



Poland Daily

HEADLINES...

POL: Inflation for June was confirmed at 0.3% m/m and 2.6% y/y. In June food prices rose by 0.3% m/m and increased monthly inflation by 0.08 percentage points, house maintenance and energy prices rose by 0.2% m/m increasing monthly inflation by 0.04 p.p., transport prices increased by 0.6% m/m increasing monthly CPI by 0.07 p.p. and prices of recreation and culture rose by 1.3% m/m increasing monthly inflation by 0.08 p.p. In June services prices visibly increased what was caused by strong rising trend in wages. Inflation structure shows that food and fuels had major impact on inflation, together with seasonal increase in recreation prices. However, higher wages started to translate on services prices and this factor was quite widespread.

POL: In May there was EUR1.0bn surplus on the current account and a small EUR96mn trade surplus. In May exports rose by 13.3% y/y to EUR19.7bn while import increased by 11.2% y/y to EUR19.6bn. Services account was positive at EUR2.1bn versus -EUR1.3bn deficit in the primary income account.

THE DAY AHEAD...

POL: Core CPI (Jun)

EMU: Trade balance (May)

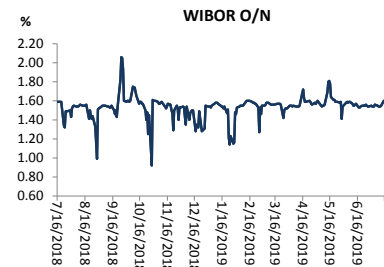
DEU: ZEW Index (Jul)

USA: retail sales (Jun), industrial production (Jun)

TODAY'S FOCUS:

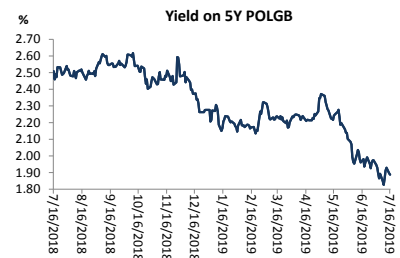
Today economic calendar contains core inflation for June from Poland, Germany's ZEW economic expectations index for Jul and US industrial production and retail sales for June.

Figure 1: WIBOR O/N



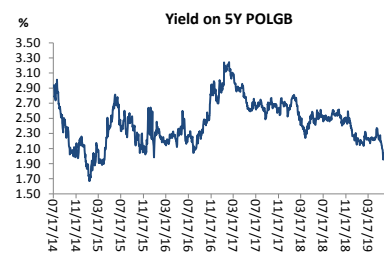
Source: Bloomberg

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	9:00	ZEW Index (Jul)			
EMU	9:00	Trade balance (May)			EUR17.8bn
POL	12:00	Core inflation (Jun)	(1.7%)		0.3% (1.9%)
USA	12:30	Retail sales (Jun)	0.1%		0.2%
USA	13:15	Industrial production (Jun)	0.1%		0.1%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.2% firmed versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2450-4.2750 per EUR today.

The USD firmed by 0.2% versus the EUR before crucial data on retail sales and industrial production from the US for June.

Fixed Income

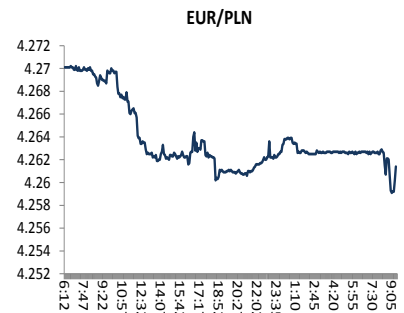
The yields on Poland's government bonds were 1-2 bps down in all tenors.

Interest Rates

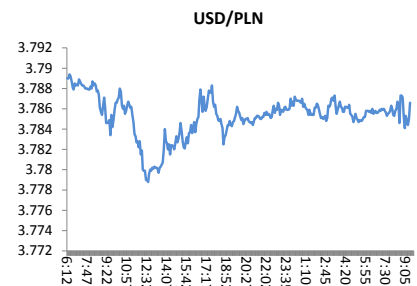
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were marginally down across the curve.

Equities

Yesterday the Dow Jones index closed 0.10% up and the S&P 500 index was 0.02% up. Today in the morning the FTSE 100 index was 0.08% up, the CAC 40 index was 0.07% up and the DAX index was 0.21% up. Today the Nikkei index decreased by 0.69%. Today in the morning the WIG20 index rose by 0.24% and the WIG index was 0.20% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 16 July 2019 (9:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7842	3.7856	0.0%	SPOT	3.7837	3.7846	SPOT	4.2582	4.2592
EUR/PLN	4.2587	4.2673	-0.2%	S/N	3.7841	3.7850	S/N	4.2586	4.2596
GBP/PLN	4.7271	4.7515	-0.5%	1W	3.7841	3.7850	1W	4.2586	4.2596
CHF/PLN	3.8460	3.8512	-0.1%	1M	3.7841	3.7850	1M	4.2586	4.2596
SEK/PLN	0.4044	0.4038	0.1%	2M	3.7841	3.7850	2M	4.2586	4.2596
NOK/PLN	0.4431	0.4435	-0.1%	3M	3.7841	3.7850	3M	4.2586	4.2596
DKK/PLN	0.5703	0.5715	-0.2%	6M	3.7841	3.7850	6M	4.2586	4.2596
CAD/PLN	2.8995	2.9060	-0.2%	12M	3.7841	3.7850	12M	4.2586	4.2596
CZK/PLN	0.1664	0.1667	-0.2%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1254	1.1272	-0.2%	O/N	1.60 %	bp			
USD/JPY	108.06	107.90	0.1%	1W	1.59 %	bp			
GBP/USD	1.2493	1.2552	-0.5%	1M	1.64 %	bp	1M		
USD/CHF	0.9838	0.9830	0.1%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	121.61	121.63	0.0%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.9009	0.8981	0.3%	9M	1.81 %	bp	9M	%	bp
USD/CAD	1.3051	1.3027	0.2%	12M	1.86 %	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	1.74 %	bp	2Y	1.56 %	-2 bp
2X3	1.64	3X9	1.78	5Y	1.83 %	bp	5Y	1.89 %	-1 bp
1X4	1.72	6X12	1.76	10Y	2.05 %	bp	10Y	2.26 %	-1 bp
3X6	1.71			5Y-2Y	9 bp	bp			
6X9	1.70			10Y-5Y	22 bp	bp			
9X12	1.69			10Y-2Y	31 bp	bp			



Appendix 1

Important Disclosures

Additional information available upon request

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