Deutsche Bank Polska S.A.

Poland

Market Commentary



Date

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Poland Daily

HEADLINES...

POL: In October retail sales in the current prices rose by 7.4% m/m and increased by 5.4% y/y. Real retail sales increased by 7.0% m/m and was 4.6% up y/y in October. In October retail sales in the current prices of furniture, consumer electronics and white goods rose by 11.4% y/y, retail sales in supermarkets rose by 9.6% y/y, retail sales of pharmaceuticals and cosmetics rose by 8.6% y/y, retail sales of books and newspapers increased by 6.7% y/y, retail sales of food rose by 6.0% y/y, retail sales of cars increased by 3.0% y/y while retail sales of fuels declined by 0.9% y/y.

POL: In the period of January-October 2019 budget deficit was –PLN3.19bn versus budget gap of –PLN1.79bn in the period of January-September 2019.

THE DAY AHEAD...

POL: Money supply M3 (Oct)

DEU: GfK Consumer Confidence (Dec)

USA: New Home Sales (Oct), Consumer Confidence (Nov)

TODAY'S FOCUS:

Today economic calendar contains money supply M3 for October from Poland, consumer confidence from the US and Germany and new home sales from the US.



Figure 2: Yield on 5Y POLGB

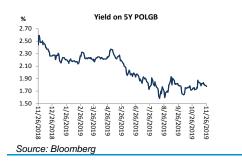
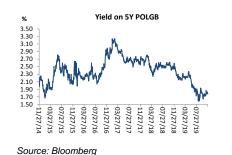


Figure 3: Yield on 5Y POLGB – long term trend



DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	7:00	GfK Consumer Confidence (Dec)	9.6	9.7	9.6
POL	13:00	Money supply M3 (Oct)	0.7% (9.0%)		0.7% (9.0%)
USA	15:00	New Home Sales (Oct)	0.6%		0.6%
USA	15:00	Consumer Confidence (Nov)	126.1		127.0

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 yesterday's NBP fixing. The zloty should be moving today within a range of PLN4.2900-4.3150 per EUR.

Today in the morning the EUR was unchanged versus the USD as there were no market-moving data or policy news.

Fixed Income

The yields on Poland's government bonds were 1-2bps down in medium segment and in the long 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 1-3bps down across the curve.

Equities

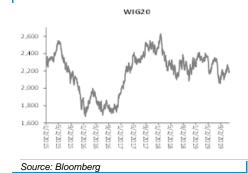
Yesterday the Dow Jones index closed 0.68% up and the S&P 500 index was 0.75% up. Today in the morning the FTSE 100 index was 0.07% down, the CAC 40 index was 0.15% down and the DAX index was 0.13% down. The Nikkei index closed 0.35% up. Today in the morning the WIG20 index was 0.42% down and the WIG index was 0.25% down.











Polish local market data 26 November 2019 (8:30 GMT)

Currency				USD/PLN				EUR/PLN			\neg
(mid)	Today	Last fixing	Change	forwards	bid	offer		forwards	bid	offer	
USD/PLN	3.9055	3.9036	0.0%	SPOT	3.9050	3.9060		SPOT	4.3025	4.3035	
EUR/PLN	4.3030	4.2990	0.1%	S/N	3.9050	3.9061		S/N	4.3033	4.3044	
GBP/PLN	5.0286	5.0281	0.0%	1W	3.9050	3.9061		1W	4.3043	4.3054	
CHF/PLN	3.9140	3.9130	0.0%	1 M	3.9049	3.9061		1 M	4.3109	4.3122	
SEK/PLN	0.4066	0.4061	0.1%	2M	3.9049	3.9061		2M	4.3214	4.3231	
NOK/PLN	0.4264	0.4258	0.1%	3M	3.9048	3.9061		3M	4.3289	4.3306	
DKK/PLN	0.5759	0.5754	0.1%	6M	3.9044	3.9065		6M	4.3530	4.3554	
CAD/PLN	2.9339	2.9364	-0.1%	12M	3.9045	3.9085		12M	4.4002	4.4050	
CZK/PLN	0.1687	0.1686	0.0%								
						1-day		T-bills	Today's	1-day	
				WIBOR	Last fixing	change		(mid)	opening	change	
EUR/USD	1.1018	1.1013	0.0%	O/N	1.59 %		bp				
USD/JPY	108.93	108.86	0.1%	1W	1.58 %		bp				
GBP/USD	1.2875	1.2881	0.0%	1 M	1.63 %		bp	1 M			
USD/CHF	0.9979	0.9976	0.0%	3M	1.71 %		bp	ЗМ	%	bp	Р
EUR/JPY	120.01	119.89	0.1%	6M	1.79 %		bp	6M	%	bp	ρ
EUR/GBP	0.8557	0.8550	0.1%	9M	1.80 %		bp	9М	%	bp	Р
USD/CAD	1.3312	1.3294	0.1%	12M	1.84 %		bp	12M	%	bp	р
FRAs	Last				Today's	1-day		T-Bonds	Today's	1-day	
(mid)	closing			IRS (mid)	opening	change		(mid)	opening	change	
1X2	1.63	1X7	1.79	2Y	1.71 %		bp	2Y	1.40 %	0 bp	Р
2X3	1.63	3X9	1.79	5Y	1.69 %		bp	5Y	1.78 %	-1 bp	Р
1X4	1.71	6X12	1.77	10Y	1.74 %		bp	10Y	2.04 %	-2 bp	Р
3X6	1.71			5Y-2Y	-2 b	•	bp				
6X9	1.68			10Y-5Y	5 bp	•	bp				
9X12	1.65			10Y-2Y	3 bp)	bp				



Appendix 1

Important Disclosures

Additional information available upon request

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