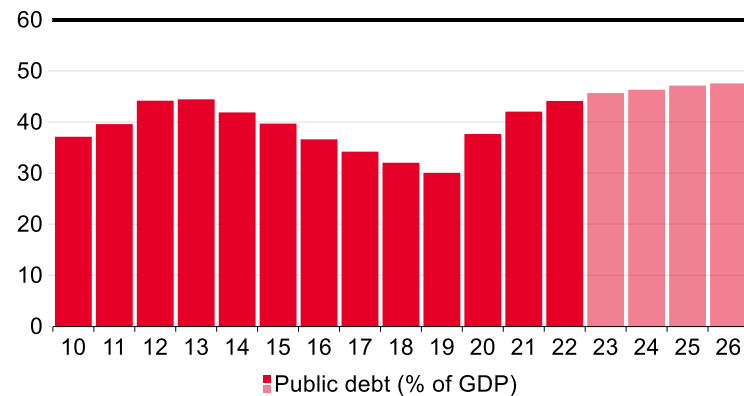


# FISCAL & MONETARY POLICY

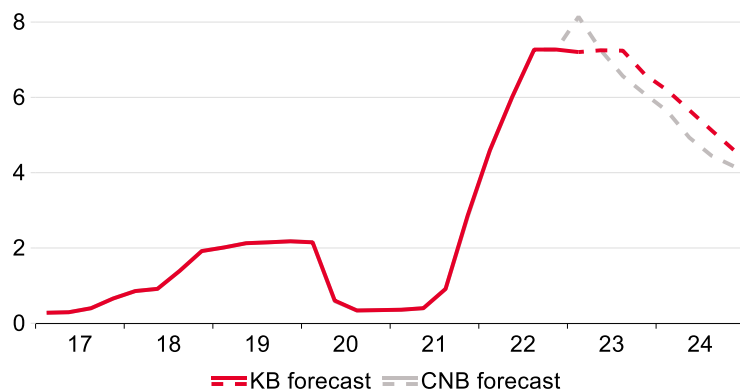
## Public finance balance



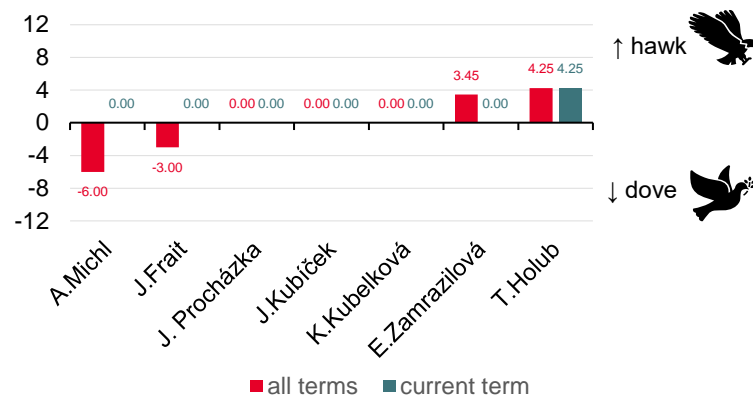
## Public debt



## 3M Pribor (%)

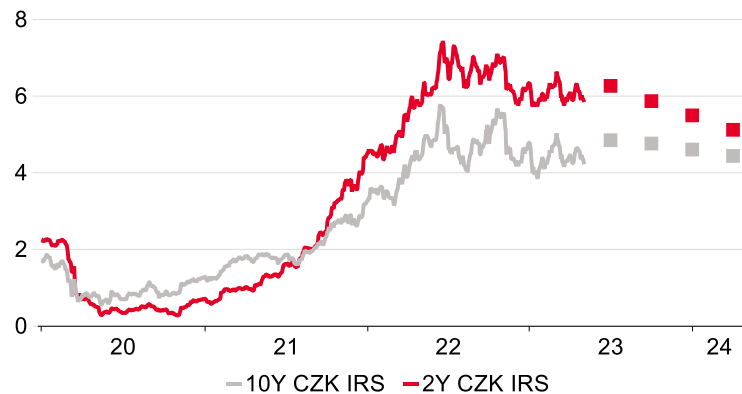


## Cummulative deviation in voting from the decision (pp)

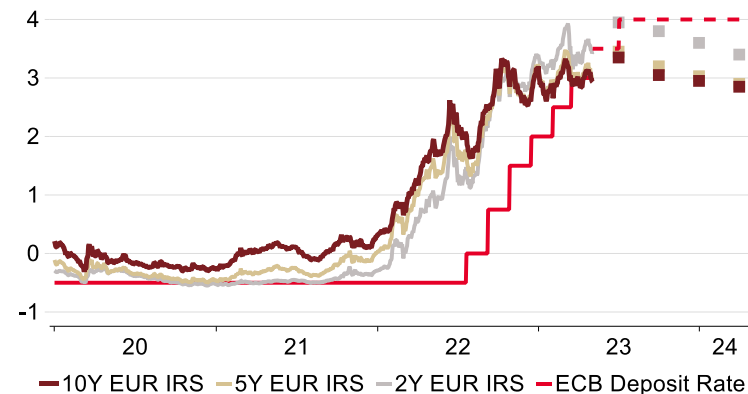


# MARTKET INTEREST RATES & CZGB

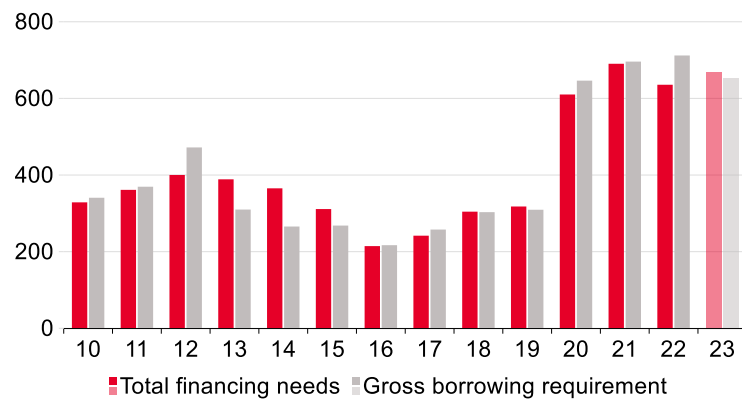
## IRS (%)



