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Any questions?

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Monetary Policy

• **Russia:** Russian Central Bank cut interest rates. The central bank accelerated the pace of quantitative-easing monetary policy, lowering, for another month in a row, interest rates to 9.25 percent. This effect was mainly due to a decrease in inflation in the country, which is approaching inflation target of 4 percent., amounting to 4.1 percent currently. In addition, President Władimir Putin announced that the government is considering other measures that can provide a lower and more stable ruble exchange rate, which recently has gained sharply in value. In spite of many activities, the interventions have not been successful and the further strengthening of the ruble may lead to a slowdown in the Russian economy by the middle of this year, which will not allow Russia to meet its plan to increase GDP by 2%.

Paulina Krupa

Labor Market

• France's unemployment rate has fallen to its lowest level since the depths of the eurozone crisis, dropping to 9.6 per cent in the first quarter from 10 per cent in the fourth quarter of last year.

Kamil Rybak

Currency Market

Exchange rates [05/18/2017] :

■ EUR/USD	1.1108 \$	+2.27%
■ USD/GBP	0.7728 £	-0.44%
■ USD/CHF	0.9792 Fr.	-2.84%
■ USD/JPY	111.421 ¥	-2.11%

Rate of return: 7 days

• **CZK most expensive since November 2013.** EUR/CZK fell by 0.3% to 26.47 level on Monday. This means that the Czech currency is the strongest since the end of protection policy of exchange rate by the Czech National Bank in early April. The Czech National Bank in November 2013 introduced a lower limit for the EUR / CZK rate on 27 to ease monetary policy and avoid deflation.

Aleksandra Duda

GDP

• **Low GDP growth in Italy**

In Q1 2017, Italy's economic growth was 0.2%. This is lower than the euro area average (0.5%). Experts believe that Italy is the the most weakly developing economy in the euro area. The main cause of weak development in Italy is one of the largest debt-to-GDP ratios in the euro area.

Aleksandra Kossakowska

Retail Sales

• **Retail sales in UK in April surprisingly surged up by 2.3% over the last month** compared to forecasted 1%. Sales in non-food stores were up by 2.3% and sales at supermarkets and other food stores were up by 1.3%. However, department store sales were down by 0.9%. It is the biggest monthly rise since January 2016. It helped to push GBP to its highest level in eight months.

Alexander van den Akker

Consumer moods

• **American Consumer Confidence Index still growing.** The value of the index slightly increased in May to 97.7 points compared to 97 points in April. It was caused by optimistic expectations for the economic outlook in the future. Their opinion about current situation stayed invariable. Inhabitants of the United States expect the inflation rate to be 2.6 percent next year on average.

Wiktoria Warych