CEE Research

April 6, 2007

Fixed Income and Foreign Exchange

CEE Insights

- **Croatia:** Solid real sector performance
- **Czech Republic:** Government reforms could help yield curve to flatten
- **Hungary:** March budget deficit and CPI figures due next week
- **Poland:** Zloty continued to appreciate, markets to eye inflation data next week
- **Slovakia:** Central bank intervened against koruna

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Overview

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Croatia:

- Solid real sector performance
- C/A deficit widened to 7.6% of GDP in 2006
- Kuna above 7.40 per euro

Czech Republic:

- Many data releases next week
- Government reforms could help YC to flatten

Hungary:

- Industrial output rose 10.7% y/y in February
- March budget deficit and CPI figures due next week

Poland:

- Government announced some budget-grabbing measures
- Zloty continued to appreciate, markets to eye inflation data next week

Slovakia:

- Central bank intervened against koruna…
- ...with further steps to follow
- Next week will be packed with data releases

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Thursday's close		Current	w/w	m/m	ytd	Spreads vs. Euroland		
						current	- 1m	02/01/2007
Czech Republic	EUR/CZK	27.88	0.6%	0.9%	-1.0%			
	3Y (yield bp)	3.22	4	0	1	-82	-76	-66
	10Y (yield bp)	4.10	2	39	39	0	-21	-23
Croatia	EUR/HRK	7.40	-0.2%	-0.7%	-0.7%			
	3Y (yield bp)	4.03	16	15	-38	8	14	66
	10Y (yield bp)	4.81	6	18	n/a	74	76	n/a
Hungary	EUR/HUF	246.02	1.1%	2.9%	2.2%			
	3Y (yield bp)	7.25	-7	-45	-30	321	384	368
	10Y (yield bp)	6.71	0	-19	55	262	298	276
Poland	EUR/PLN	3.84	0.9%	1.7%	-0.1%			
	3Y (yield bp)	4.85	7	17	20	81	82	78
	10Y (yield bp)	5.23	3	-19	5	114	130	124
Romania	EUR/RON	3.33	0.9%	1.6%	1.5%			
Slovakia	EUR/SKK	33.42	-0.3%	2.8%	3.1%			
	3Y (yield bp)	4.10	-10	-21	-28	6	51	50
	12Y (yield bp)	4.34	1	-5	3	25	49	38

Source: Reuters, Bloomberg (+ means strengthening / - means easing of the exchange rate)

Trading Ideas

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Positions

#	Recommendation	Date of opening	Instruments	Entry values	Today's values	flat P/L (%)	flat P/L inc. carry (%)	P/L p.a. inc. carry (%)	Target values	Target P/L flat inc. carry (%)	Target P/L p.a. (%)
11	short CZ GB10Y, long PL GB10Y	07/03/07	CZGB 3,8 04/15	100.59	99.36	1.24	1.8%	22.0%	97.63	4.10	8.18
			PL GB10Y 5,25 10/17	100.22	100.15	0.45			101.18		

Rationale at inception

11) We still see space for growth of the long end of the Czech yield curve and gradual closing of the negative spread against the EMU bonds. At the same time, risk spread on Polish debt should decrease trend-wise. We recommend to play this via taking short position in the short CZGB and long position in POLGB. The exchange rate risk is reduced thanks to the correlation of regional currencies.

Closed positions

#	Recommendation	opened	closed	P/L inc.carry
1	long: PLGB10y / 4m Euribor	16/09/2005	27/10/2005	-3%
2	short: CZGB15y / 6m PRIBID	16/09/2005	21/11/2005	5.97%
5	long: SKK/CZK	09/11/2005	20/01/2006	1.90%
3	short EUR/SKK	29/09/2005	07/02/2006	3.45%
4	EUR/PLN options	21/10/2005	28/07/2006	-2.69%
6	SKK/CZK long	23/03/2006	30/10/2006	2.16%
7	FRA 9*12 short	28/07/2006	08/11/2006	8bp
8	long HUGB 5y	13/10/2006	29/01/2006	5.70%
9	short CZGB/ long GDBR	09/01/2007	27/02/2007	1.80%
10	long CZK/EUR	27/02/2007	19/03/2007	2.30%