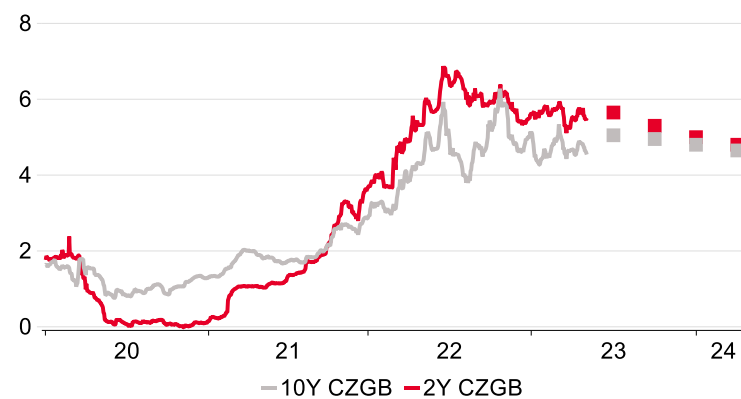
## EUR rates (%)



## Financing needs (CZKbn)

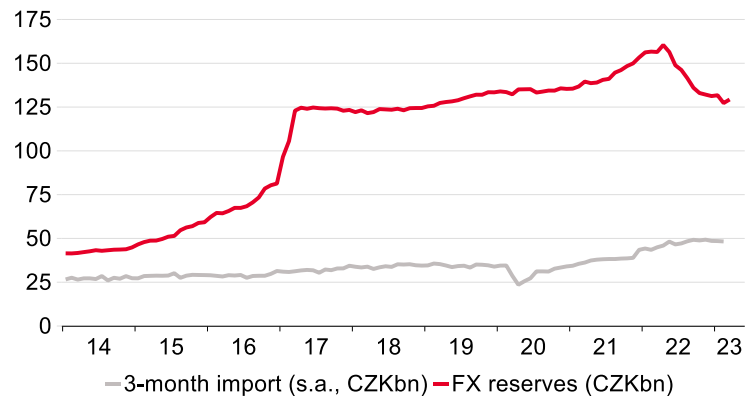


## CZGB yields (%)



# CZECH FX MARKET

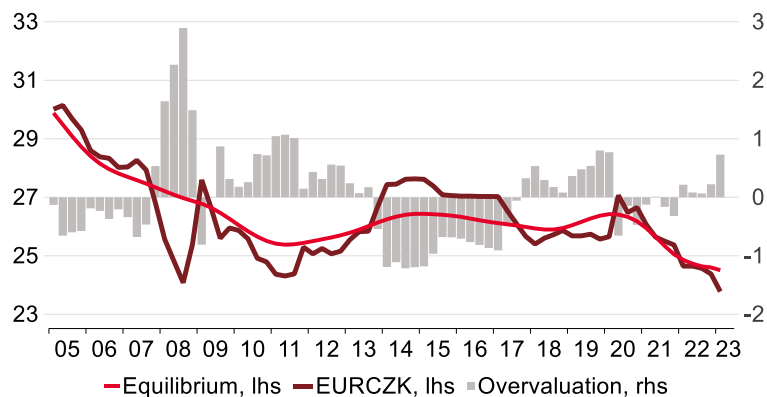
## CNB FX reserves



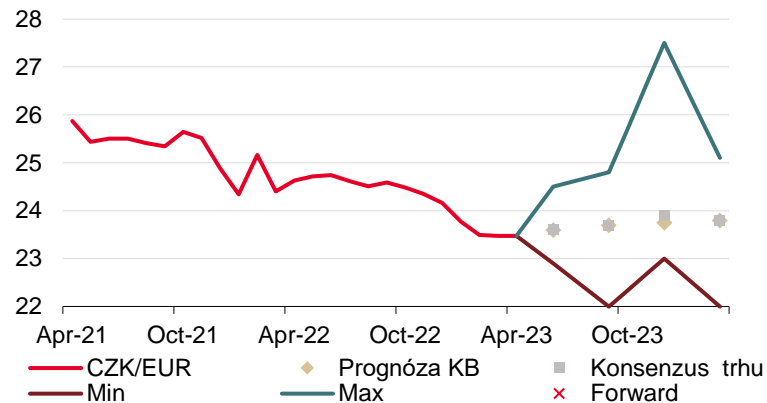
## EURCZK and interest rate differential



