



Poland Daily

HEADLINES...

POL: After yesterday's bond auction the Finance Ministry financed 56% of borrowing needs for 2020.

DEU: Industrial production in Germany rose by 1.1% m/m and was 2.6% down y/y in November.

EMU: Unemployment rate in the euro-zone was steady at 7.5% in November.

USA: Initial jobless claims amounted to 214k.

THE DAY AHEAD...

FRA: industrial production (Nov)

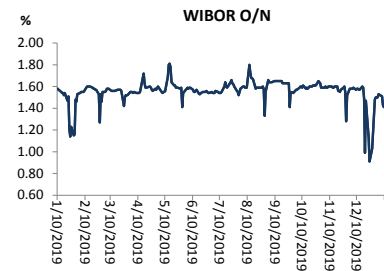
CZK: GDP (Q3)

USA: employment report (Dec)

TODAY'S FOCUS:

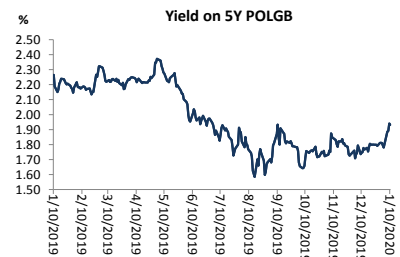
Today market participants will focus on US employment report for December. Economic calendar contains also industrial production from France for November and final Q3 GDP data from Czech Republic.

Figure 1: WIBOR O/N



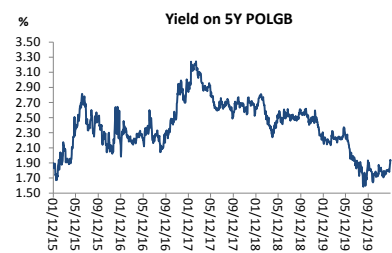
Source: Bloomberg

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
FRA	7:45	Industrial production (Nov)		0.3% (1.3%)	0.1% (0.4%)
CZK	8:00	GDP (Q3, F)		0.4% (2.5%)	0.4% (2.5%)
USA	13:30	Change in non-farm payrolls (Dec)	135k		160k
USA	13:30	Unemployment rate (Dec)	3.5%		3.5%



Foreign Exchange

Today in the morning the zloty was unchanged 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 PLN4.2300-4.2550 per EUR.

The USD was steady versus the EUR on hopes of de-escalation of tensions in Middle East.

Fixed Income

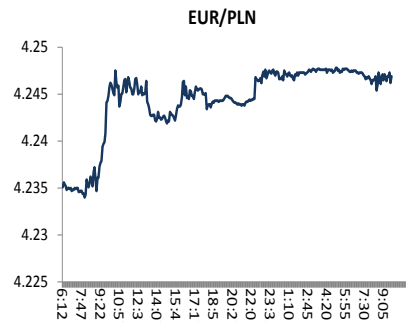
The yields on Poland's government bonds were 1bps up across the curve. At yesterday's regular auction the Finance Ministry sold bonds series OK0722 worth PLN405m (with the yield of 1.667%), PS1024 worth PLN1.8bn (yield 1.936%), WZ0525 worth PLN1.473bn, DS1029 worth PLN1.0bn (with the yield of 2.257%), WZ1129 worth PLN130mn and WS0447 worth PLN190m (yield 2.698%). The Finance Ministry sold bonds worth total 5.0bn with a bid-to-cover ratio of 1.39.

Interest Rates

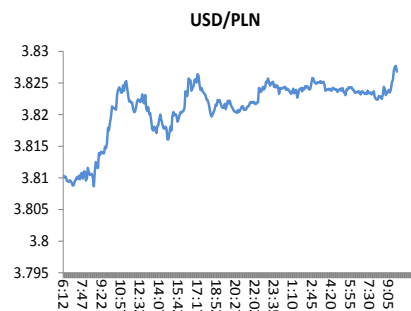
Today the O/N bid rate should be within a range of 1.00%-1.20%. Swap rates were practically unchanged in all tenors.

Equities

Yesterday the Dow Jones index closed 0.74% up and the S&P 500 index was 0.67% up. Today in the morning the FTSE 100 index was 0.05% down, the CAC 40 index was 0.22% down and the DAX index was 0.01% down. The Nikkei index closed 0.47% up. Today in the morning the WIG20 index was 0.25% up and the WIG index was 0.09% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 10 January 2020 (8:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8266	3.8251	0.0%	SPOT	3.8259	3.8272	SPOT	4.2456	4.2469
EUR/PLN	4.2463	4.2459	0.0%	S/N	3.8259	3.8272	S/N	4.2458	4.2471
GBP/PLN	4.9952	4.9837	0.2%	1W	3.8257	3.8271	1W	4.2472	4.2486
CHF/PLN	3.9261	3.9265	0.0%	1M	3.8252	3.8266	1M	4.2530	4.2545
SEK/PLN	0.4026	0.4035	-0.2%	2M	3.8247	3.8261	2M	4.2606	4.2622
NOK/PLN	0.4305	0.4298	0.2%	3M	3.8244	3.8260	3M	4.2683	4.2700
DKK/PLN	0.5682	0.5681	0.0%	6M	3.8240	3.8262	6M	4.2916	4.2942
CAD/PLN	2.9271	2.9299	-0.1%	12M	3.8249	3.8283	12M	4.3401	4.3442
CZK/PLN	0.1682	0.1681	0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1097	1.1100	0.0%	O/N	1.41 %	-2 bp			
USD/JPY	109.59	109.43	0.1%	1W	1.55 %	0 bp			
GBP/USD	1.3055	1.3029	0.2%	1M	1.63 %	0 bp	1M		
USD/CHF	0.9747	0.9742	0.0%	3M	1.71 %	0 bp	3M	%	bp
EUR/JPY	121.62	121.47	0.1%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8501	0.8520	-0.2%	9M	1.80 %	0 bp	9M	%	bp
USD/CAD	1.3073	1.3055	0.1%	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	1.63	1X7	1.80	2Y	1.86 %	0 bp	2Y	1.54 %	-1 bp
2X3	1.63	3X9	1.81	5Y	1.94 %	0 bp	5Y	1.93 %	-1 bp
1X4	1.71	6X12	1.83	10Y	2.01 %	-1 bp	10Y	2.25 %	-1 bp
3X6	1.72			5Y-2Y	8 bp	0 bp			
6X9	1.74			10Y-5Y	7 bp	-1 bp			
9X12	1.77			10Y-2Y	15 bp	-1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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