



Poland Daily

HEADLINES...

POL: In November average wage in enterprises' sector rose by 0.3% m/m and increased by 5.3% y/y, below expectations. In November average employment in enterprises' sector rose stronger than forecast and was 0.2% up m/m and 2.6% up y/y.

POL: In December consumer confidence indicator fell by 2.4 points to 4.3 points – the lowest level in 12 months. A decline in consumer confidence stemmed from weaker assessment of the current and future financial situation and weaker assessment of the current and future economic situation of Poland. Consumer didn't scale back their purchases, however.

POL: The Senate rejected government's draft bill on excise tax hike on tobacco and alcohol beverages since the start of 2020. It means that hikes in prices of tobacco and alcohol will be implemented with one-two month delay.

THE DAY AHEAD...

UK: Bank of England decision

POL: Industrial production (Nov), PPI (Nov), minutes from MPC meeting

USA: Philadelphia Fed index (Dec), existing home sales (Nov), leading indicators (Dec)

TODAY'S FOCUS:

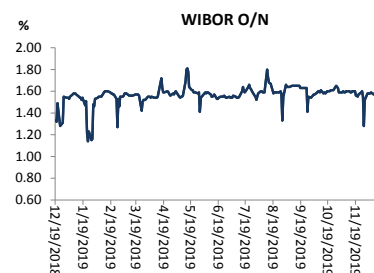
Today economic calendar contains US Philadelphia Fed Index, existing home sales and index of leading indicators. Today the Bank of England will most likely keep monetary policy settings unchanged.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	9:00	Average wage (Nov)	1.2% (6.2%)	-5.8% (1.4%)	0.9% (6.0%)
POL	9:00	Average employment (Nov)	0.0% (2.4%)	-0.2% (-0.1%)	0.0% (2.5%)
UK	12:00	BoE decision	0.75%		0.75%
POL	13:00	Minutes from MPC meeting			
USA	13:30	Philadelphia Fed Index	5.0		8.0
USA	14:00	Leading indicators (Nov)	-0.1%		0.1%
USA	14:00	Existing Home Sales (Nov)	-1.1%		-0.4%

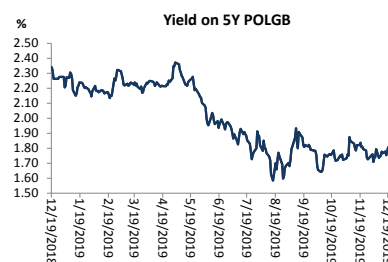
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



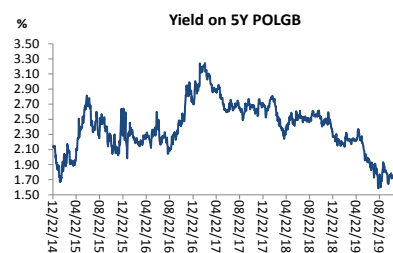
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



Foreign Exchange

Today in the morning the zloty was 0.1% weaker 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 PLN4.2550-4.2750 per EUR.

The EUR/USD exchange rate was steady despite stronger than expected German IFO index for December.

Fixed Income

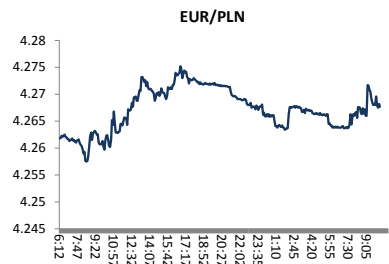
The yields on Poland's government bonds were 4bps up in 5-year sector and increased by 6bps in 10-year one.

Interest Rates

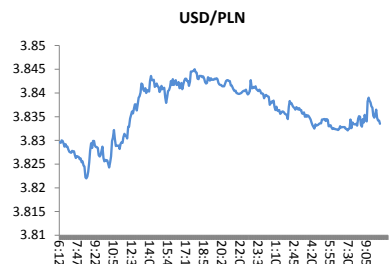
Today the O/N bid rate should be within a range of 0.90%-1.10%. Swap rates were 4-5bps up in medium and long part of the curve.

Equities

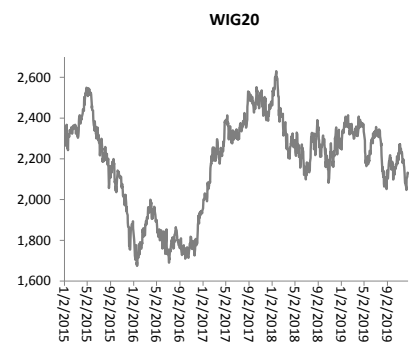
Yesterday the Dow Jones index closed 0.10% down and the S&P 500 index was 0.04% down. Today in the morning the FTSE 100 index was 0.05% up, the CAC 40 index was 0.08% up and the DAX index was 0.12% down. The Nikkei index closed 0.29% down. Today in the morning the WIG20 index was 0.04% up and the WIG index was 0.23% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 19 December 2019 (8:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.8343	3.8302	0.1%	SPOT	3.8338	3.8348	SPOT	4.2677	4.2688
EUR/PLN	4.2683	4.2644	0.1%	S/N	3.8338	3.8348	S/N	4.2679	4.2690
GBP/PLN	5.0245	5.0226	0.0%	1W	3.8336	3.8347	1W	4.2692	4.2704
CHF/PLN	3.9106	3.9069	0.1%	1M	3.8322	3.8335	1M	4.2762	4.2777
SEK/PLN	0.4078	0.4074	0.1%	2M	3.8319	3.8333	2M	4.2845	4.2862
NOK/PLN	0.4275	0.4244	0.7%	3M	3.8317	3.8333	3M	4.2918	4.2936
DKK/PLN	0.5713	0.5708	0.1%	6M	3.8315	3.8337	6M	4.3161	4.3189
CAD/PLN	2.9233	2.9100	0.5%	12M	3.8318	3.8348	12M	4.3642	4.3684
CZK/PLN	0.1676	0.1674	0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1132	1.1134	0.0%	O/N	1.49 %	bp			
USD/JPY	109.57	109.43	0.1%	1W	1.57 %	bp			
GBP/USD	1.3104	1.3113	-0.1%	1M	1.63 %	bp	1M		
USD/CHF	0.9806	0.9804	0.0%	3M	1.70 %	bp	3M		bp
EUR/JPY	121.97	121.84	0.1%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8495	0.8490	0.1%	9M	1.80 %	bp	9M	%	bp
USD/CAD	1.3118	1.3162	-0.3%	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	1.61	1X7	1.78	2Y	1.72 %	1 bp	2Y	1.46 %	1 bp
2X3	1.61	3X9	1.77	5Y	1.71 %	4 bp	5Y	1.81 %	4 bp
1X4	1.69	6X12	1.74	10Y	1.78 %	5 bp	10Y	2.08 %	6 bp
3X6	1.68			5Y-2Y	-1 bp	3 bp			
6X9	1.66			10Y-5Y	7 bp	1 bp			
9X12	1.64			10Y-2Y	6 bp	4 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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