

Business

(HN/1) An unnamed source close to PM Bohuslav Sobotka said that although he does not know what Sobotka will do, he thinks Sobotka will remove Andrej Babiš as finance minister. ČSSD no longer has anything to lose, the source said. He or she added that ČSSD's patience is gone, because the tax office chases every small businessperson because of a five-crown underpayment, yet Babiš has been systematically avoiding taxes for years. Another unnamed ČSSD source also thinks Sobotka will decide to "shoot down" Babiš in an attempt to get society on his side. (HN/10) Petr Honzejek of HN said that the chances are 50-50 that Sobotka will sack Babiš. (MFD/9) Jaroslav Plesl of MFD said that all of ČSSD's problems are because of Sobotka and his closest adviser, Radek Pokorný, and nothing will help Sobotka at this point.

(E15/12) Bohumil Pečinka of Reflex wrote that Sobotka will likely fire Babiš. The police have supposedly wanted to charge Babiš, he wrote, but the prosecutors were against it. If Babiš is fired, will it be a signal that it is okay now to charge him, Pečinka asked?

(P/2) Babiš said that he wants to visit Zeman next Wed. to ask him what he thinks about the current situation. Zeman said on TV Barrandov that the analysis leaked yesterday is part of the political battle and that if there are doubts about Babiš's business activities, the easiest thing to do is to file a criminal complaint. It is very absurd and very unusual, Zeman said, to remove a minister six months before elections. If Sobotka proposed this, he said, he would ask Babiš if he wanted to become a martyr. (HN/1) Meanwhile, TOP 09 said that it would not vote to give a reshuffled Sobotka cabinet without ANO a vote of no confidence. Miroslav Kalousek said that TOP 09 would not support the idea of allowing Zeman to become the key player and to decide who would be the PM before the elections.

(P/2) PM Bohuslav Sobotka said at a press conference that the matter involving Andrej Babiš's one-crown bonds threatens three years of good work of the coalition government. Sobotka said that he will wait until the end of the month for Babiš to provide an explanation (as requested by Parliament) and will then decide what to do. He said that the analysis of Babiš's commercial activities that leaked to the media yesterday brings together some very serious questions. Babiš compared the analysis to a report from the underworld. Sobotka responded that Babiš should not speak of the underworld, because the methods he used to get rich would fit right into the underworld. Sobotka did not take any questions from reporters. He said later on Twitter that Babiš is used to intimidating people and that he perfected this in the takeover of companies but that it does not work on him (Sobotka).

(P/3) The Supreme Court released Marek Dalík from prison and returned his corruption case to Prague Superior Court mainly because the wrong version of the criminal

code was used. The old version could theoretically be more advantageous to him.

(HN/3) ČEZ's supervisory board agreed yesterday to postpone a decision about selling the Počerady coal-fired power plant to Czech Coal. HN said the main reason for the postponement was political pressure. Czech Coal's offer is only valid until the end of this week, so negotiations will likely need to start again from the beginning. (P/4) Právo said that the ČEZ sup. board should return to the issue at its May meeting.



(P/3) Instead of a new Yeti, Škoda Auto will launch the Karoq. The -q is in the spirit of its Kodiaq model. Production will begin in Kvasiny near the end of June. Czechs will be the first to get it at the end of Sept.

(LN/14) CEO Tomáš Spurný of Moneta said that 90-100% mortgages will eventually lead to tragedy, because low interest rates will not last forever. The CR is doing better economically than ever before, he added, and a sector tax would slow down the creation of prosperity for those needing it most. If Moneta has excess capital, he said, the bank will try to return it to shareholders.

(HN/14) O2 CR launched a new rate of Kč 666 per person for calling, SMSes and 3GB of data for a group of at least three people, but only if they also buy O2 TV. (HN/10) The offer was met with much ridicule on social networks. (HN/14) A proposal for imposing a max. telecoms fine of Kč 100m, instead of 10% of revenue, was "accidentally" written on the computer of Marek Benda of ODS.