## Equilibrium EURCZK



## EURCZK outlook



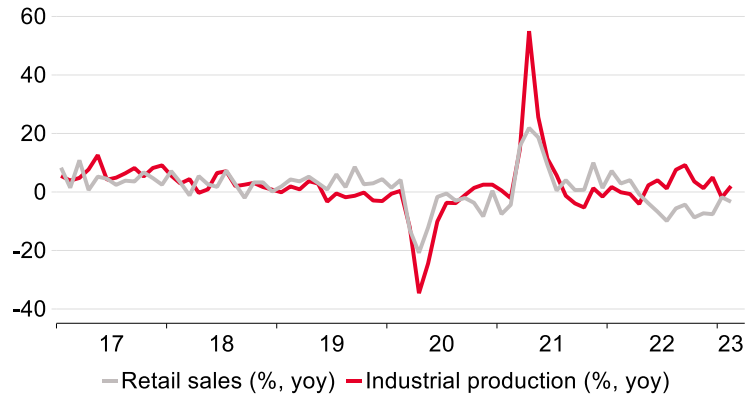


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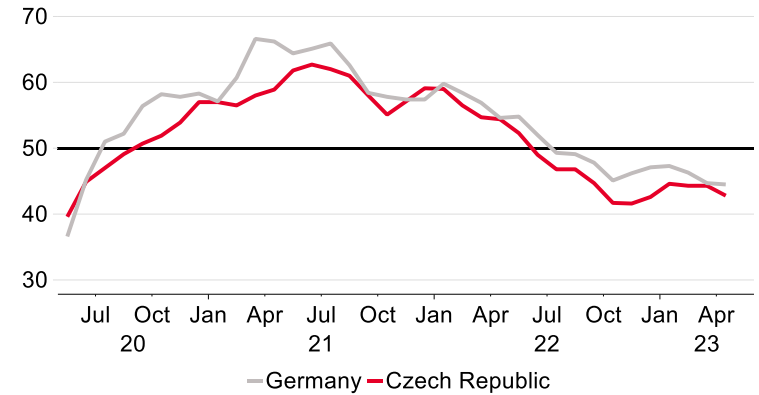
# BACKUP SLIDES

# MONTHLY INDICATORS

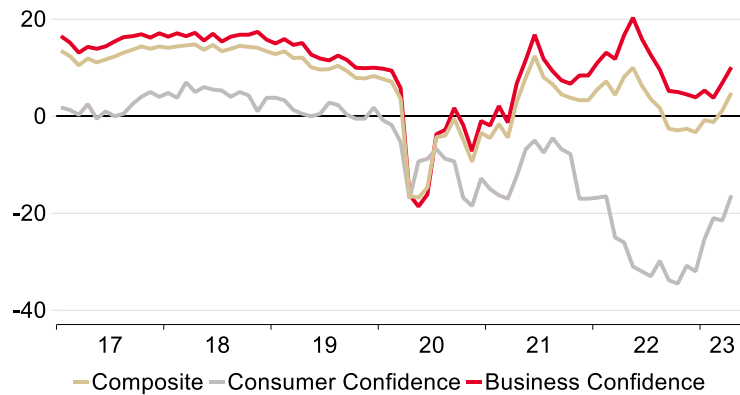
## Industrial production, real retail sales



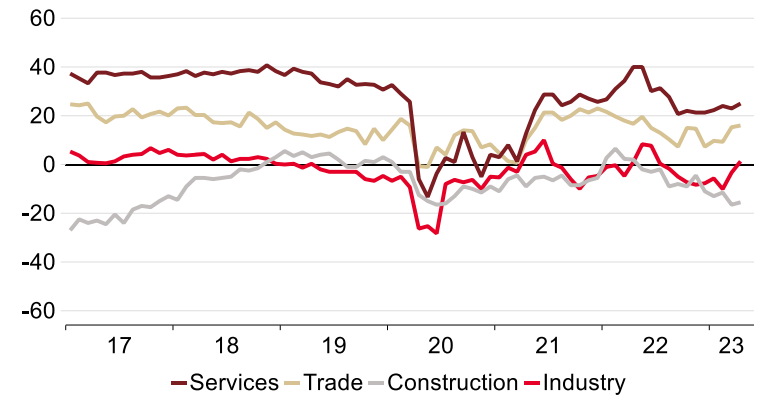
## Manufacturing PMI (s.a.)



