



## Poland Daily

### HEADLINES...

EMU: Today the ECB holds important policy meeting. DB expects that at today's meeting the ECB will announce easing bias, that will open the way for 10bps cut in deposit rate to -0.50% at the meeting on September 12. The European Central Bank should keep easing bias also in Q4 2019 and we expect another 10bps cut in deposit rate in December 2019. ECB President Mario Draghi recently stressed that ECB inflation goal was symmetric what means that the ECB may transitory tolerate inflation above the 2% goal, to strengthen economic growth that is, however, outside its official monetary policy mandate.

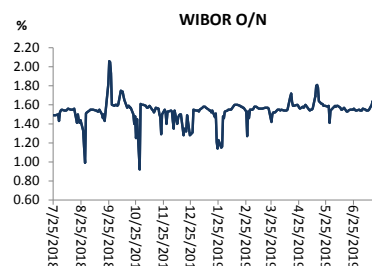
### THE DAY AHEAD...

- DEU: IFO (Jul)
- EMU: ECB decision
- USA: Durable goods orders (Jun), trade balance (adv., Jun)

### TODAY'S FOCUS:

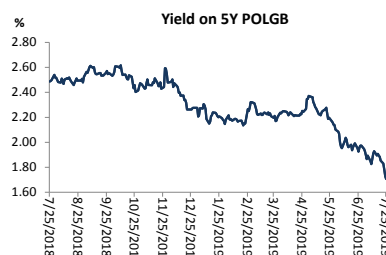
Today market participants will be focusing on ECB meeting and following press conference. We expect the ECB to keep policy settings unchanged at today's meeting. The ECB most likely will introduce easing bias, signaling further monetary policy easing, including rate cuts. Other important data are German IFO for June and US advance trade deficit for June and US durable goods orders for June.

Figure 1: WIBOR O/N



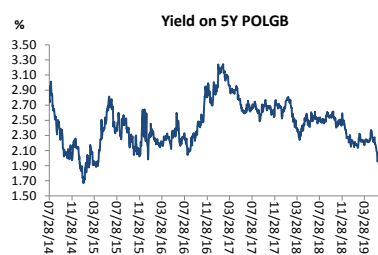
Source: Bloomberg

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	8:00	IFO (Jul)	97.0	95.7	97.2
EMU	11:40	ECB decision	0.00%		0.00%
USA	12:30	Durable goods orders (Jun)	0.1%		0.7%
USA	12:30	Trade balance (Jun, adv.)	-USD76.0bn		-USD72.5bn



## Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2400-4.2650 per EUR today.

Today in the morning the EUR weakened ahead of ECB meeting at which the European Central Bank is expected to introduce easing bias.

## Fixed Income

The yields on Poland's government bonds were 3bps down in 2-year sector and fell by 10 bps in 5-year and 10-year sectors. At the auction on Friday the Finance Ministry will offer POLGBs series OK0521, PS1024, WZ0525, DS1029 and WZ1129 worth total PLN4.0-7.0bn.

## Interest Rates

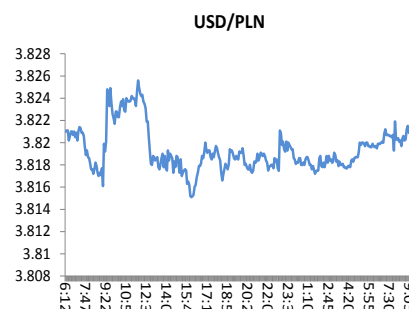
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 3bps down in 2-year sector, declined by 11bps in 5-year sector and fell by 16bps in and 10-year one.

## Equities

Yesterday the Dow Jones index fell by 0.29% and the S&P 500 index was 0.47% up. Today in the morning the FTSE 100 index was 0.20% up, the CAC 40 index was 0.62% up and the DAX index was 0.24% up. Today the Nikkei index closed 0.22% up. Today in the morning the WIG20 index rose by 0.19% and the WIG index was 0.23% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 25 July 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards			EUR/PLN forwards		
				bid	offer	SPOT	bid	offer	
USD/PLN	3.8215	3.8229	0.0%	SPOT	3.8210	3.8220	SPOT	4.2531	4.2539
EUR/PLN	4.2535	4.2581	-0.1%	S/N	3.8214	3.8224	S/N	4.2535	4.2543
GBP/PLN	4.7679	4.7648	0.1%	1W	3.8214	3.8224	1W	4.2535	4.2543
CHF/PLN	3.8783	3.8775	0.0%	1M	3.8214	3.8224	1M	4.2535	4.2543
SEK/PLN	0.4049	0.4037	0.3%	2M	3.8214	3.8224	2M	4.2535	4.2543
NOK/PLN	0.4419	0.4405	0.3%	3M	3.8214	3.8224	3M	4.2535	4.2543
DKK/PLN	0.5698	0.5704	-0.1%	6M	3.8214	3.8224	6M	4.2535	4.2543
CAD/PLN	2.9096	2.9080	0.1%	12M	3.8214	3.8224	12M	4.2535	4.2543
CZK/PLN	0.1668	0.1667	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1130	1.1138	-0.1%	O/N	1.63 %	3 bp			
USD/JPY	108.09	108.06	0.0%	1W	1.59 %	-1 bp			
GBP/USD	1.2476	1.2464	0.1%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9855	0.9859	0.0%	3M	1.72 %	0 bp	3M		bp
EUR/JPY	120.31	120.36	0.0%	6M	1.79 %	0 bp	6M		bp
EUR/GBP	0.8922	0.8937	-0.2%	9M	1.81 %	0 bp	9M		bp
USD/CAD	1.3135	1.3146	-0.1%	12M	1.86 %	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	1.78	2Y	1.71 %	-3 bp	2Y	1.52 %	-3 bp
2X3	1.64	3X9	1.77	5Y	1.73 %	-11 bp	5Y	1.71 %	-10 bp
1X4	1.71	6X12	1.75	10Y	1.90 %	-16 bp	10Y	2.00 %	-10 bp
3X6	1.71			5Y-2Y		2 bp			-7 bp
6X9	1.69			10Y-5Y		17 bp			-5 bp
9X12	1.65			10Y-2Y		19 bp			-13 bp



# Appendix 1

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### Additional information available upon request

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