(HN/6) Radim Jančura said he created a holding company, Student Agency holding, on the advice of banks and then issued bonds for buying trains. BDO advised him on the bond, HN said, and BDO Tax helped with the new structure. However, the train tender was subsequently canceled. Jančura denied that he benefited from bond payments, but tax adviser Jakub Hajdučík said that published documents show that Jančura paid himself interest for at least Dec. 2012 and 2013 and that there is no sign the money went back to the company.

(HN/16) Unipetrol swung to a Kč 2.8bn net profit in Q1, from a Kč 25m loss a year earlier, on 70% higher revenue of Kč 30bn. (P/17) EGAP export insurer lost Kč 1.25bn last year.... Heineken won a court battle for the sole right to the "Radler" trademark.... Exim tours earned Kč 171m before tax last year, up 9%, on flat revenue of Kč 4bn.... Rudolf Jelínek spirits netted Kč 23.2m last year, up 9%, on revenue of Kč 440m. (HN/15) Net4Gas netted Kč 1.4bn last year, down 50%, on 6% lower revenue of Kč 9.28bn.... Sberbank CZ netted Kč 272m last year, up 1,080%, on 8% more active clients, to 108,000. (HN/14) AXA CZ/SK netted Kč 513m last year, up 28%, on assets

Euro (fixing)	26.935	-0.010
Dollar	24.752	+0.017
Pound	31.900	+0.161
Gold \$/€ Lnd PM	1263/1163	+0.1/+0.3%
3-month Pribor	0.29	0.00
Dow Jones	20981.33	0.0%
DAX	12443.79	-0.2%
CETV/CME	99.15	-0.85%
ČEZ	431.60	+0.07%
Erste Bank	880.90	+1.56%
Komerční banka	950.00	0.00%
Moneta Money	78.75	+0.25%
O2 CR	290.80	-1.96%
Philip Morris ČR	13530.00	+0.14%
Unipetrol	270.80	+1.61%
PX	1002.12	+0.34%

under management of Kč 119bn, up 7%. (HN/3) Prague's city assembly approved a schedule for a new master plan by the end of 2022. (MFD/17) PVK said it is not for sale. (HN/10) MPs rejected a bill for paying compensation to those hurt by vaccinations.

Politics

(HN/6) Turkey sharply criticized the decision of the Czech Parliament to recognize the massacre of Armenians under the Ottoman Empire as "genocide." Turkey also criticized Zeman, who has referred repeatedly to it as this. The Czech foreign ministry assured Turkey that the resolution is not legally binding and that foreign policy is the prerogative of the cabinet. (HN/10) MP Robin Böhnisch of ČSSD said that the genocide was the act of the former Empire and that Turkey should come to terms with it. (LN/5) Separately, Zeman will be the only EU president at a New Silk Road event in Beijing in two weeks.

(P/11) Central Bohemian Gov. Jaroslava Pokorná Jermanová (ANO) said that she will nominate Babiš as the lead candidate in her region for parliamentary elections. Babiš had said that he would run as the last candidate and rely on preferential votes, but now he is speaking differently and indicated that he might instead lead the ticket.

(HN/4) Lawyer Martin Sadílek, representing alleged Russian hacker Evgeny Nikulin, said that the FBI pressured his client to admit five weeks before the U.S. elections to taking part in the hack of the servers of the Democratic Party. The FBI offered him a deal while he was being processed by the Czech police, in the absence of his lawyer, Sadílek said. HN said that this is a serious allegation and that an admission by Nikulin could have affected the U.S. elections.

(P/2) After an analysis of his commercial activities leaked to the media yesterday, Babiš posted a photo of himself on Facebook with piles of boxes ready to be moved. On them were written such things as, "OKD," "Škoda Holding," and "Adviser JP Morgen." Babiš wrote that he would be sorry to go, because he has so much work he wanted to finish.

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