## Economic confidence (% balance)

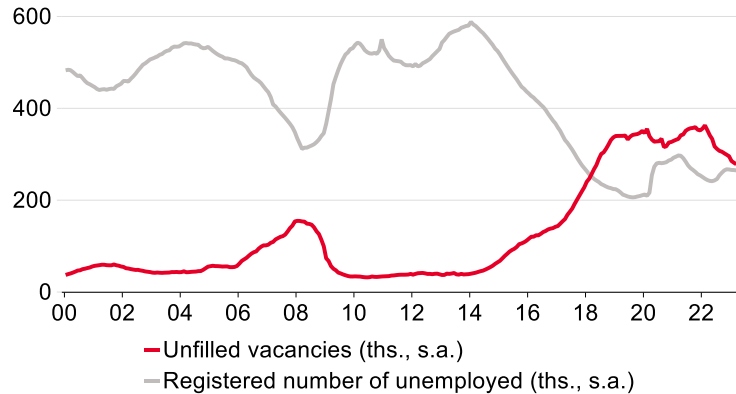


## Economic confidence by sector (% balance)

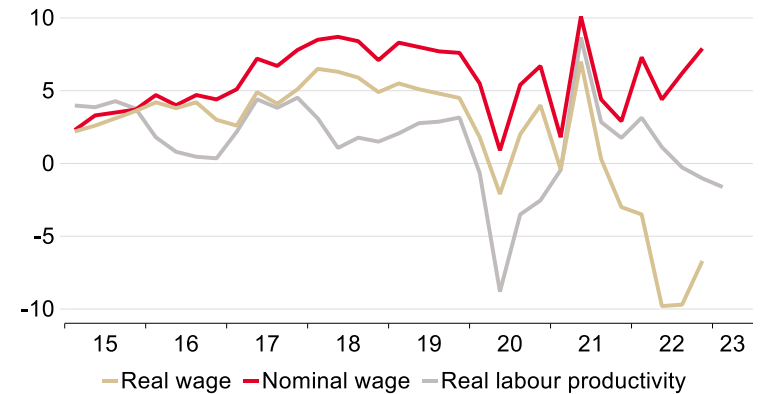


# LABOUR MARKET

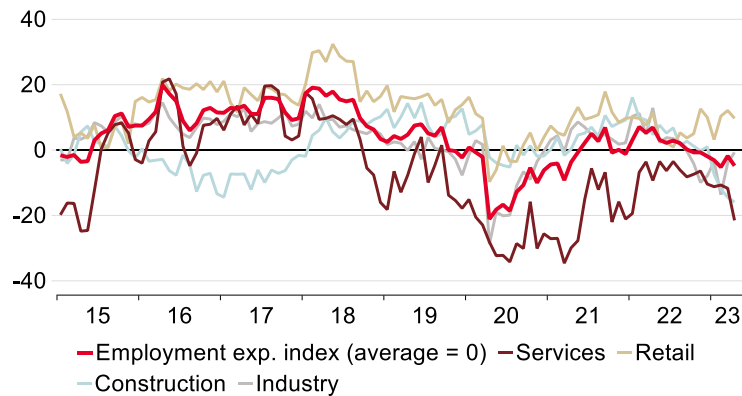
## Vaccancies and registered unemployed



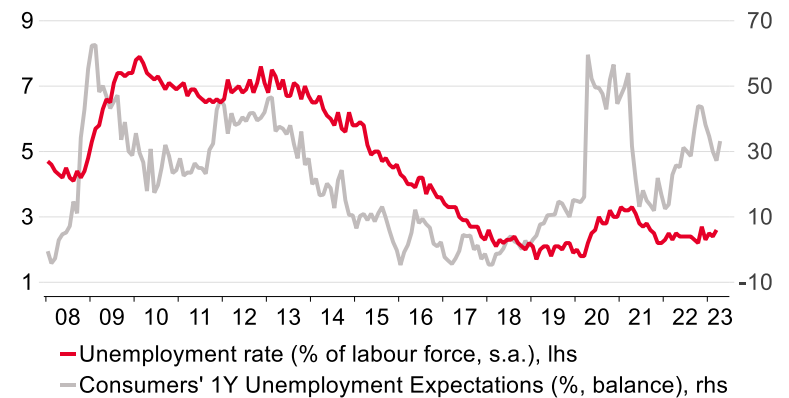
## Wages and labour productivity (% yoy)



