Deutsche Bank Polska S.A.

Poland

Market Commentary

/

Date

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Arkadiusz Krześniak

Chief Economist (+48) 22 579 9105 arkadiusz.krzesniak@db.com

Poland Daily

HEADLINES...

USA: Initial jobless claims fell 17k to 216k, better than expected.

FRA: Industrial production declined 2.1% yoy in November, weaker than expected.

CHN: Inflation amounted to 1.9% yoy in December, below market consensus view.

CHN: PPI rose 0.9% yoy in December, below market consensus view





Source: Bloomberg

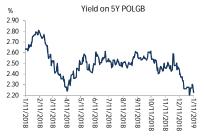
THE DAY AHEAD...

UK: Industrial production (Nov)

USA: Inflation (Dec), core inflation (Dec)

CZK: GDP (Q3)

Figure 2: Yield on 5Y POLGB

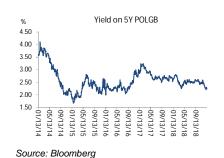


Source: Bloomberg

TODAY'S FOCUS:

Today economic calendar contains inflation and core inflation from the US for December and industrial production from the UK for November.

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



DIARY (Today)

Source: Deutsche Bank Estimates and Bloomberg Finance LP

Country CZK	GMT 7:00	Release GDP (Q3)	DB Expected	Actual 0.6% (2.4%)	Consensus 0.6% (2.4%
UK	8:30	Industrial production (Nov)		, ,	0.2% (-0.7%)
USA	12:30	Inflation (Dec)	-0.1% (1.9%)		-0.1% (1.9%)
USA	12:30	Core inflation (Dec)	0.2% (2.2%)		0.2% (2.2%)



Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD and was 0.2% 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 EUR remained strong versus the USD ahead of US inflation data for December.

Fixed Income

The yields on Poland's government bonds were 4bps down in 2-year and 10-year sectors and declined by 6 bps in 5-year one. At yesterday's auction the Finance Ministry sold government bonds worth total PLN6bn versus PLN12.48bn demand. After the auction Poland financed 38% of borrowing needs for 2019. Gross borrowing needs for 2019 are envisaged at PLN163.7bn.

Interest Rates

Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were 2bps down across the curve.

Equities

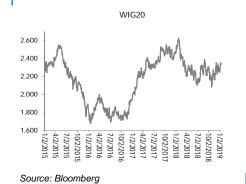
Yesterday the Dow Jones index closed 0.51% up while the S&P 500 index increased by 0.45%. Today in the morning the FTSE index rose by 0.63%, the CAC index increased by 0.12% and the DAX index was 0.01% down. Today the Nikkei index rose by 0.97%. Today in the morning the WIG20 index increased by 0.89% and the WIG index was 1.03% up.







Source: Bloomberg



Polish local market data 11 January 2019 (7:30 GMT)

Currency				USD/PLN			EUR/PLN		
(mid)	Today	Last fixing	Change	forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7272	3.7360	-0.2%	SPOT	3.7265	3.7278	SPOT	4.2954	4.2969
EUR/PLN	4.2962	4.3055	-0.2%	S/N	3.7264	3.7277	S/N	4.2956	4.2971
GBP/PLN	4.7487	4.7680	-0.4%	1W	3.7258	3.7271	1W	4.2971	4.2986
CHF/PLN	3.7930	3.8273	-0.9%	1M	3.7236	3.7250	1 M	4.3030	4.3048
SEK/PLN	0.4200	0.4201	0.0%	2M	3.7210	3.7225	2M	4.3101	4.3121
NOK/PLN	0.4409	0.4410	0.0%	3M	3.7178	3.7198	3M	4.3184	4.3208
DKK/PLN	0.5755	0.5767	-0.2%	6M	3.7090	3.7113	6M	4.3419	4.3450
CAD/PLN	2.8250	2.8241	0.0%	12M	3.6912	3.6936	12M	4.3891	4.3945
CZK/PLN	0.1680	0.1680	0.0%						
						1-day	T-bills	Today's	1-day
				WIBOR	Last fixing	change	(mid)	opening	change
EUR/USD	1.1527	1.1524	0.0%	O/N	1.58 %	0 bp			
USD/JPY	108.25	108.11	0.1%	1W	1.55 %	0 bp			
GBP/USD	1.2742	1.2762	-0.2%	1M	1.64 %	0 bp	1 M		
USD/CHF	0.9826	0.9761	0.7%	3M	1.72 %	0 bp	3M	9/	6 bp
EUR/JPY	124.79	124.59	0.2%	6M	1.79 %	0 bp	6M	9/	6 bp
EUR/GBP	0.9047	0.9030	0.2%	9M	1.82 %	0 bp	9M	9/	6 bp
USD/CAD	1.3194	1.3229	-0.3%	12M	1.87 %	0 bp	12M	9/	6 bp
FRAs	Last				Today's	1-day	T-Bonds	Today's	1-day
(mid)	closing			IRS (mid)	opening	change	(mid)	opening	change
1X2	1.64	1X7	1.79	2Y	1.78 %	-2 bp	2Y	1.38 %	6 -4 bp
2X3	1.63	3X9	1.79	5Y	2.10 %	-2 bp	5Y	2.23 %	6 -6 bp
1X4	1.72	6X12	1.79	10Y	2.46 %	-2 bp	10Y	2.81 %	6 -4 bp
3X6	1.72			5Y-2Y	32 bp	0 bp			
6X9	1.72			10Y-5Y	36 bp	0 bp			
9X12	1.73			10Y-2Y	68 bp	0 bp			



Appendix 1

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Additional information available upon request

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