



# Poland Daily

## HEADLINES...

POL: The Monetary Policy Council, as expected, kept interest rates unchanged, with the main reference rate at 1.50%. NBP President Adam Glapinski maintained guidance for steady interest rates until the end of his term that is 2022. President Glapinski underlined that strong rise in inflation was expected in Q1 2020. Despite inflation hike occurred earlier than envisaged by the central bank, rise in inflation was caused by supply-side factors and majority of MPC members thinks monetary policy shouldn't react to it, unless higher inflation appear persistent. In the communique after the meeting the MPC pointed to uncertainty on the size of economic slowdown in Poland and Europe. At press conference was present new MPC member Cezary Kochalski who was appointed by President Duda to replace MPC member Jerzy Osiatynski who ended his term on December 20 2019.

POL: The World Bank maintained his forecasts for GDP growth in Poland: 4.3% in 2019, 3.6% in 2020, 3.3% in 2021 and 3.1% in 2022.

POL: The Finance Ministry estimates that registered unemployment rate in Poland inched up by 0.1 percentage point to 5.2% in December 2019.

## THE DAY AHEAD...

DEU: Trade balance (Nov), industrial production (Nov)

EMU: unemployment rate (Nov)

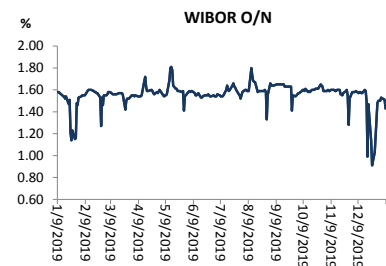
USA: initial jobless claims

## TODAY'S FOCUS:

Today economic calendar contains trade balance and industrial production from Germany for November, euro-zone's unemployment rate for November and US jobless claims.

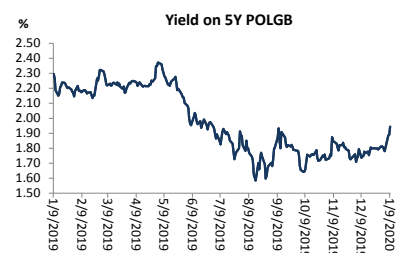
## DIARY (Today)

Figure 1: WIBOR O/N



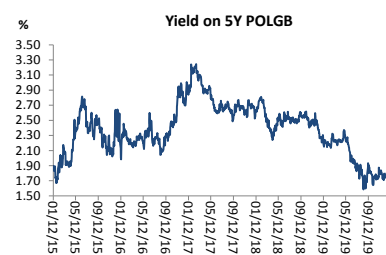
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	7:00	Trade balance (Nov)		EUR18.3bn	EUR21.3bn
DEU	7:00	Industrial production (Nov)		1.1% (-2.6%)	0.8% (-3.7%)
EMU	10:00	Unemployment rate (Nov)			7.5%
USA	13:30	Initial jobless claims			220k



## Foreign Exchange

Today in the morning the zloty was 0.2% weaker versus the USD and was 0.1% firmer versus the EUR compared to the yesterday's NBP fixing. The zloty should be moving today within a range of PLN4.2300-4.2550 per EUR.

The USD firmed on rising tensions in Middle East.

## Fixed Income

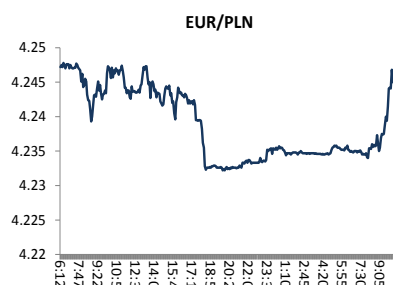
The yields on Poland's government bonds were 5bps up in 2-year sector and in the long end of the curve. At today's regular auction the Finance Ministry offers bonds series OK0722, PS1024, WZ0525, DS1029, WZ1129 and WS0447 worth total PLN3.0-5.0bn.

## Interest Rates

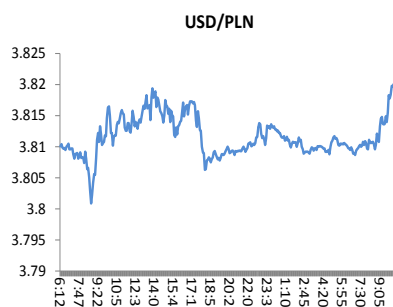
Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were 4-5bps up in 5-year and 10-year sectors.

## Equities

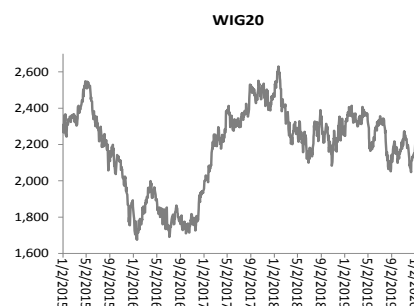
Yesterday the Dow Jones index closed 0.56% up and the S&P 500 index was 0.49% up. Today in the morning the FTSE 100 index was 0.41% up, the CAC 40 index was 0.56% up and the DAX index was 1.36% up. The Nikkei index closed 2.31% up. Today in the morning the WIG20 index was 1.33% up and the WIG index was 1.07% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 9 January 2020 (8:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8182	3.8123	0.2%	SPOT	3.8176	3.8187	SPOT	4.2435	4.2444
EUR/PLN	4.2440	4.2465	-0.1%	S/N	3.8176	3.8187	S/N	4.2437	4.2446
GBP/PLN	4.9967	5.0018	-0.1%	1W	3.8173	3.8185	1W	4.2452	4.2462
CHF/PLN	3.9196	3.9245	-0.1%	1M	3.8169	3.8181	1M	4.2509	4.2520
SEK/PLN	0.4038	0.4037	0.0%	2M	3.8164	3.8176	2M	4.2580	4.2592
NOK/PLN	0.4303	0.4304	0.0%	3M	3.8160	3.8174	3M	4.2662	4.2676
DKK/PLN	0.5680	0.5682	0.0%	6M	3.8156	3.8176	6M	4.2895	4.2916
CAD/PLN	2.9261	2.9320	-0.2%	12M	3.8165	3.8196	12M	4.3383	4.3420
CZK/PLN	0.1680	0.1680	0.0%						
				WIBOR			T-bills (mid)		
					Last fixing	1-day change		Today's opening	1-day change
EUR/USD	1.1115	1.1139	-0.2%	O/N	1.43 %	bp			
USD/JPY	109.35	108.44	0.8%	1W	1.55 %	bp			
GBP/USD	1.3087	1.3120	-0.3%	1M	1.63 %	bp	1M		
USD/CHF	0.9742	0.9714	0.3%	3M	1.71 %	bp	3M	%	bp
EUR/JPY	121.56	120.79	0.6%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8493	0.8490	0.0%	9M	1.80 %	bp	9M	%	bp
USD/CAD	1.3048	1.3002	0.4%	12M	1.84 %	bp	12M	%	bp
				FRAs			T-Bonds (mid)		
					Last closing	1-day change		Today's opening	1-day change
				IRS (mid)			2Y	1.55 %	1 bp
					1X2	1.63	2Y	1.55 %	1 bp
					2X3	1.63	5Y	1.94 %	5 bp
					1X4	1.71	10Y	2.02 %	5 bp
					3X6	1.72	5Y-2Y	9 bp	bp
					6X9	1.73	10Y-5Y	8 bp	bp
					9X12	1.76	10Y-2Y	16 bp	bp



# Appendix 1

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