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Forecasts

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Capital markets forecasts

	Exchange Rate vs EUR												Intervention Rate					
	CZK	Forward	HRK	Forward	HUF	Forward	PLN	Forward	RON	Forward	SKK	Forward	CZ	HR	HU	PL	RO	SK
Spot	27.9		7.41		246		3.84		3.34		33.4		2.50	3.50	8.00	4.00	7.50	4.50
Jun-07	27.7	27.8	7.25	7.25	250	248	3.90	3.84	3.37	3.36	32.4	33.4	2.50	3.50	8.00	4.25	7.50	4.25
Sep-07	27.6	27.8	7.40	7.40	253	251	3.80	3.85	3.39	3.39	31.9	33.3	2.75	3.50	7.50	4.25	7.50	4.00
Dec-07	27.2	27.6	7.40	7.40	252	253	3.75	3.85	3.30	3.41	32.5	33.3	3.00	3.50	6.75	4.25	7.25	4.00
Mar-08	26.9	27.6	7.30	7.30	252	254	3.73	3.85	3.35	3.43	32.5	33.3	3.25	3.50	6.50	4.50	7.00	4.00

	3m Money Market Rate										10y Govt. Yield				
	CZ	Forward	HU	Forward	PL	Forward	RO	Forward	SK	Forward	CZ	HR	HU	PL	SK
Spot	2.59		7.73		4.29		7.33		4.09		4.10	4.81	6.70	5.23	4.36
Jun-07	2.58	2.70	7.70	7.59	4.35	4.53	7.60	7.05	4.10	3.90	4.15	4.70	6.50	5.25	4.40
Sep-07	2.83	2.88	7.50	7.19	4.35	4.72	7.10	6.75	4.05	3.99	4.50	4.85	6.30	5.10	4.45
Dec-07	3.08	3.03	6.70	6.98	4.55	4.84	6.80	6.60	4.05	4.04	4.50	4.95	6.10	4.90	4.50
Mar-08	3.28	3.09	6.50	6.93	4.70	4.86	6.70	6.45	4.05	4.24	4.75	4.80	5.90	4.85	4.50

Long-term forecasts

GDP growth (%)	2005	2006e	2007f	2008f
Czech Republic	6.1	6.1	4.2	4.5
Croatia	4.3	4.8	4.5	4.6
Hungary	4.2	3.9	2.3	3.2
Poland	3.5	5.8	5.7	5.6
Romania	4.4	7.7	6.5	6.3
Slovakia	6.0	8.3	8.9	6.5

C/A (%GDP)	2005	2006e	2007f	2008f
Czech Republic	-2.0	-4.6	-4.1	-4.1
Croatia	-6.4	-8.0	-8.7	-9.8
Hungary	-6.9	-5.8	-5.1	-5.1
Poland	-1.4	-2.1	-2.6	-3.0
Romania	-8.7	-10.3	-10.9	-9.1
Slovakia	-8.6	-7.9	-4.3	-2.8

CPI (%), eoy	2005	2006e	2007f	2008f
Czech Republic	2.2	1.7	3.3	3.4
Croatia	3.6	2.0	3.0	3.0
Hungary	3.3	6.5	5.2	3.5
Poland	0.7	1.4	2.3	2.3
Romania	8.6	4.9	4.5	3.5
Slovakia	3.7	4.2	2.8	3.3

Budget Balance (%GDP)	2005	2006e	2007f	2008f
Czech Republic	-2.2	-3.3	-4.1	-3.8
Croatia	-4.2	-3.0	-2.8	-3.0
Hungary	-7.8	-9.8	-6.5	-5.0
Poland	-4.2	-3.5	-3.4	-3.2
Romania	-0.8	-1.6	-2.8	-2.7
Slovakia	-3.1	-2.4	-1.7	-1.7

