



Poland Daily

HEADLINES...

POL: Finance Minister Tadeusz Koscinski said that the role of politicians were to think up new spending and the role of Finance Ministry is to implement and finance them. Finance Minister also said that fiscal discipline would be maintained and added there were still a room to improve VAT tax collection. He added that balanced budget in 2020 was ambitious but still realistic goal.

UK: According to the latest polls ruling Conservative Party has an advantage of 5 to 12 percentage points over opposition Labour Party ahead of today's snap elections.

THE DAY AHEAD...

EMU: ECB decision, industrial production (Nov)

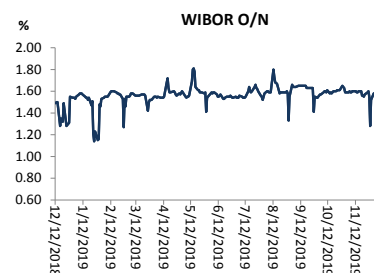
DEU: HICP (Nov), inflation (Nov)

USA: PPI (Nov)

TODAY'S FOCUS:

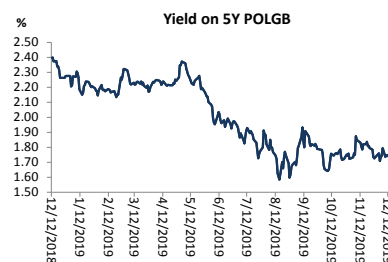
Today economic calendar contains inflation and harmonized inflation from Germany for November and PPI from the US for November. Market participants will focus on ECB decision (DB expects no change in policy settings).

Figure 1: WIBOR O/N



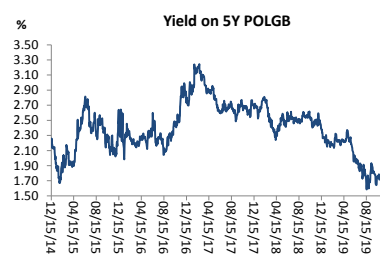
Source: Bloomberg

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	Inflation (Nov)		-0.8% (1.1%)	-0.8% (1.1%)
EMU	10:00	Industrial production (Oct)			-0.5% (-2.4%)
EMU	12:45	ECB decision	0.0%		0.0%
USA	13:30	PPI (Nov)	0.2%		0.2% (1.3%)



Foreign Exchange

Today in the morning the zloty was 0,6% 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 firmed by 0.6% versus the USD as FOMC policy statement suggested no change in interest rates in the US in the near time.

Fixed Income

The yields on Poland's government bonds were 1bps down in all tenors.

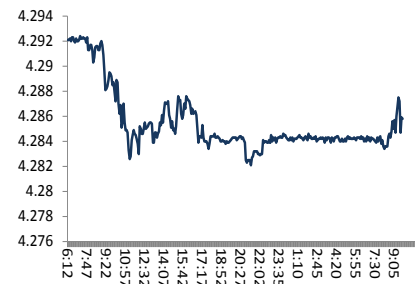
Interest Rates

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

Equities

Yesterday the Dow Jones index closed 0.11% up and the S&P 500 index was 0.29% up. Today in the morning the FTSE 100 index was 0.48% up, the CAC 40 index was 0.17% up and the DAX index was 0.15% up. The Nikkei index closed 0.14% up. Today in the morning the WIG20 index was 0.91% up and the WIG index was 0.69% up.

EUR/PLN



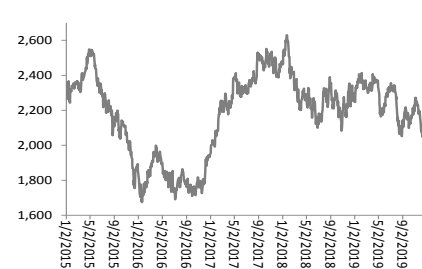
Source: Bloomberg

USD/PLN



Source: Bloomberg

WIG20



Source: Bloomberg

Polish local market data 12 December 2019 (8:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.8486	3.8660	-0.5%	SPOT	3.8480	3.8491	SPOT	4.2849	4.2859
EUR/PLN	4.2854	4.2851	0.0%	S/N	3.8480	3.8491	S/N	4.2851	4.2862
GBP/PLN	5.0852	5.0798	0.1%	1W	3.8479	3.8491	1W	4.2866	4.2877
CHF/PLN	3.9218	3.9257	-0.1%	1M	3.8459	3.8474	1M	4.2933	4.2949
SEK/PLN	0.4104	0.4096	0.2%	2M	3.8459	3.8474	2M	4.3020	4.3037
NOK/PLN	0.4232	0.4220	0.3%	3M	3.8457	3.8473	3M	4.3091	4.3109
DKK/PLN	0.5735	0.5734	0.0%	6M	3.8452	3.8473	6M	4.3328	4.3357
CAD/PLN	2.9229	2.9208	0.1%	12M	3.8449	3.8480	12M	4.3789	4.3836
CZK/PLN	0.1680	0.1679	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1135	1.1084	0.5%	O/N	1.58 %	0 bp			
USD/JPY	108.63	108.69	-0.1%	1W	1.58 %	0 bp			
GBP/USD	1.3214	1.3140	0.6%	1M	1.63 %	0 bp	1M		
USD/CHF	0.9813	0.9848	-0.4%	3M	1.70 %	0 bp	3M	%	bp
EUR/JPY	120.96	120.47	0.4%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8427	0.8436	-0.1%	9M	1.80 %	0 bp	9M	%	bp
USD/CAD	1.3167	1.3236	-0.5%	12M	1.84 %	0 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	1.61	1X7	1.78	2Y	1.70 %	0 bp	2Y	1.41 %	-1 bp
2X3	1.61	3X9	1.77	5Y	1.65 %	0 bp	5Y	1.74 %	-1 bp
1X4	1.69	6X12	1.74	10Y	1.70 %	0 bp	10Y	1.99 %	-1 bp
3X6	1.69			5Y-2Y	-5 bp	0 bp			
6X9	1.66			10Y-5Y	5 bp	0 bp			
9X12	1.63			10Y-2Y	0 bp	0 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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