



Poland Daily

HEADLINES...

POL: According to preliminary GUS data in Q3 2019 seasonally unadjusted GDP real growth was 3.9% y/y (in line with our forecast) while seasonally adjusted GDP real growth was 1.3% q/q. The Central Statistical Office (GUS) revised real GDP growth for Q1 and Q2 2019 by respectively 0.1 p.p. and -0.1 p.p. to 4.1% y/y.

POL: Inflation in October was 0.2% m/m and 2.5% y/y, in line with flash GUS estimate. In October food prices rose by 6.1% y/y, house maintenance and energy prices rose by 1.9% y/y and footwear and clothing prices fell by 1.7% y/y and transport prices were 3.0% down y/y.

POL: The government accepted draft bill on hiking excise tax rate on alcohol and tobacco by 10% in the beginning of 2020. According to preliminary estimates hiking excise tax on alcohol and tobacco will increase inflation by 0.2-0.3 p.p. in Q1 2020.

THE DAY AHEAD...

POL: Core inflation (Oct)

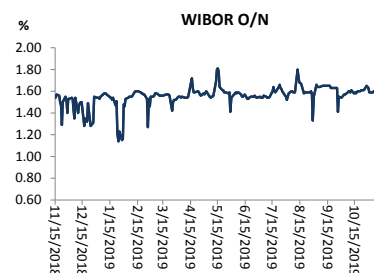
EMU: Trade balance (Sep), inflation (Oct), core inflation (Oct)

USA: Industrial production (Oct), retail sales (Oct)

TODAY'S FOCUS:

Today market participants will be focusing on Poland's core inflation for October. On a foreign side economic calendar contains euro-zone's trade balance, inflation and core inflation and US industrial production and retail sales.

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	Trade balance (Sep)			EUR18.7bn
EMU	10:00	Inflation (Oct)	(0.7%)		0.2% (0.7%)
EMU	10:00	Core inflation (Oct)	(1.1%)		0.2% (1.1%)
POL	13:00	Core inflation (Oct)	0.4% (2.4%)		0.4% (2.5%)
USA	13:30	Retail sales (Oct)	0.2%		0.2%
USA	13:30	Industrial production (Oct)	-0.3%		-0.4%



Foreign Exchange

Today in the morning the zloty was 0.5% firmer versus the USD and was 0.2% firmer versus the EUR compared to the yesterday's NBP fixing. The zloty should be moving today within a range of PLN4.2700-4.2950 per EUR.

The EUR marginally firmed against the USD by 0.2% on hopes that trade deal between the US and China would be soon concluded.

Fixed Income

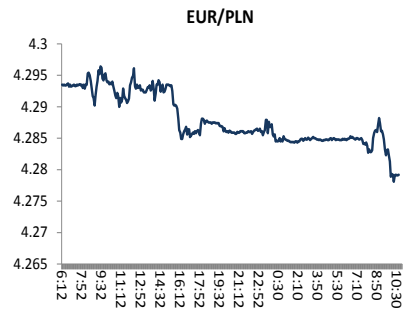
The yields on Poland's government bonds were 2bps up in 5-year and 10-year sectors and remained unchanged in the short end of the curve.

Interest Rates

Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were 1-2bps down in all tenors.

Equities

Yesterday the Dow Jones index closed 0.01% down and the S&P 500 index was 0.08% up. Today in the morning the FTSE 100 index was 0.28% up, the CAC 40 index was 0.66% down and the DAX index was 0.36% up. The Nikkei index closed 0.70% up. Today in the morning the WIG20 index was 0.32% up and the WIG index was 0.16% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 15 November 2019 (9:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8832	3.9011	-0.5%	SPOT	3.8826	3.8837	SPOT	4.2780	4.2790
EUR/PLN	4.2785	4.2916	-0.3%	S/N	3.8830	3.8841	S/N	4.2784	4.2794
GBP/PLN	4.9998	5.0130	-0.3%	1W	3.8830	3.8841	1W	4.2784	4.2794
CHF/PLN	3.9200	3.9501	-0.8%	1M	3.8830	3.8841	1M	4.2784	4.2794
SEK/PLN	0.4014	0.4013	0.0%	2M	3.8830	3.8841	2M	4.2784	4.2794
NOK/PLN	0.4243	0.4244	0.0%	3M	3.8830	3.8841	3M	4.2784	4.2794
DKK/PLN	0.5727	0.5743	-0.3%	6M	3.8830	3.8841	6M	4.2784	4.2794
CAD/PLN	2.9317	2.9410	-0.3%	12M	3.8830	3.8841	12M	4.2784	4.2794
CZK/PLN	0.1672	0.1680	-0.5%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1018	1.1001	0.2%	O/N	1.59 %	0 bp			
USD/JPY	108.64	108.61	0.0%	1W	1.59 %	0 bp			
GBP/USD	1.2876	1.2850	0.2%	1M	1.63 %	0 bp	1M		bp
USD/CHF	0.9906	0.9876	0.3%	3M	1.71 %	0 bp	3M	%	bp
EUR/JPY	119.70	119.48	0.2%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8557	0.8561	0.0%	9M	1.80 %	0 bp	9M	%	bp
USD/CAD	1.3245	1.3265	-0.2%	12M	1.84 %	0 bp	12M	%	bp
				FRAs (mid)	Last closing	1-day change	T-Bonds (mid)	Today's opening	1-day change
				1X2	1.63	1X7 1.79	2Y	1.39 %	0 bp
				2X3	1.63	3X9 1.79	5Y	1.80 %	3 bp
				1X4	1.71	6X12 1.77	10Y	2.07 %	3 bp
				3X6	1.70		5Y-2Y		0 bp
				6X9	1.68		10Y-5Y		1 bp
				9X12	1.65		10Y-2Y		1 bp



Appendix 1

Important Disclosures

Additional information available upon request

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