Diaries

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Looking ahead

Country	Date	Release/event/figures	Our expectation	Consensus*
Czech Republic	Apr-10	CPI inflation (03/2007)	1.8% y/y	1.9% y/y
	Apr-10	Unemployment (03/2007)	7.5%	7.4%
	Apr-11	Industrial output (02/2007)	8.8% y/y	8.2% y/y
	Apr-13	Current account (02/2007)	CZK 5.3bn	-
Croatia	Apr-9-13	Retail trade	4.0% y/y	
	Apr-06	PPI	1.7% y/y	-
Hungary	Apr-10	March Budget balance	HUF-340bn	-
	Apr-11	March CPI inflation	9% y/y	9% y/y
Poland	Apr-13	CPI inflation (03/2007)	2.3% y/y	-
Romania	Apr-09	Trade deficit (FOB-CIF) - EUR million	1,040	-
	Apr-09	Current account deficit - EUR million	748	-
	Apr-10	CPI	3.8	-
Slovakia	Apr-10	February industrial production	14.5% y/y	17.6% y/y
	Apr-10	February retail sales	3.5% y/y	4.3% y/y
	Apr-11	February foreign trade	SKK 0.3bn	SKK 1.0bn
	Apr-12	March CPI	0.2% m/m, 2.8% y/y	2.8% y/y
	Apr-12	March Core CPI	0.2% m/m, 2.7% y/y	2.7% y/y

**Sources: Bloomberg, Reuters*

Auction diary

Country	Code	Auction-date	Pay-date	Maturity	Cupon	Offer	Forecast
Czech Republic		Apr-12	Apr-13	2008-Apr-11	-	CZK 5bn	-
		Apr-11	Apr-16	2012-Oct-18	3.55%	CZK 8bn	-
Hungary		Apr-10	Apr-18	July-18-2007	-	HUF 40bn	7.60%
		Apr-12	Apr-18	June-12-2012	7.25%	HUF 45bn	7.00%
		Apr-12	Apr-18	Feb-24-2017	6.75%	HUF 40bn	6.70%
Poland		Apr-11	Apr-13	2017-Oct-25	5.25%	PLN 1.5-2.5bn	4.95%
Romania		11-Apr.07	13-Apr.07	1 Y	-	1,500,000,000	7.25%
Slovakia		No auction scheduled					

Major markets

ECB Council meeting in focus

The data schedule is relatively light for next week. Germany and France will report their trade balances for February and industrial production for France and Euroland will be released. The figures are expected to underpin the improving picture of a robust economic upswing. The negative effects of the VAT hike in Germany and the slowdown in US growth seem to be rather muted and a self-sustaining upswing seems to be in place. This change in the general assessment will also play a role in the ECB Council meeting. Although we do not expect an interest rate hike, the meeting could further weigh on the bond market. On the back of better than expected economic data and a still rising M3 growth rate, Mr. Trichet will sound rather hawkish. Furthermore, the wage negotiations in Germany are still in progress. One further hike to a repo rate of 4% seems to be a done deal. The question that will be posed at the press conference will therefore be: Will the ECB Council stop at this point, or will it go beyond 4%? Of course, Mr. Trichet will not answer this question directly, but he could keep the market alert with hints in the direction of a more restrictive policy. At the last press conference, the formulations sounded more in the direction of them being nearly finished. This could sound different this time. Finally, the outcome of the wage negotiations and the further direction of M3 growth will lead the way for monetary policy in the second half of 2007.

Full impact of US labor market data should only be felt next week

The week ahead is to see hardly any data releases, so markets will take their lead from today's labor market data. Expectations are for an acceleration of job growth vs. the previous month, which in our view seems likely, given the low initial jobless figure and an upbeat assessment of the labor market in the most recent consumer confidence survey. The full market reaction to today's data may only be felt next week, as stock exchanges are closed today in Europe and the US and trading will be resumed only in the US on Monday, while the Europeans will follow on Tuesday. Today's US bond trading has been shortened to a few hours. Yields have already gone up during the last few days, so labor market data would have to surprise considerably on the upside to trigger a further yield increase. The EUR/USD has moved only recently above the previous high from end-November. If the euro holds on to recent gains in spite of the relatively positive numbers from the US labor market, this would be an indication of further euro firming ahead, in our view. The data for next week includes the trade balance, producer prices and the Univ. of Michigan index, all on Friday, which should likely only have a short-term impact on capital markets.