## Expected change in employment by firms in 3M horizon (% balance)

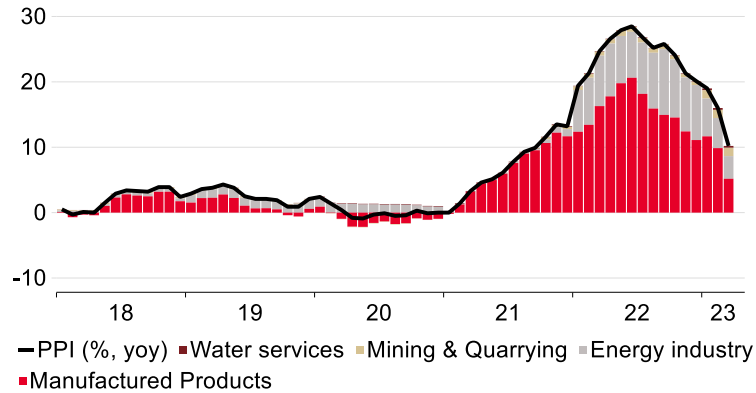


## Consumers' unemployment expectations

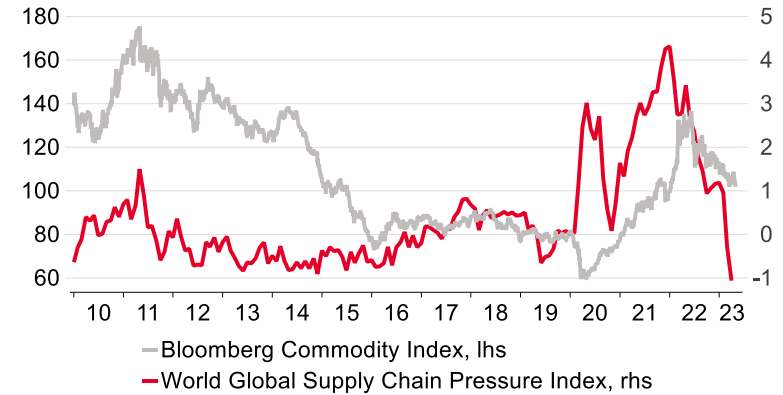


# PRICE DEVELOPMENTS

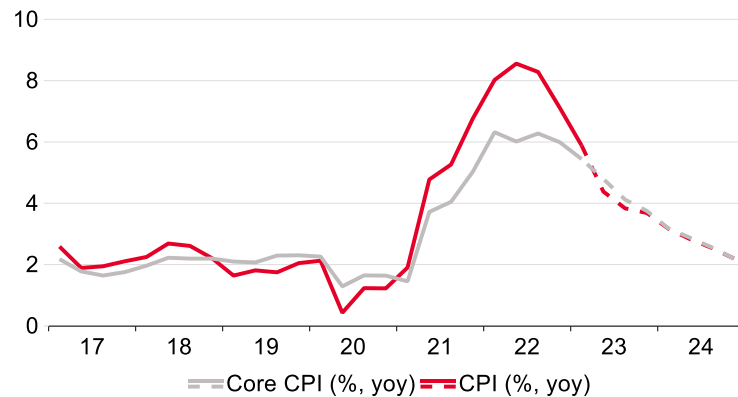
## Czech PPI



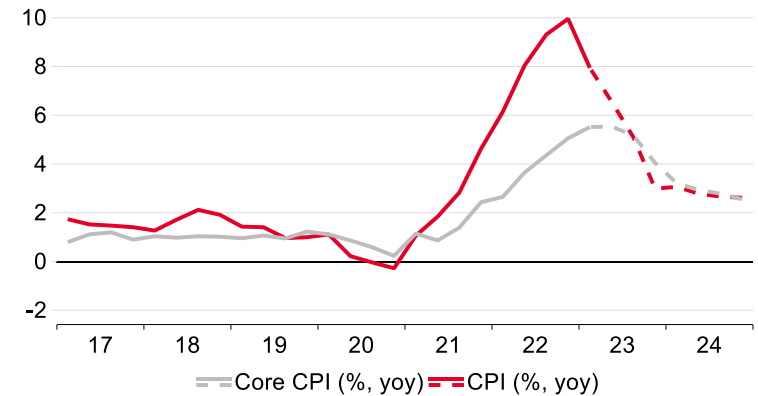
## Commodity prices and supply chains



## CPI inflation in USA



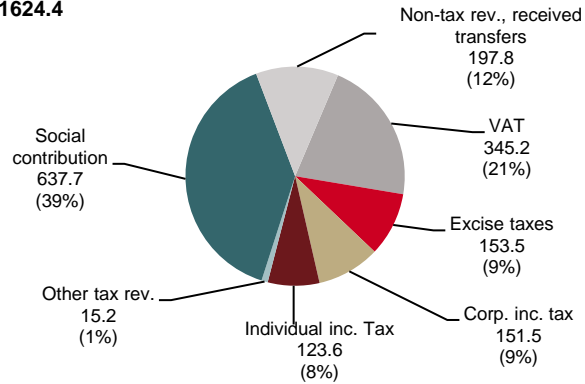
## CPI inflation in Eurozone



# FISCAL POLICY

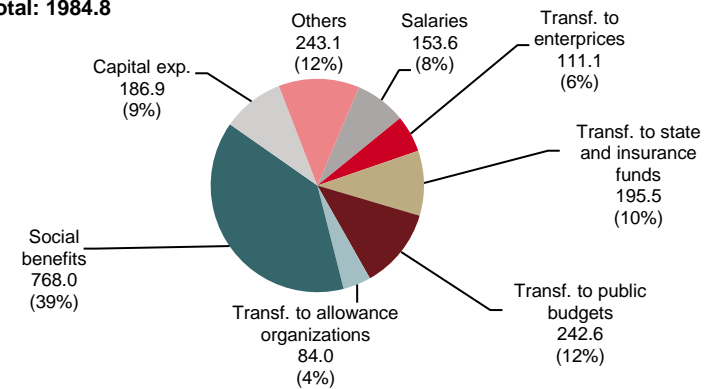
## State budget revenue in 2022 (CZKbn, % of total)

Total: 1624.4

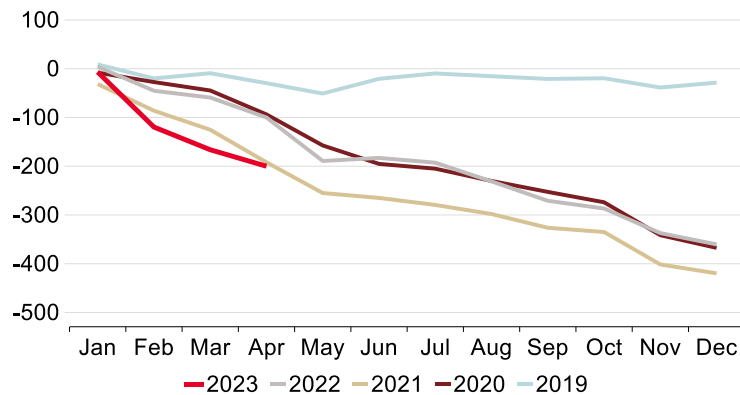


## State budget expenditure in 2022 (CZKbn, % of total)

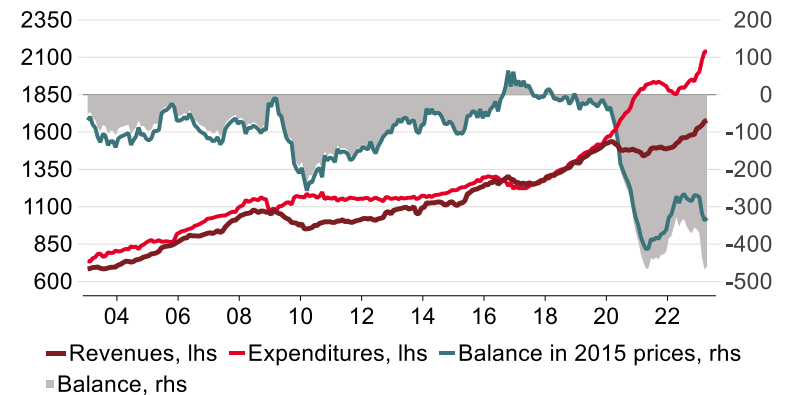
Total: 1984.8



## State budget balance (CZKbn, YTD)

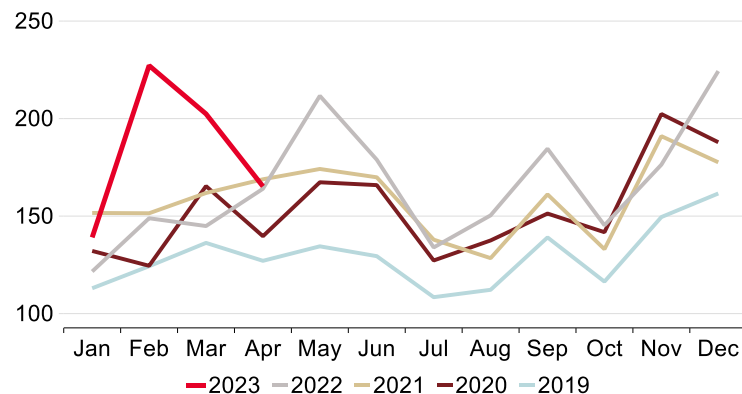


## Budget revenues and expenditures (CZKbn, 12m cumulative)

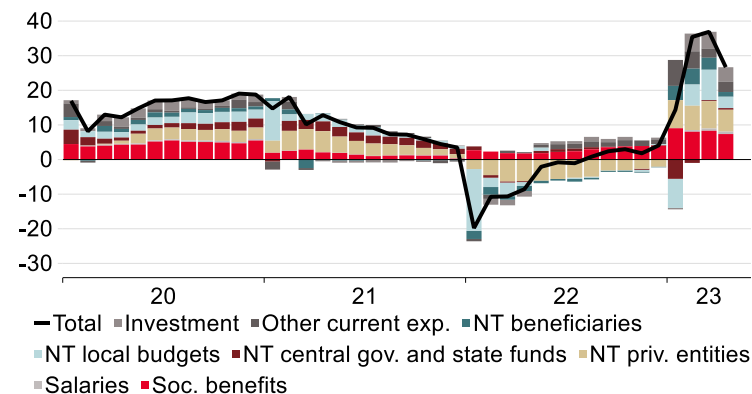


# FISCAL POLICY II

State budget expenditure  
(CZKbn, non-cumulative)

