



Poland Daily

HEADLINES...

POL: Deputy-PM Jacek Sasin said that there could be a small deficit in 2020 budget due to the fact that limit on pension fees (30-times projected average wage for calendar year) might be maintained what would diminish envisaged budget revenues by about PLN5.1bn.

POL: Today the MPC starts its two-day long monetary policy meeting. We expect the MPC to keep interest rates unchanged and to maintain its guidance for no change in interest rates in the near future.

EMU: Manufacturing PMI was revised up 0.2pts to 45.9pts In October.

USA: Factory orders fell 0.6% m/m in September, below market.

THE DAY AHEAD...

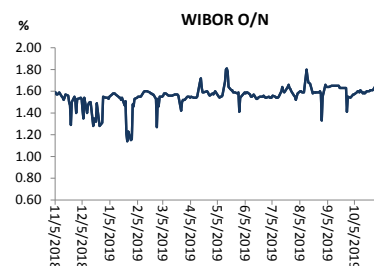
EMU: PPI (Sep)

USA: Trade balance (Sep), PMI services (Oct)

TODAY'S FOCUS:

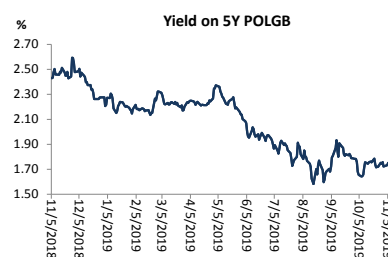
Today economic calendar contains PPI for September from the euro-zone and US trade balance for September and PMI services for October.

Figure 1: WIBOR O/N



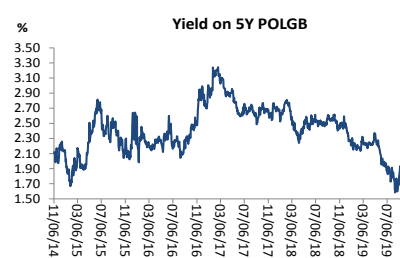
Source: Bloomberg

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
EMU	10:00	PPI (Sep)			
			(-1.2%)		(-1.2%)
USA	13:30	Trade balance (Sep)			
			-USD55.7bn		-USD52.4bn USD
USA	14:45	PMI services (Oct)			
			51.0		51.0



Foreign Exchange

Today in the morning the zloty was 0.6% weaker versus the USD and was 0.3% weaker versus the EUR compared to the yesterday's NBP fixing. The zloty should be moving today within a range of PLN4.2600-4.2800 per EUR.

The USD firmed by 0.3% versus the EUR as trade tensions between the US and China alleviated.

Fixed Income

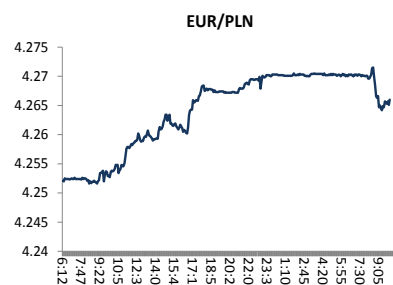
The yields on Poland's government bonds were 2-3bps up in the medium segment and in the long end of the yield curve.

Interest Rates

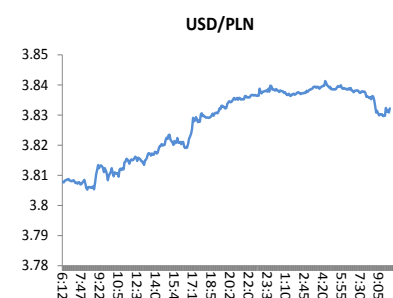
Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were practically unchanged in all tenors.

Equities

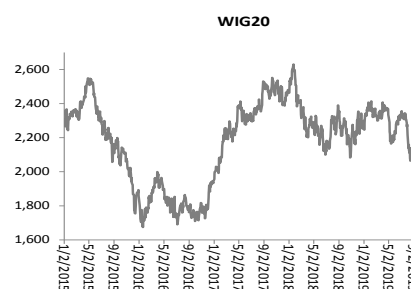
Yesterday the Dow Jones index closed 0.42% up and the S&P 500 index was 0.37% up. Today in the morning the FTSE 100 index was 0.21% up, the CAC 40 index was 0.03% down and the DAX index was 0.05% up. The Nikkei index closed 1.76% up. Today in the morning the WIG20 index was 0.15% down and the WIG index was 0.08% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 5 November 2019 (9:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8309	3.8099	0.6%	SPOT	3.8303	3.8315	SPOT	4.2644	4.2656
EUR/PLN	4.2650	4.2539	0.3%	S/N	3.8307	3.8319	S/N	4.2648	4.2660
GBP/PLN	4.9358	4.9229	0.3%	1W	3.8307	3.8319	1W	4.2648	4.2660
CHF/PLN	3.8694	3.8567	0.3%	1M	3.8307	3.8319	1M	4.2648	4.2660
SEK/PLN	0.3990	0.3989	0.0%	2M	3.8307	3.8319	2M	4.2648	4.2660
NOK/PLN	0.4204	0.4198	0.1%	3M	3.8307	3.8319	3M	4.2648	4.2660
DKK/PLN	0.5709	0.5694	0.3%	6M	3.8307	3.8319	6M	4.2648	4.2660
CAD/PLN	2.9171	2.8969	0.7%	12M	3.8307	3.8319	12M	4.2648	4.2660
CZK/PLN	0.1672	0.1667	0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1133	1.1165	-0.3%	O/N	1.59 %	bp			
USD/JPY	108.86	108.37	0.5%	1W	1.59 %	bp			
GBP/USD	1.2885	1.2921	-0.3%	1M	1.63 %	bp	1M		
USD/CHF	0.9901	0.9879	0.2%	3M	1.71 %	bp	3M	%	bp
EUR/JPY	121.20	121.00	0.2%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8641	0.8641	0.0%	9M	1.80 %	bp	9M	%	bp
USD/CAD	1.3133	1.3152	-0.1%	12M	1.84 %	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	1.75 %	bp	2Y	1.41 %	-1 bp
2X3	1.63	3X9	1.79	5Y	1.79 %	bp	5Y	1.75 %	2 bp
1X4	1.71	6X12	1.76	10Y	1.86 %	bp	10Y	2.00 %	3 bp
3X6	1.70			5Y-2Y	3 bp	bp			
6X9	1.67			10Y-5Y	8 bp	bp			
9X12	1.64			10Y-2Y	11 bp	bp			



Appendix 1

Important Disclosures

Additional information available upon request

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