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Forecasts

	Intervention Rate		3m Money Market Rate				10y Govt. Yield		FX	
	EUL	USA	EUL	Forwards	USA	Forwards	EUL	USA	EUR/USD	Forwards
Spot	3.50	5.25	3.95		5.35		4.11	4.68	1.342	
Jun-07	4.00	5.00	4.15	4.13	4.90	5.26	4.30	4.50	1.350	1.346
Sep-07	4.00	4.75	4.10	4.23	4.60	5.10	4.30	4.50	1.330	1.350
Dec-07	4.00	4.50	4.10	4.25	4.40	4.88	4.40	4.60	1.330	1.353
Mar-08	4.00	4.25	4.10	4.17	4.30	4.84	4.40	4.70	1.300	1.355

Croatia

Solid real sector performance

Real GDP grew by 4.8% y/y in 4Q, a notch lower than our expectation of 4.9% y/y, showing solid real sector performance. Private consumption, supported by short-term indicators, showed a slight acceleration (+4.1% y/y), as expected. Government consumption also accelerated substantially in 4Q, recording +4.4% y/y, the highest rate since 2002. Investment momentum remained strong, as fixed capital formation saw a 9.2% y/y increase. Exports also showed a strong performance, as they outpaced imports in 4Q (+11.2% vs. +5.0%). Overall, 2006 ended exactly in line with our forecast of 4.8%. In structural terms, the trends remained roughly unchanged. Strong investment activity (+10.9% y/y), coupled with solid consumption spending (+3.5% y/y), remained the main growth driver. Despite strong export growth in 1Q and 4Q, 2006 imports outpaced exports overall at +7.3% and +6.9% (both y/y), respectively. As far as 2007 is concerned, we anticipate a slight moderation and a growth rate of around 4.5% y/y. Investment growth is expected to drop off slightly, while consumption (especially by the government) could accelerate slightly.

C/A deficit widened to 7.6% of GDP in 2006

The 2006 current account deficit reached EUR 2.6bn (+32% y/y), while 4Q06 showed some positive surprises, as the C/A deficit declined 6% y/y to EUR 1,424mn. The 2006 merchandise account deficit widened by 11% y/y, as expected, posting a EUR 8,364mn deficit. Nonetheless, 4Q06 brought only a minor deficit increase of 2% y/y (as the monthly frequency figures were suggesting), as robust exports (+20% y/y) outpaced imports (+11% y/y). The service account in 2006 recorded a EUR 5,713mn surplus (+7% y/y), while the 4Q surplus increased by 49% y/y, due to stagnating outflows and a 10% increase of inflows. The income account in 4Q ended with a surplus (EUR 11mn) for the first time. However, the overall 2006 deficit stood at EUR 1,070mn, up 11% y/y. On the other hand, the current transfer surplus deteriorated in 2006 (-7% y/y), amounting to EUR 1104mn. On the financing side, FDI inflows surprised positively, as 4Q net FDI inflows were a robust EUR 990mn and the overall 2006 figure reached EUR 2,670mn (+117% y/y). Hence, FDI coverage of the current account deficit increased from 62% in 2005 to 102% in 2006. The C/A deficit reached 7.6% of GDP in 2006, deteriorating from the 6.3% recorded in 2005. The service account surplus increase covered roughly 50% of the merchandise account deficit increase (in 2005, approx. 70% was covered), indicating certain limitations of the service sector's offsetting potential. For 2007, we expect additional pressure on the C/A and a likely further widening of the current account deficit.

Kuna above 7.40 per euro

Last Friday and the beginning of this week brought intense depreciation pressures on the kuna and market quotations standing close to the 7.45 level. However, in the second part of the week, the market stabilized at slightly above 7.40. The main drivers behind the exchange rate movements were corporate and banking sector demand. The latter was induced by the final days of the six-month adjustment period for the extended 32% FX Asset/Liability calculation base change (recall that the CNB broadened the FX liability base in the 32% FX Asset/Liability calculation, creating FX demand). In the coming period, somewhat higher volatility may be expected. Corporate demand will determine the depreciation pressures, while tourism-related FX inflows piling up (starting from Easter) could induce pressure in the opposite direction.