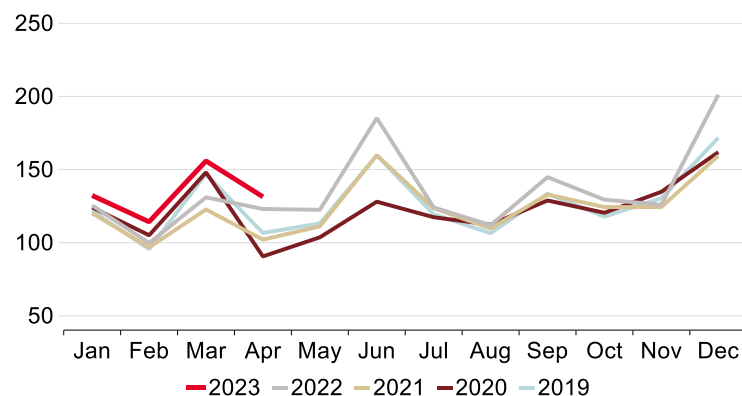


State budget expenditure  
(%, pp, yoy, YTD cumulative)

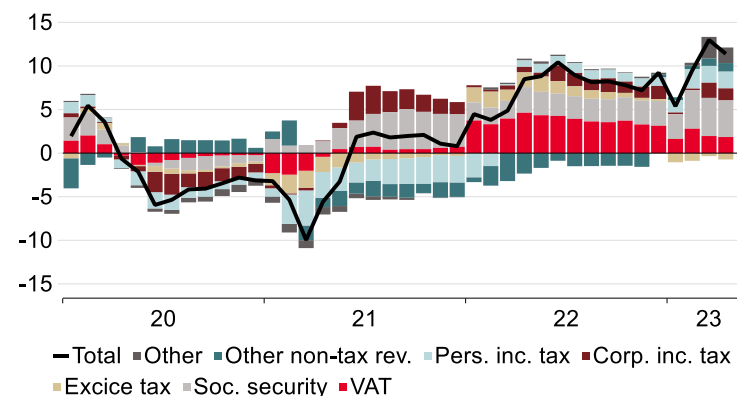


NT – non investment transfers

State budget revenue  
(CZKbn, non-cumulative)

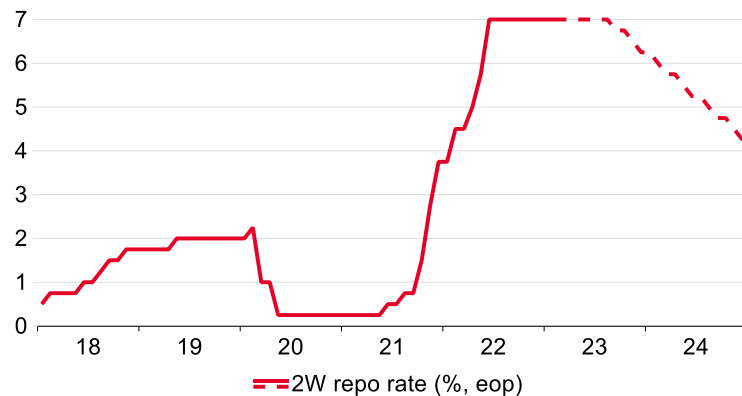


State budget revenue  
(%, pp, yoy, YTD cumulative)



