



## Poland Daily

### HEADLINES...

EMU: Money supply M3 for November rose by 3.7% yoy and was slightly below market consensus view.

USA: ADP employment rose strongly by 271k in December versus expected rise of 180k.

USA: Initial jobless claims amounted to 231k, below market.

USA: ISM manufacturing fell to 54.1pts in December from 59.3pts in November and was much below 57.5pts expected by analysts.

### THE DAY AHEAD...

POL: Inflation (flash., Dec)

FRA: Inflation (Dec)

HUN: PPI (Nov)

DEU: unemployment rate (Dec)

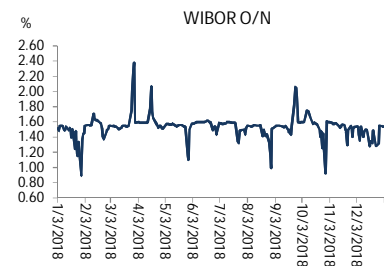
EMU: PMI services (Dec), core CPI (Dec), PPI (Nov)

USA: employment report (Dec), PMI services (Dec)

### TODAY'S FOCUS:

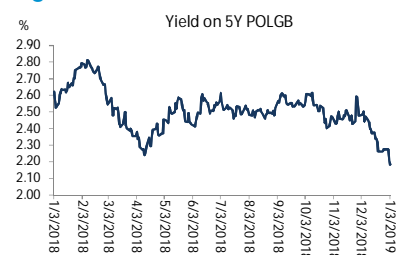
Today market participants will be focusing on domestic flash inflation for December and US employment report for December.

Figure 1: WIBOR O/N



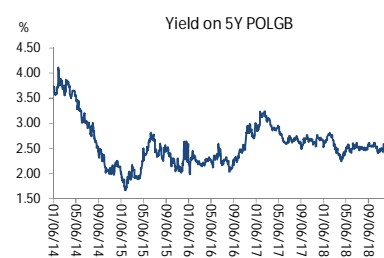
Source: Bloomberg

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   |
|---------|-------|-----------------------------------|-------------|-------------|-------------|
| DEU     | 7:55  | Unemployment rate (Dec)           | 5.0%        | 5.0%        | 5.0%        |
| POL     | 8:00  | Inflation (flash, Dec)            | 0.1% (1.2%) | 0.0% (1.1%) | 0.1% (1.1%) |
| EMU     | 8:00  | PMI services (Dec)                | 51.4        | 51.2        | 51.4        |
| EMU     | 9:00  | Core CPI (Dec)                    | 1.0%        |             | 1.0%        |
| USA     | 12:30 | Change in non-farm payrolls (Dec) | 175 tys.    |             | 184 tys.    |
| USA     | 12:30 | Unemployment rate (Dec)           | 3.6%        |             | 3.7%        |

Source: Deutsche Bank Estimates and Bloomberg Finance LP



## Foreign Exchange

Today in the morning the zloty was 0.4% firmer versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2800-4.3100 per EUR.

The USD weakened by 0.3% versus the EUR after weaker than expected US manufacturing ISM data for December.

## Fixed Income

The yields on Poland's government bonds were 6bps up in 2-year and 5-year sectors in reaction to a sharp decline in yields yesterday after weak domestic 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 2-4bps up in all tenors.

## Equities

Yesterday the Dow Jones index closed 2.83% down while the S&P 500 index decreased by 2.48%. Today in the morning the FTSE index rose by 0.73%, the CAC index increased by 0.91% and the DAX index was 1.04% up. Today the Nikkei index closed 2.26% down. Today in the morning the WIG20 index increased by 0.87% and the WIG index was 0.74% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 4 January 2019 (7:30 GMT)

| Currency (mid) | Today        | Last fixing | Change | USD/PLN   |                 |              | EUR/PLN       |                 |              |
|----------------|--------------|-------------|--------|-----------|-----------------|--------------|---------------|-----------------|--------------|
|                |              |             |        | forwards  | bid             | offer        | forwards      | bid             | offer        |
| USD/PLN        | 3.7662       | 3.7827      | -0.4%  | SPOT      | 3.7655          | 3.7669       | SPOT          | 4.2966          | 4.2979       |
| EUR/PLN        | 4.2973       | 4.3030      | -0.1%  | S/N       | 3.7654          | 3.7668       | S/N           | 4.2968          | 4.2982       |
| GBP/PLN        | 4.7725       | 4.7589      | 0.3%   | 1W        | 3.7648          | 3.7663       | 1W            | 4.2983          | 4.2997       |
| CHF/PLN        | 3.8203       | 3.8343      | -0.4%  | 1M        | 3.7625          | 3.7640       | 1M            | 4.3042          | 4.3058       |
| SEK/PLN        | 0.4190       | 0.4189      | 0.0%   | 2M        | 3.7598          | 3.7615       | 2M            | 4.3113          | 4.3131       |
| NOK/PLN        | 0.4350       | 0.4334      | 0.4%   | 3M        | 3.7567          | 3.7584       | 3M            | 4.3197          | 4.3216       |
| DKK/PLN        | 0.5755       | 0.5762      | -0.1%  | 6M        | 3.7474          | 3.7500       | 6M            | 4.3423          | 4.3454       |
| CAD/PLN        | 2.8034       | 2.7778      | 0.9%   | 12M       | 3.7301          | 3.7334       | 12M           | 4.3882          | 4.3941       |
| CZK/PLN        | 0.1680       | 0.1672      | 0.4%   |           |                 |              |               |                 |              |
|                |              |             |        | WIBOR     | Last fixing     | 1-day change | T-bills (mid) | Today's opening | 1-day change |
| EUR/USD        | 1.1410       | 1.1375      | 0.3%   | O/N       | 1.53 %          | -1 bp        |               |                 |              |
| USD/JPY        | 107.96       | 107.67      | 0.3%   | 1W        | 1.54 %          | 0 bp         |               |                 |              |
| GBP/USD        | 1.2672       | 1.2581      | 0.7%   | 1M        | 1.64 %          | 0 bp         | 1M            |                 |              |
| USD/CHF        | 0.9859       | 0.9865      | -0.1%  | 3M        | 1.72 %          | 0 bp         | 3M            | %               | bp           |
| EUR/JPY        | 123.18       | 122.48      | 0.6%   | 6M        | 1.79 %          | 0 bp         | 6M            | %               | bp           |
| EUR/GBP        | 0.9005       | 0.9042      | -0.4%  | 9M        | 1.82 %          | 0 bp         | 9M            | %               | bp           |
| USD/CAD        | 1.3435       | 1.3618      | -1.3%  | 12M       | 1.87 %          | 0 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        | 1.81 %          | 2 bp         | 2Y            | 1.43 %          | 6 bp         |
| 2X3            | 1.64         | 3X9         | 1.80   | 5Y        | 2.07 %          | 3 bp         | 5Y            | 2.24 %          | 6 bp         |
| 1X4            | 1.72         | 6X12        | 1.80   | 10Y       | 2.42 %          | 4 bp         | 10Y           | 2.76 %          | 2 bp         |
| 3X6            | 1.73         |             |        | 5Y-2Y     | 26 bp           | 1 bp         |               |                 |              |
| 6X9            | 1.73         |             |        | 10Y-5Y    | 36 bp           | 1 bp         |               |                 |              |
| 9X12           | 1.74         |             |        | 10Y-2Y    | 62 bp           | 2 bp         |               |                 |              |



# Appendix 1

## Important Disclosures

### Additional information available upon request

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