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Czech Republic

Many data releases next week

The upcoming week will be rich in data, with CPI inflation the most closely watched figure. We are set marginally below the consensus at 1.8% y/y. In review, the trade balance in February compensated for the worse January figure. The February surplus climbed to CZK 13.6bn, whereas we had expected CZK 8bn (market: CZK 5.1bn). Impact: The development of the trade balance y-t-d is in line with our outlook. Therefore, it does not impose any risk for the CZK forecast: movement within a range for now, followed by an appreciation wave, most likely in 4Q (we still maintain our end-year target of 27.2 EUR/CZK). For the whole of 2007, we expect a CZK 72bn trade balance surplus.

Government reforms could help YC to flatten

We appreciate the proposed reforms: (i) the move from direct to indirect taxation is good for motivating people's activity, (ii) the drop in corporate taxes is good for attracting investments, (iii) the social system changes will mean fewer free riders, and (iv) lower expenditures mean a smaller role for the state. Overall, mandatory expenditures should fall by CZK 25bn in 2008, some 1.5% of disposable income. At the same time, the state should collect less money in taxes. The overall effect should be almost zero. However, some pro-growth momentum may be triggered later in 2008 and especially in 2009, if we go beyond the accounting approach (increase in labor force, greater motivation, etc.).

Constant or even higher demand could push inflation up. At the same time, the rise in VAT from 5% to 9% will by itself push CPI inflation up some 0.7pp. This will trigger some indirect effects on margins with the present strong domestic demand. These two factors are likely to work in the direction of higher rates in 2008. At the same time, the lower budget in 2008 means less need for state financing and less need to issue debt. Given constant demand, this means higher bond prices and lower yields. As short rates are likely to be higher and long rates lower thanks to the reforms, overall one may say that the reforms could flatten the yield curve compared to our previous expectations.

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Hungary

Industrial output rose 10.7% y/y in February

According to the CSO's preliminary working day-adjusted figure, industrial output was up 10.7% y/y in February, higher than our forecast of +10% y/y. The unadjusted figure was also 10.7%. In monthly terms, output increased by 0.3%. Industrial output rose 10.8% y/y in the first two months of the year. The preliminary trade balance figures showed a deficit of EUR 115.4mn in February, after the EUR 193.4mn published for January. Improvement in the trade and overall external balances should be the main story in the near period, fundamentally supporting the strong forint.

March budget deficit and CPI figures due next week

The Finance Ministry will release March budget deficit figures on Tuesday. Due to the lower than projected January-February deficit figures, in the middle of March, the Finance Ministry revised its previous forecast of a deficit of HUF 852.7bn for the January-March 2007 period downward to a deficit of HUF 786.2bn. The downward revision should mean an HUF 373bn monthly deficit for March. However, our view is that the deficit could again have been lower. Our projection is HUF 340bn. On Wednesday morning, the CSO will release the March CPI inflation figure. We expect 9% y/y, after the 8.8% published for February. The last elements of administrative price increases are likely to have been accounted for in March, among which the increase in electricity prices should have been the most important. Looking at market factors, the increase in fuel and clothing prices should point to a higher monthly index. The monthly food price increase may have been more or less in line with the February one (0.8%), while we expect a further drop in durables prices, due to the effects of the forint strengthening.

The forint stabilized at a strong level during the week, basically following regional movements, while long-term bond yields have stagnated. The above-mentioned macro figures should bring a bit more life and more interest in domestic fundamentals to the markets next week. The overall sentiment is expected to remain positive, with investors mainly focusing on Thursday bond auctions.

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Poland

Government announced some budget-grabbing measures

The Polish government announced a series of measures in recent weeks that might help to improve its public image, but which would be a burden on the state budget. Last Friday, declarations were made about the intention to change the scheme according to which pensions are adjusted. The proposal assumes annual pension adjustment on the basis of average inflation in the previous year, plus 20% of the real wage growth rate. Originally, pensions were upped only when inflation surpassed 5% in cumulative terms. This change will cost the budget PLN 5.7bn next year. It would not be a big disaster as such, but one has to view this in the context of previous proposals and add the costs of lowering the tax wedge (estimated at PLN 20bn in 2008) and family-oriented measures (PLN 1.0bn in 2008). The question is how the government wants to finance all of these steps. Unfortunately, not much clarity has been provided here. Some savings were said to be raised via ensuring greater effectiveness in public finances (cancellation of off-budget funds and agencies), and the cabinet also wants to introduce some pro-business measures aimed at improving the business climate (e.g. reducing administrative hurdles to entrepreneurship). However, these attempts are unlikely to be sufficient to patch the hole in the budget that would be created if all of the populist measures were adopted. While it is not possible to assess the impact at this stage, as the final shape of the proposals is not known and the government did not present a complex picture of the financing, we see a risk of the cabinet relying too much on robust economic expansion to collect the necessary proceeds and reluctance to put restrictions on the spending side. If this risk starts to materialize, it would imply more hiking than we assume (our current baseline scenario is for just one 25bp hike this year) and higher spreads on the long and middle segment of the curve.

