



Poland Daily

HEADLINES...

POL: In November a surplus in the current account widened to EUR1457mn from a surplus of EUR573mn in October and trade surplus widened to EUR820mn in November from EUR427mn in October. In November a surplus in the services account increased to EUR2332mn from EUR2038mn in October while a deficit in the primary income account narrowed to -EUR1755mn. An increase in trade surplus in November stemmed from a 4.6% y/y decline in imports to EUR19.4bn with 1.0% y/y decline in exports to EUR20.2bn.

POL: Minister of state assets Jacek Sasin informed that government will end works on draft bill on compensating a rise in electricity prices within two weeks. The draft bill is almost ready, but technical details of payment has yet to be set up. Compensations for increases in electric energy payments will amount to PLN1.5bn-3.0bn and payments will be made in 2021. Average hike in retail electricity prices in 2020 will amount to 11.6%.

THE DAY AHEAD...

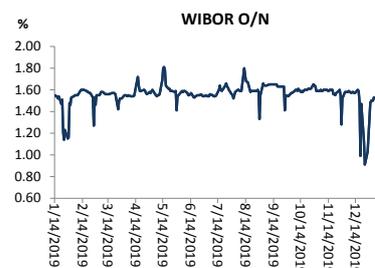
HUN: Inflation (Dec)

USA: Inflation (Dec), Core inflation (Dec)

TODAY'S FOCUS:

Today market participants will focus on US inflation and core inflation for December.

Figure 1: WIBOR O/N



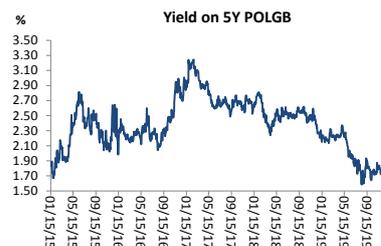
Source: Bloomberg

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
HUN	8:00	Inflation (Dec)		0.3% (4.0%)	0.2% (4.0%)
USA	13:30	Inflation (Dec)	0.3%		0.3% (2.4%)
USA	13:30	Core inflation (Dec)	0.2%		0.2% (2.3%)



Foreign Exchange

Today in the morning the zloty was 0.2% firmer 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 PLN4.2200-4.2450 per EUR.

The EUR was 0.1% firmer versus the USD as the US said that China's government pledged not to devalue yuan and as US administration didn't mention China as currency manipulator.

Fixed Income

The yields on Poland's government bonds were 1-2bps down across the curve.

Interest Rates

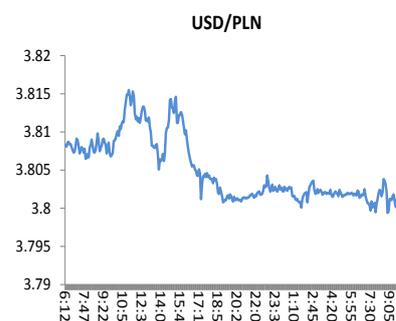
Today the O/N bid rate should be within a range of 0.90%-1.10%. Swap rates were 1-2 bps down in all tenors.

Equities

Yesterday the Dow Jones index closed 0.29% up and the S&P 500 index was 0.70% up. Today in the morning the FTSE 100 index was 0.25% down, the CAC 40 index was 0.02% down and the DAX index was 0.14% up. The Nikkei index closed 0.73% up. Today in the morning the WIG20 index was 0.47% down and the WIG index was 0.30% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 14 January 2020 (8:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards			EUR/PLN forwards		
				bid	offer	forwards	bid	offer	
USD/PLN	3.8011	3.8101	-0.2%	SPOT	3.8005	3.8017	SPOT	4.2313	4.2325
EUR/PLN	4.2319	4.2353	-0.1%	S/N	3.8004	3.8017	S/N	4.2315	4.2327
GBP/PLN	4.9300	4.9432	-0.3%	1W	3.8002	3.8014	1W	4.2327	4.2340
CHF/PLN	3.9213	3.9170	0.1%	1M	3.7995	3.8008	1M	4.2387	4.2401
SEK/PLN	0.4014	0.4006	0.2%	2M	3.7989	3.8002	2M	4.2451	4.2467
NOK/PLN	0.4275	0.4285	-0.2%	3M	3.7983	3.7998	3M	4.2529	4.2546
DKK/PLN	0.5663	0.5667	-0.1%	6M	3.7981	3.8000	6M	4.2765	4.2790
CAD/PLN	2.9069	2.9176	-0.4%	12M	3.7991	3.8023	12M	4.3260	4.3301
CZK/PLN	0.1680	0.1678	0.1%						
				WIBOR			T-bills (mid)		
					Last fixing	1-day change		Today's opening	1-day change
EUR/USD	1.1133	1.1116	0.2%	O/N	1.32 %	-11 bp	1M		
USD/JPY	110.00	109.84	0.1%	1W	1.54 %	-1 bp	3M		
GBP/USD	1.2969	1.2974	0.0%	1M	1.63 %	0 bp	6M		
USD/CHF	0.9694	0.9727	-0.3%	3M	1.71 %	0 bp	9M		
EUR/JPY	122.46	122.10	0.3%	6M	1.79 %	0 bp	12M		
EUR/GBP	0.8585	0.8568	0.2%	9M	1.80 %	0 bp			
USD/CAD	1.3076	1.3059	0.1%	12M	1.84 %	0 bp			
				FRAs			T-Bonds (mid)		
					Last closing	1-day change		Today's opening	1-day change
1X2	1.64	1X7	1.80	2Y	1.89 %	3 bp	2Y	1.55 %	-1 bp
2X3	1.64	3X9	1.81	5Y	2.00 %	6 bp	5Y	2.00 %	-2 bp
1X4	1.72	6X12	1.85	10Y	2.08 %	6 bp	10Y	2.32 %	-2 bp
3X6	1.74			5Y-2Y	11 bp	3 bp			
6X9	1.75			10Y-5Y	8 bp	0 bp			
9X12	1.78			10Y-2Y	19 bp	3 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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