



## Poland Daily

### HEADLINES...

POL: The Monetary Policy Council, as expected, didn't change interest rates. In the communique after the meeting the MPC said that global economic growth remained relatively low, and uncertainty about the global outlook persisted. They underlined that in the euro area, economic activity growth remained slow alongside the ongoing downturn in industry. The MPC said that in those conditions, inflation in many countries was running at a moderate level and in the euro area it was low. In Poland, economic conditions remained good, despite slower economic growth in 2019 Q3. In the Council's assessment, the outlook for economic conditions in Poland remains favourable, and GDP growth, despite the expected decline, will continue at a relatively high level in the coming quarters. At the same time, there remains uncertainty about the scale and persistence of the slowdown abroad and its impact on domestic economic activity. Inflation – after a temporary rise in 2020 Q1 – will stay close to the target in the monetary policy transmission horizon.

POL: According to NBP President Adam Glapinski, interest rates would remain unchanged until the end of his term in mid-2022. In his view inflation will remain within inflation target i.e. 2.5% +/- 1% in the near time.

### THE DAY AHEAD...

DEU: Factory orders (Oct)

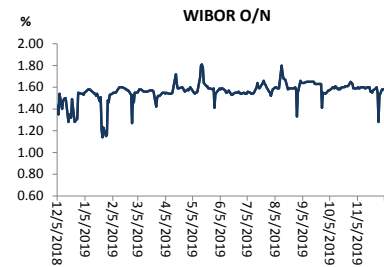
EMU: Retail sales (Oct), GDP (Q3)

USA: Trade balance (Oct), factory orders (Oct), durable goods orders (Oct)

### TODAY'S FOCUS:

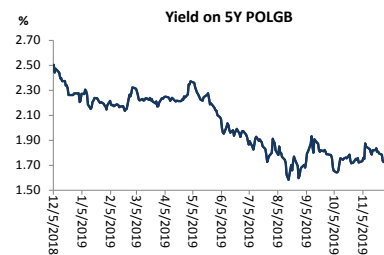
Today economic calendar contains factory orders for October from the US and Germany, retail sales for October and Q3 GDP from euro-zone and US trade balance for October.

Figure 1: WIBOR O/N



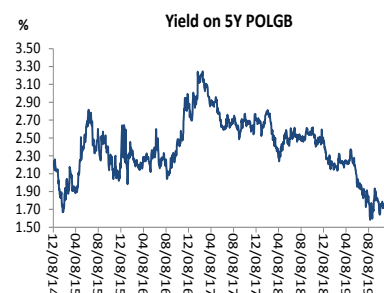
Source: Bloomberg

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
DEU	7:00	Factory orders (Oct)		-0.4% (-5.5%)	0.4% (-4.7%)
EMU	10:00	Retail sales (Oct)			-0.5% (2.25)
EMU	10:00	GDP (Q3)	0.2% (1.2%)		0.2% (1.2%)
USA	13:30	Trade balance (Oct)	-USD48.4bn		-USD48.5bn
USA	13:30	Factory orders (Oct)	0.5%		0.3%



## Foreign Exchange

Today in the morning the zloty was 0.1% firmer versus the USD and was unchanged 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.

Today the euro remained steady versus the USD ahead of publication of the data on euro-zone's GDP for Q3 2019.

## Fixed Income

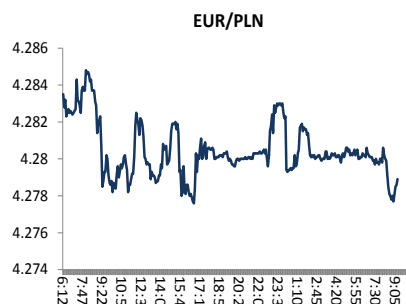
The yields on Poland's government bonds were 1bp up in medium and long segments of the curve.

## Interest Rates

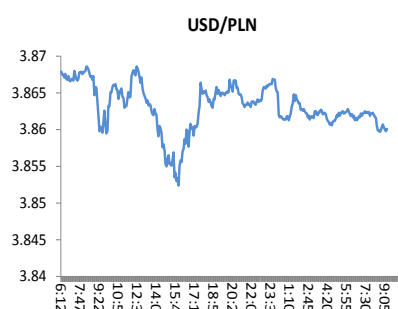
Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were practically unchanged in all tenors.

## Equities

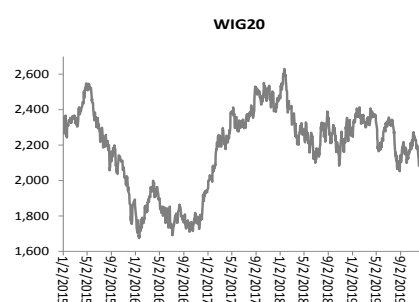
Yesterday the Dow Jones index closed 0.20% up and the S&P 500 index was 0.22% up. Today in the morning the FTSE 100 index was 0.32% up, the CAC 40 index was unchanged and the DAX index was 0.04% down. The Nikkei index closed 0.28% up. Today in the morning the WIG20 index was 0.12% down and the WIG index was 0.09% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 5 December 2019 (8:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8596	3.8647	-0.1%	SPOT	3.8590	3.8602	SPOT	4.2777	4.2789
EUR/PLN	4.2783	4.2792	0.0%	S/N	3.8590	3.8602	S/N	4.2779	4.2792
GBP/PLN	5.0724	5.0450	0.5%	1W	3.8589	3.8602	1W	4.2794	4.2807
CHF/PLN	3.9028	3.9081	-0.1%	1M	3.8586	3.8601	1M	4.2874	4.2891
SEK/PLN	0.4064	0.4047	0.4%	2M	3.8586	3.8600	2M	4.2958	4.2975
NOK/PLN	0.4219	0.4202	0.4%	3M	3.8585	3.8600	3M	4.3032	4.3049
DKK/PLN	0.5726	0.5727	0.0%	6M	3.8584	3.8604	6M	4.3269	4.3293
CAD/PLN	2.9286	2.9099	0.6%	12M	3.8588	3.8620	12M	4.3728	4.3771
CZK/PLN	0.1676	0.1677	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1085	1.1073	0.1%	O/N	1.58 %	bp			
USD/JPY	108.92	108.74	0.2%	1W	1.58 %	bp			
GBP/USD	1.3143	1.3054	0.7%	1M	1.63 %	bp	1M		
USD/CHF	0.9890	0.9889	0.0%	3M	1.71 %	bp	3M	%	bp
EUR/JPY	120.73	120.41	0.3%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8434	0.8482	-0.6%	9M	1.80 %	bp	9M	%	bp
USD/CAD	1.3179	1.3281	-0.8%	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	1.63	1X7	1.79	2Y	1.68 %	bp	2Y	1.42 %	0 bp
2X3	1.63	3X9	1.78	5Y	1.65 %	bp	5Y	1.74 %	1 bp
1X4	1.71	6X12	1.74	10Y	1.71 %	bp	10Y	2.03 %	1 bp
3X6	1.70			5Y-2Y	-3 bp	bp			
6X9	1.66			10Y-5Y	5 bp	bp			
9X12	1.62			10Y-2Y	3 bp	bp			



# Appendix 1

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