Zloty continued to appreciate, markets to eye inflation data next week

The appreciation pressure on the zloty continued this week, which was otherwise lacking in domestic events. The exchange rate cleared the psychologically important area of 3.84-3.86 and now seems to have the momentum to move further south towards 3.80-3.78 EUR/PLN. The short end of the yield curve continued to price in rate hikes this week, with the 1-2Y area moving up 5bp. This was reinforced by the release of the Finance Ministry's forecast that inflation would increase to 2.4% in March. The data is to be released at the end of next week. This estimate is quite close to our prediction of 2.3% y/y. Acceleration in the annual growth of consumer prices (from the 1.9% seen in February) will be triggered primarily by food and fuels. However, as the market already anticipates such a development and a 25bp rate hike in April is already priced in, we would expect a market reaction only in the case of a significantly different outcome.

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Slovakia

Central bank intervened against koruna…

The shortened pre-holiday week has not been as boring for the market as we thought it would be. On Tuesday, the central bank renewed liquidity acceptance in a 2W repo tender and took almost all of the banks' bids. However, the banks did not risk rolling liquidity at the overnight refinancing rate of 2.5% and squeezed their required yields to below 4%, which was the maximum accepted yield (while the official 2W repo rate stands at 4.5%). This situation resembles 2005, when the market rates stood below the official rates (also after under-acceptance in repo tenders and interventions), followed by the central bank lowering official interest rates to the rates prevailing on the market. In reaction to the repo tender, the koruna firmed on Tuesday by 0.6% to 33.1 EUR/SKK, at which point the central bank intervened directly on the FX market (with an estimated EUR 740mn), weakening the currency by 1.6% to 33.65 EUR/SKK. The koruna had erased some of the losses by the time of our writing, trading at 33.45 EUR/SKK. The CB's interventions were somewhat surprising, given the fact that the last time it intervened was at the stronger level of 32.70 EUR/SKK. The central bank explained the step as an attempt to decrease volatility and stop unjustified firming of the koruna. CB board member Karol Mrva also reiterated that the conversion rate of the koruna might be different form the market exchange rate and that the CB is ready for further action (to correct unwanted koruna moves).

...with further steps to follow

The central bank's actions against the firming koruna could continue. However, massive interventions (estimated at EUR 2.6bn in March and April combined) make the currency more vulnerable in the case of a sudden sentiment change. Thus, it could happen that the CB would appear later on, intervening on the weaker side of the parity (35.44 EUR/SKK +2.25%, i.e. 36.24 EUR/SKK). We think that the central bank might want to normalize the situation on the money market and lower official interest rates by 25bp as soon as in April (especially if the O/N sterilization rate stays on hold). The rate cut would also be in line with the strong koruna, which has repeatedly been objected to by central bank officials. Risks to the inflation outlook (such as rising oil prices) are likely to remain against a larger 50bp move.

Next week will be packed with data releases

On Tuesday, real data will provide a picture of the diverging dynamics of production and consumption. While industrial production should have put in yet another strong performance, resulting in a favorable trade balance (likely with a surplus for the second month running), domestic consumption should show signs of cooling; we expect a low reading for retail sales growth for the second month in a row. That would be in line with the expected switch in the driving forces of GDP growth, with external demand taking over the lead. On Thursday, March inflation will be released. The headline CPI was likely to have increased by the same 0.2% as in February (the main culprits being fuels and services), bringing annual inflation up a notch to 2.8%, from 2.7% a month ago. EU-norm prices (HICP index) are likely to have increased to 2.1% y/y, in our view. The positive inflation outlook should remain unchanged (we see HICP inflation at 1.6% by year-end).