# MONETARY POLICY

## 2W repo rate (%)

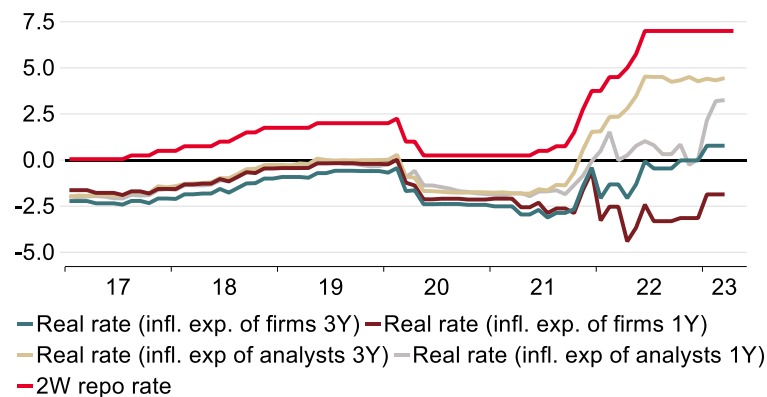


## CNB Bank Board Members

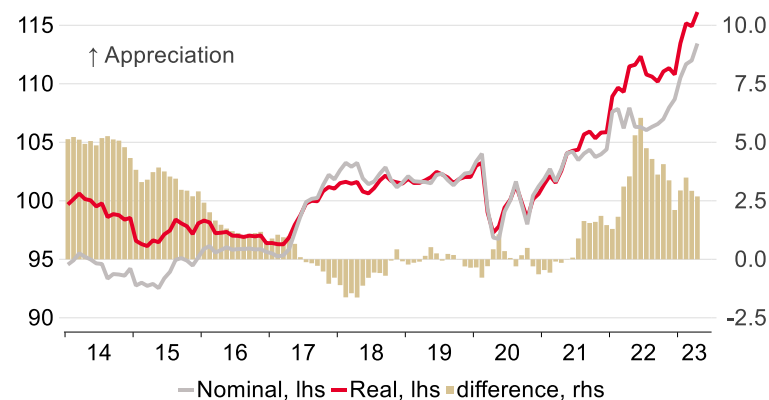
Board Member	Note	Term*	Current term end
A. Michl (G)	Dove	2 <sup>nd</sup>	30.06.2028
E. Zamrazilová (VG)	Dove	2 <sup>nd</sup>	30.06.2028
J. Frait (VG)	Dove	2 <sup>nd</sup>	30.06.2028
K. Kubelková	Dove	1 <sup>st</sup>	30.06.2028
J. Kubíček		1 <sup>st</sup>	12.02.2029
J. Procházka		1 <sup>st</sup>	12.02.2029
T. Holub	Hawk	1 <sup>st</sup>	30.11.2024

\* Board members are appointed by the Czech president for a six-year term and are allowed to serve a maximum of two terms.

## Real interest rates

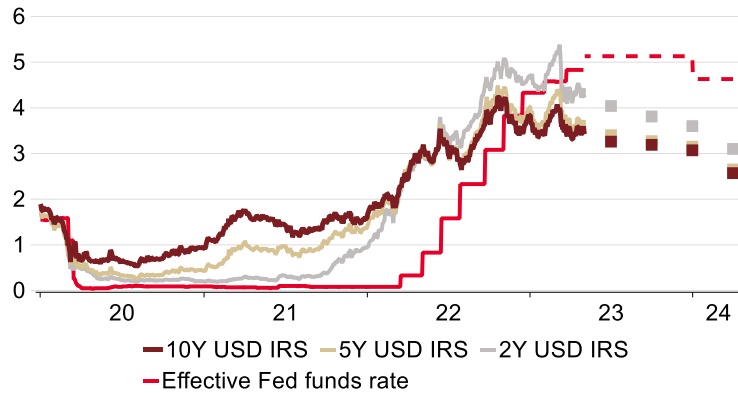


## Effective exchange rate (2015 = 100)

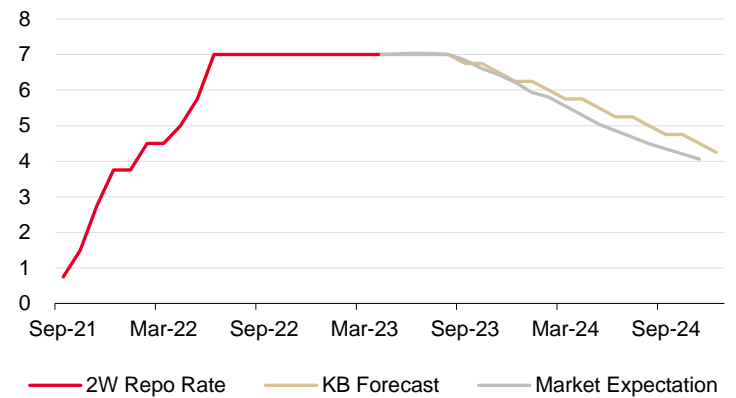


# RATES

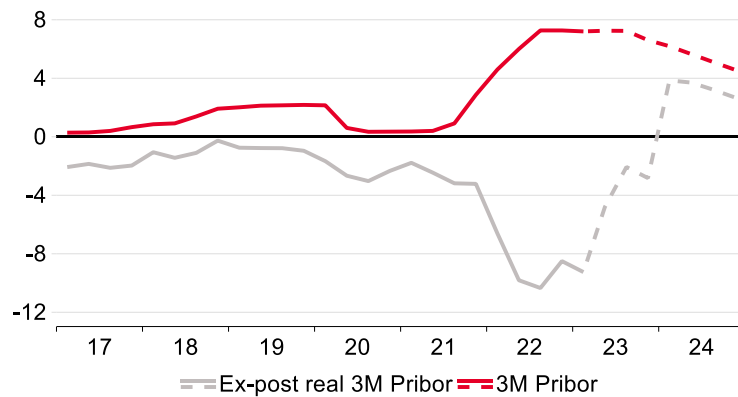
## USD rates



## Market pricing



## 3M Pribor (%)



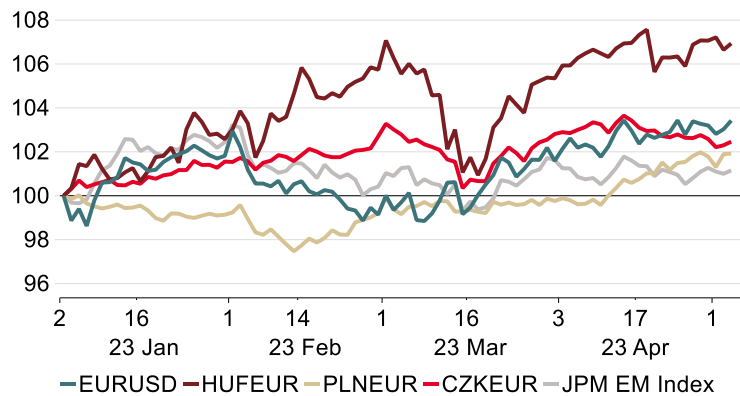
## CZ sovereign rating

	Local currency	Outlook	Foreign currency	Outlook	Next review
<b>S&amp;P</b>	AA	STABLE	AA-	STABLE	13 Oct 2023
<b>Moody's</b>	Aa3	NEGATIVE	Aa3	NEGATIVE	26 May 2023
<b>Fitch</b>	AA-	NEGATIVE	AA-	NEGATIVE	25 Aug 2023

