



## Poland Daily

### HEADLINES...

POL: In December 2018 manufacturing PMI fell to 47.6pts from 49.5 pts in November, signaling accelerating decline in activity in manufacturing. In December main cause of fall in PMI was a decline in sub-indices of new-orders and output. Sub-indices of employment and inventories were at similar levels top November. In December index of new orders declined for a fifth month in a row what resulted from a smaller demand from Europe, and Germany in particular. In December the pace of growth in costs of production was robust albeit somewhat lower than in November, translating to higher prices of finished goods. Companies were slightly more optimistic concerning expected output in a horizon of 12 months – this indicator increased for the first time since August but still was the third lowest in a five and half a year. A strong decline in PMI in December means that (1) GDP growth in 2019 may be lower than the current forecasts, (2) the main engine of growth will remain domestic demand and (3) rate hike expectations shift to the first half of 2020.

### THE DAY AHEAD...

EMU: Money Supply M3 (Nov)

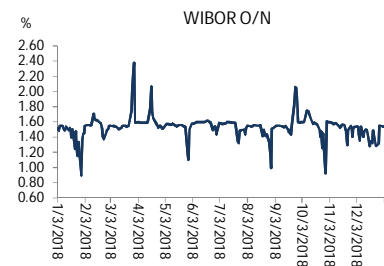
USA: ADP employment (Dec)

USA: ISM manufacturing (Dec)

### TODAY'S FOCUS:

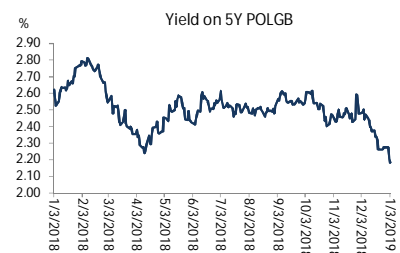
Today economic calendar contains money supply for November from euro-zone and US ADP employment report for December and US manufacturing ISM for December.

Figure 1: WIBOR O/N



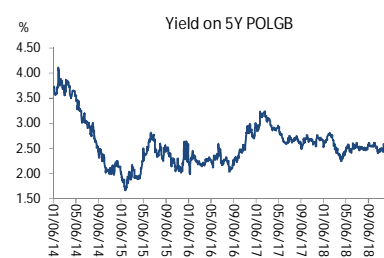
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg

### DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
EMU	8:00	Money Supply M3 (Nov)	(3.8%)	0.3% (3.7%)	(3.8%)
USA	12:15	Change in ADP employment (Dec)	175k		180k
USA	14:00	ISM manufacturing (Dec)	58.0		57.5



## Foreign Exchange

Today in the morning the zloty was 0.5% weaker versus the USD and was unchanged versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2850-4.3150 per EUR.

Yesterday in the afternoon the USD firmed versus the EUR after good US manufacturing PMI data for December.

## Fixed Income

The yields on Poland's government bonds were 1-2bps down in all tenors after much lower than expected Poland's manufacturing PMI data for December.

## Interest Rates

Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were 1-2bps down in 5-year and 10-year sectors.

## Equities

Yesterday the Dow Jones index closed 0.08% up while the S&P 500 index increased by 0.13%. Today in the morning the FTSE index fell by 0.25%, the CAC index decreased by 0.79% and the DAX index was 0.82% down. Today in the morning the WIG20 index decreased by 1.00% and the WIG index was 0.63% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 3 January 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7795	3.7619	0.5%	SPOT	3.7788	3.7801	SPOT	4.2989	4.3001
EUR/PLN	4.2995	4.3016	0.0%	S/N	3.7787	3.7800	S/N	4.2991	4.3004
GBP/PLN	4.7493	4.7737	-0.5%	1W	3.7781	3.7795	1W	4.3006	4.3019
CHF/PLN	3.8310	3.8242	0.2%	1M	3.7757	3.7773	1M	4.3065	4.3081
SEK/PLN	0.4198	0.4210	-0.3%	2M	3.7731	3.7748	2M	4.3136	4.3154
NOK/PLN	0.4332	0.4343	-0.3%	3M	3.7699	3.7717	3M	4.3224	4.3243
DKK/PLN	0.5758	0.5762	-0.1%	6M	3.7604	3.7631	6M	4.3451	4.3483
CAD/PLN	2.7757	2.7608	0.5%	12M	3.7419	3.7460	12M	4.3917	4.3974
CZK/PLN	0.1671	0.1671	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1376	1.1435	-0.5%	O/N	1.54 %	bp			
USD/JPY	107.76	108.97	-1.1%	1W	1.54 %	bp			
GBP/USD	1.2566	1.2690	-1.0%	1M	1.64 %	bp	1M		
USD/CHF	0.9866	0.9837	0.3%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	122.59	124.60	-1.6%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.9053	0.9011	0.5%	9M	1.82 %	bp	9M	%	bp
USD/CAD	1.3617	1.3626	-0.1%	12M	1.87 %	bp	12M	%	bp
FRAs (mid)	Last closing			IRS (mid)	Today's opening	1-day change	T-Bonds (mid)	Today's opening	1-day change
1X2	1.64	1X7	1.79	2Y	1.79 %	bp	2Y	1.37 %	-1 bp
2X3	1.64	3X9	1.80	5Y	2.03 %	bp	5Y	2.18 %	-2 bp
1X4	1.72	6X12	1.80	10Y	2.38 %	bp	10Y	2.74 %	-2 bp
3X6	1.73			5Y-2Y	25 bp	bp			
6X9	1.72			10Y-5Y	35 bp	bp			
9X12	1.74			10Y-2Y	60 bp	bp			



# Appendix 1

## Important Disclosures

### Additional information available upon request

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