



# Poland Daily

## HEADLINES...

POL: According to Investments and Development Minister Jerzy Kwiecinski, Poland's economy will grow by 4.5% in 2019 and by 4.0% in 2020. In his view Poland's economy is effectively resilient to a slowdown, which is the result of an increase in investments as well as social programmes that have been launched. Minister Kwiecinski said that economic effects of so called "PiS five" – a collection of social programmes that is intended to increase transfers to households ahead of general elections this autumn will be visible in the end of 2019 and in the beginning of 2020. He added these measure would help maintaining robust GDP growth.

POL: According to Grazyna Ancyparowicz from the MPC, concern over higher inflation is overblown. In her view, sustainable rise in inflation is unlikely due to approaching economic slowdown, what means that rate hike is unnecessary. In her opinion potential reduction in social spending after general elections in 2019 combined with slower growth abroad poses a risk to GDP growth in Poland in coming years.

EMU: At policy meeting yesterday the ECB didn't change policy settings. ECB President Mario Draghi sounded dovish at press conference. The ECB Board stressed symmetry of inflation goal and formally accepted full set of policy options to ease monetary policy including rate cuts, asset purchases and policy guidance. DB expects a 10 bps cut in deposit rate in September and another 10bps cut in deposit rate in December this year.

## THE DAY AHEAD...

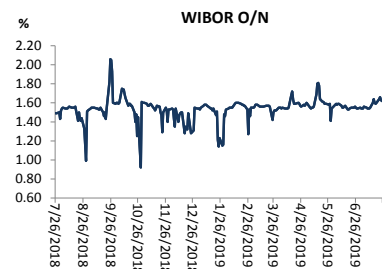
FRA: Consumer confidence (Jun),PPI (Jun)

USA: GDP (Q2)

## TODAY'S FOCUS:

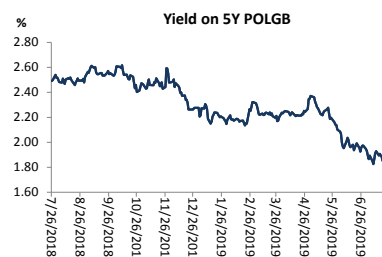
Today economic calendar contains consumer confidence from France and US Q2 GDP.

Figure 1: WIBOR O/N



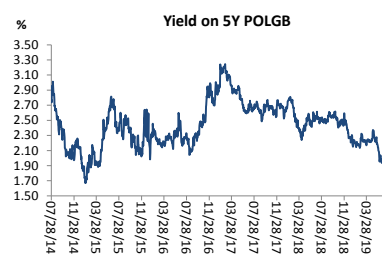
Source: Bloomberg

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
FRA	6:45	Cosumer confidence (Jun)		102	102
USA	12:30	GDP (Q2)	(1,8%)		(1,8%)

Source: Deutsche Bank Estimates and Bloomberg Finance LP



## Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.1% weaker versus the EUR compared to the last NBP fixing. During ECB press conference the zloty initially firmed by 0.15% versus EUR then weakened by 0.35% to stabilise at the level 0.1% weaker compared to pre-ECB meeting level. The zloty should be moving within a range of PLN4.2500-4.270 per EUR today.

Yesterday during Draghi's press conference EUR/USD was subject to sharp moves but finally the EUR firmed by 0.1% versus the USD.

## Fixed Income

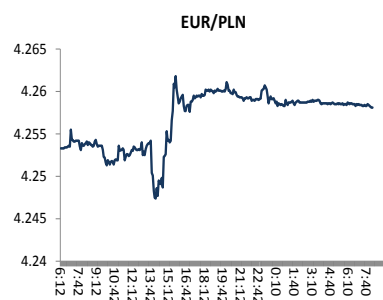
The yields on Poland's government bonds were 4bps up in 5-year sector and rose by 6bps in 10-year sector in reaction to sharp declines in yields in recent days. Today at the auction the Finance Ministry will offer POLGBs series OK0521, PS1024, WZ0525, DS1029 and WZ1129 worth total PLN4.0-7.0bn.

## Interest Rates

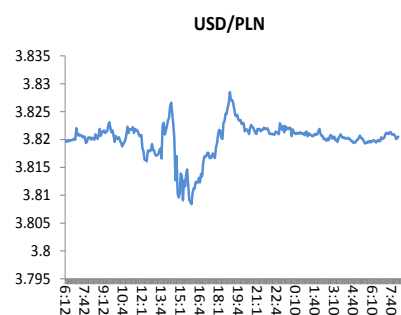
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 2bps up in 2-year sector and rose by 5-6bps in 5-year and 10-year sectors.

## Equities

Yesterday the Dow Jones index fell by 0.47% and the S&P 500 index was 0.53% down. Today in the morning the FTSE 100 index was 0.12% up, the CAC 40 index was 0.12% down and the DAX index was unchanged. Today the Nikkei index closed 0.45% down. Today in the morning the WIG20 index fell by 0.18% and the WIG index was 0.10% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 26 July 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8196	3.8199	0.0%	SPOT	3.8188	3.8204	SPOT	4.2564	4.2581
EUR/PLN	4.2573	4.2514	0.1%	S/N	3.8192	3.8208	S/N	4.2568	4.2585
GBP/PLN	4.7491	4.7643	-0.3%	1W	3.8192	3.8208	1W	4.2568	4.2585
CHF/PLN	3.8540	3.8735	-0.5%	1M	3.8192	3.8208	1M	4.2568	4.2585
SEK/PLN	0.4042	0.4039	0.1%	2M	3.8192	3.8208	2M	4.2568	4.2585
NOK/PLN	0.4401	0.4411	-0.2%	3M	3.8192	3.8208	3M	4.2568	4.2585
DKK/PLN	0.5702	0.5695	0.1%	6M	3.8192	3.8208	6M	4.2568	4.2585
CAD/PLN	2.9018	2.9092	-0.3%	12M	3.8192	3.8208	12M	4.2568	4.2585
CZK/PLN	0.1668	0.1667	0.0%						
				WIBOR			T-bills (mid)		
				O/N	Last fixing	1-day change		Today's opening	1-day change
EUR/USD	1.1146	1.1130	0.1%						
USD/JPY	108.65	108.09	0.5%	1W	1.62 %	-1 bp			
GBP/USD	1.2433	1.2472	-0.3%	1M	1.59 %	0 bp	1M		
USD/CHF	0.9912	0.9862	0.5%	3M	1.64 %	0 bp	3M		bp
EUR/JPY	121.10	120.30	0.7%	6M	1.72 %	0 bp	6M		bp
EUR/GBP	0.8965	0.8923	0.5%	9M	1.79 %	0 bp	9M		bp
USD/CAD	1.3163	1.3130	0.2%	12M	1.81 %	0 bp	12M		bp
				FRAs			T-Bonds (mid)		
				IRS (mid)	Today's opening	1-day change		Today's opening	1-day change
1X2	1.65	1X7	1.79				2Y	1.53 %	1 bp
2X3	1.64	3X9	1.78	2Y	1.73 %	2 bp	5Y	1.75 %	4 bp
1X4	1.72	6X12	1.77	5Y	1.78 %	5 bp	10Y	2.06 %	6 bp
3X6	1.71			10Y	1.95 %	6 bp			
6X9	1.71			5Y-2Y	4 bp	2 bp			
9X12	1.68			10Y-5Y	18 bp	1 bp			
				10Y-2Y	22 bp	3 bp			



# Appendix 1

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### Additional information available upon request

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