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Appendix Charts

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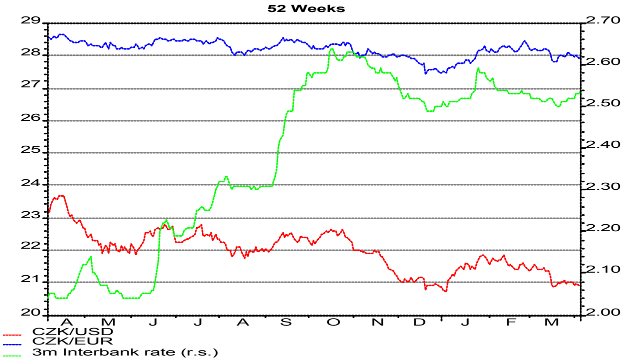
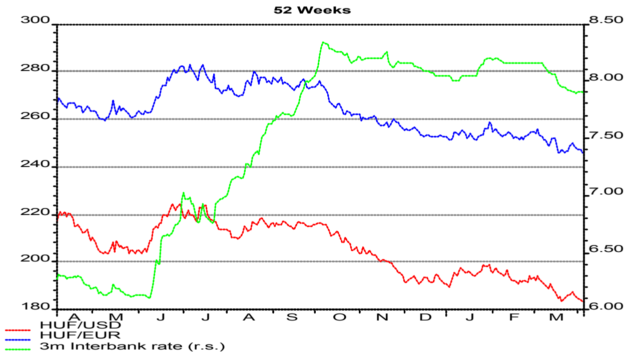
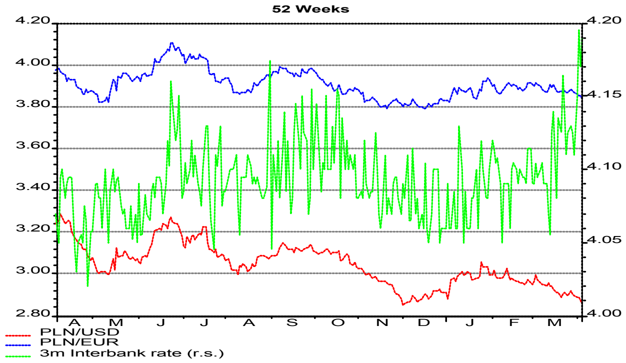
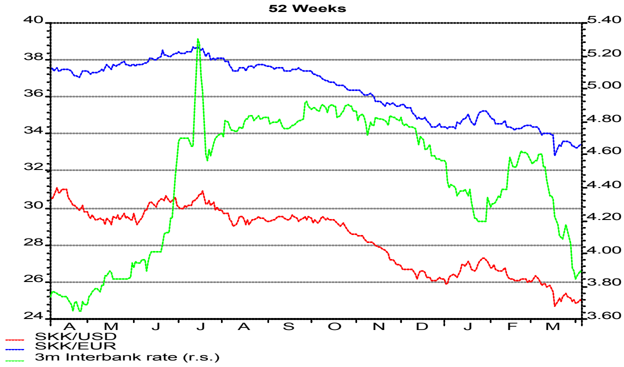
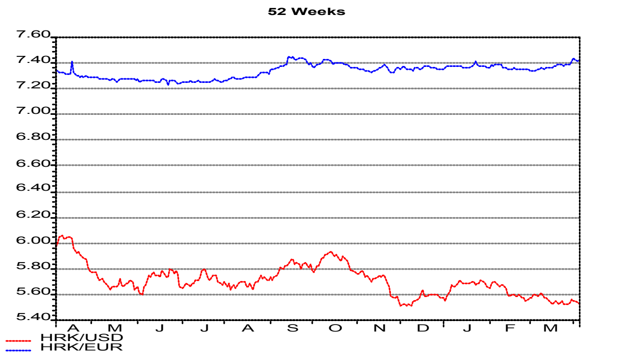
Exchange rates and interest rates (52 weeks)