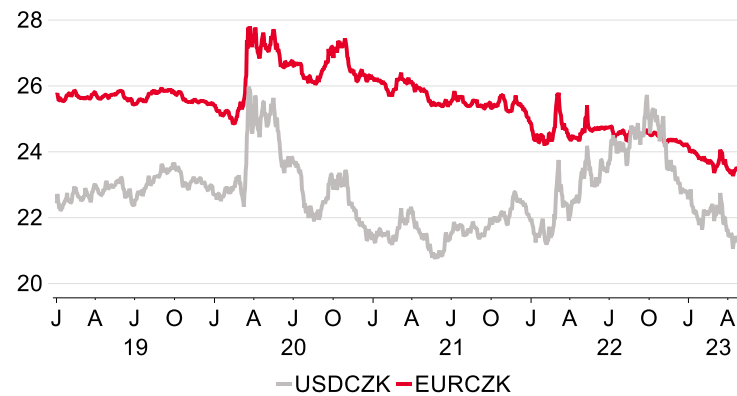


## CZECH FX MARKET

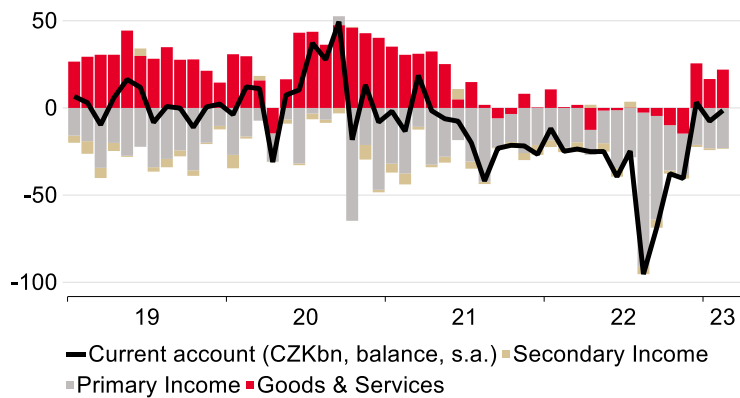
## Performance of CE currencies (1.1.2022 = 100)



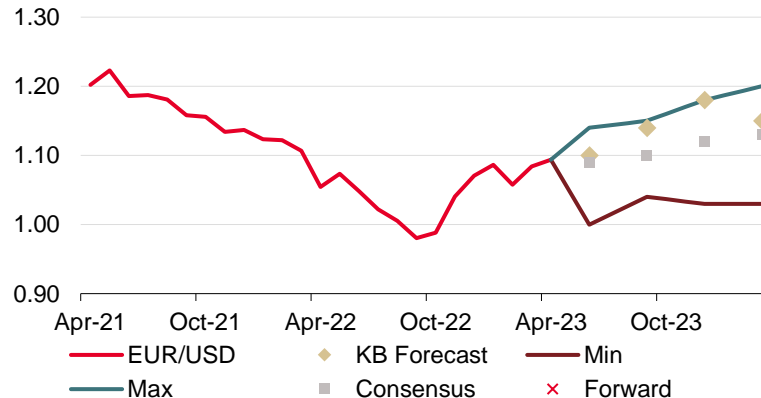
## CZK exchange rates



## Czech current account balance



## EURUSD outlook



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# LATEST AWARDS OF KB ECONOMIC & STRATEGY RESEARCH

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#2 BEST OVERALL FORECASTER - CZECH REPUBLIC



#2 EXCHANGE RATE FORECASTER - CZECH REPUBLIC



#2 FISCAL BALANCE FORECASTER - SLOVAKIA

# HISTORICAL AWARDS OF KB ECONOMIC & STRATEGY RESEARCH



#1 POLICY RATE FORECASTER - CZECH REPUBLIC



#2 INFLATION FORECASTER - CZECH REPUBLIC



#3 BEST INFLATION FORECASTER - SLOVAKIA



#1 GDP FORECASTER - CZECH REPUBLIC



#2 BEST OVERALL FORECASTER - SLOVAKIA



#3 BEST OVERALL FORECASTER - CZECH REPUBLIC

**Consensus Economics**  
**Forecast Accuracy**  
**Award Winner**  
**2014 Slovakia**

**Consensus Economics**  
**Forecast Accuracy**  
**Award Winner**  
**2013 Czech Republic**

# SG CROSS ASSET RESEARCH CREDENTIALS

## **Institutional Investor** 2021

### **Global Fixed-Income Research Team**

#### **Macro**

- #7** Economics & Strategy – Europe
- #5** Cross Asset Strategy - Europe
- #2** Investment Grade Strategy – Europe

#### **Credit**

- # 4** Banking & Financial services
- #3** Industrials (IG)
- #4** TMT (IG)
- #4** Consumer (IG) and **#5** Consumer (HY)

## **Institutional Investor** 2020

### **All-Europe Research Team**

#### **Macro**

- #3** Multi Asset Research
- #3** Quantitative/Database Analysis
- #1** Index Analysis

#### **Equity**

- 5** Sector Research Teams in the **Top 10**
- 15** Sector Research Teams in the **Top 15**
- 3<sup>rd</sup>** French Mid & Small Caps



Research house  
of the year  
Societe Generale

**Institutional  
Investor** 2021

## Global Fixed Income Research Team

### #5 Cross Asset Strategy

(#7 Alain Bokobza)

### #5 Covered Bonds

(#4 Cristina Costa Rausa)

### #8 Economics

(#18 Michel Martinez, #19 Yvan Mamalet)

### #2 Investment Grade Strategy

(#3 Guy Stear, #2 Juan Valencia)

### #8 Local Markets Rates Strategy

### #9 Local Markets FX Strategy

**Institutional  
Investor** 2020

## All-Europe Research Team

### #3 Multi Asset Research

(#1 Alain Bokobza)

### #3 Quantitative/Database Analysis

(#3 Andrew Lapthorne)

### #1 Index Analysis

(#3 Yohan Le Jalle; #5 Georgios Oikonomou; #8  
Sebastien Lemaire)

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JSTE VY  KB**