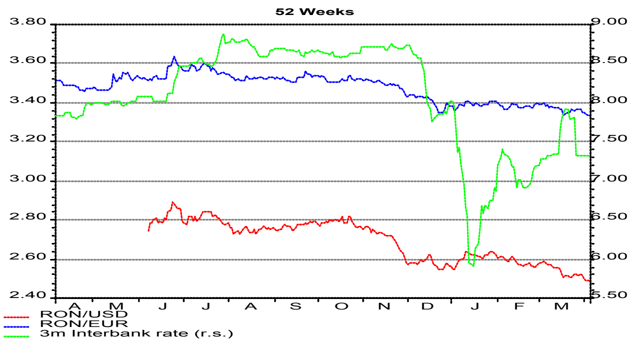








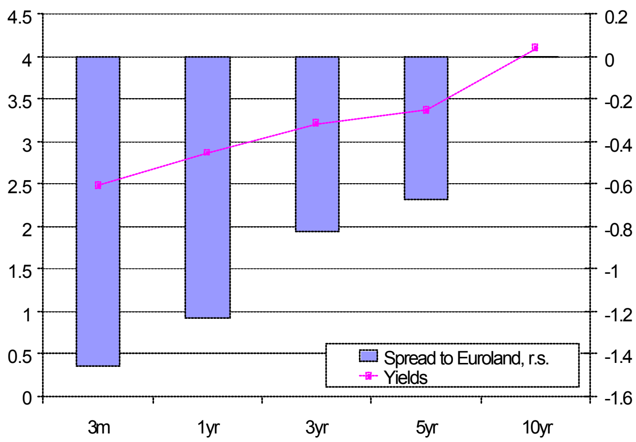




Source: Datastream

Benchmarks

Czech Republic



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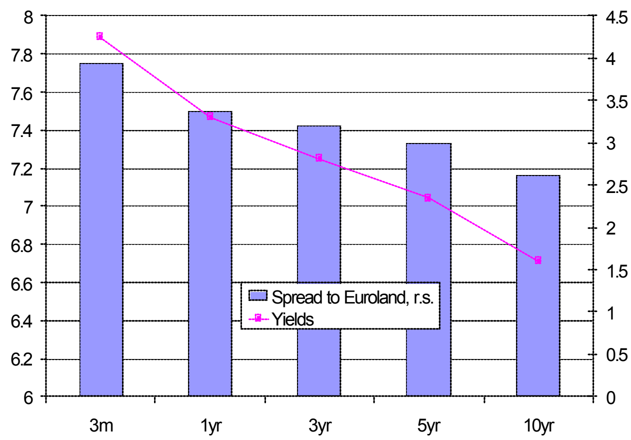
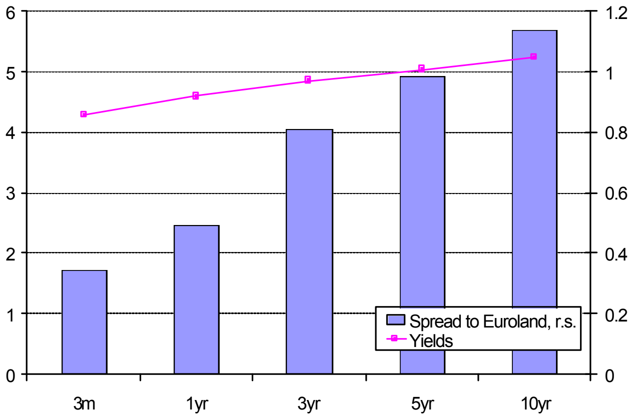


Appendix Forwards

Poland



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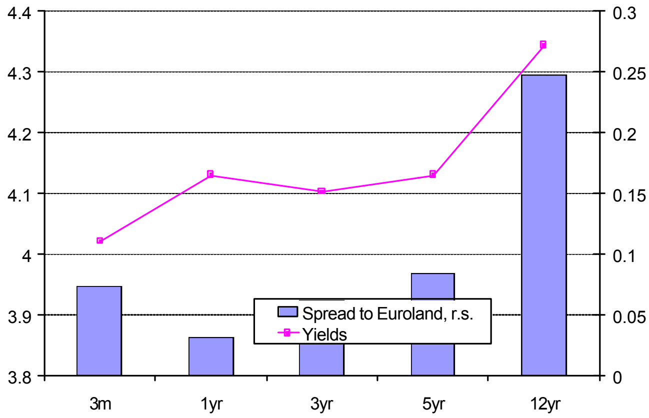

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