



Poland Daily

HEADLINES...

POL: In December 2019 inflation was confirmed at 0.8% m/m and 3.4% y/y after 2.6% y/y in November 2019. In December food prices rose by 1.2% m/m, transport prices increased by 3,8% m/m. In December services' prices rose as well: communication prices were 0.4% up m/m, recreation and culture prices were 0.5% up m/m, healthcare prices and hotels and restaurants' prices were 0.2% up m/m. Inflation in December was generated mainly by transport (contributed 0.25 p.p. to m/m inflation), meat (+0.18 p.p.), fuels (+0.11 p.p.), vegetables (+0.11 p.p.) and insurance (+.09 p.p.). Inflation still is fuelled by supply-side factors (food and fuels) but higher wages started to translate on higher prices of services.

POL: In the period of January-November 2019, according to GUS data, exports rose by 4.8% y/y to EUR217.3bn while imports increased by 2.3% y/y to 215.4bn resulting in EUR1.9bn trade surplus. In the period of January-November 2019 in the trade with the EU Poland had EUR49.2bn surplus and in trade with euro-zone Poland reported EUR26.0bn surplus.

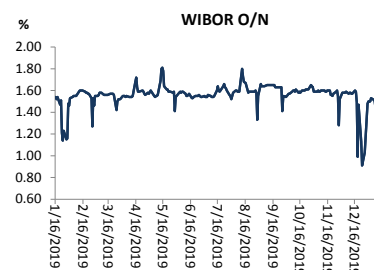
THE DAY AHEAD...

- POL: Core inflation (Dec)
- DEU: HICP inflation (Dec)
- USA: retail sales (Dec)

TODAY'S FOCUS:

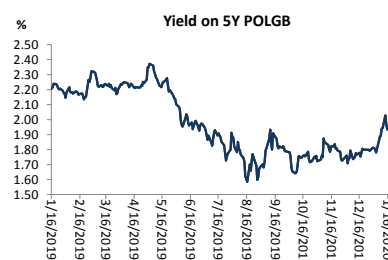
Today economic calendar contains core inflation for December from Poland, HICP for December from Germany and retail sales for December from the US.

Figure 1: WIBOR O/N



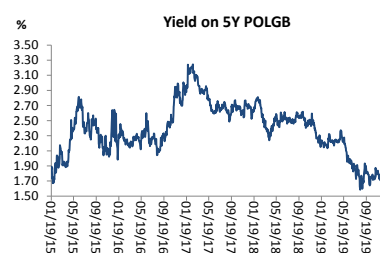
Source: Bloomberg

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	HICP (Dec)	0.6% (1.5%)	0.6% (1.5%)	0.6% (1.5%)
POL	13:00	Core inflation (Dec)	0.6% (3.2%)		0.6% (3.2%)
USA	13:30	Retail sales (Dec)	0.6%		0.3%



Foreign Exchange

Today in the morning the zloty was 0.1% firmer 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 PLN4.2200-4.2450 per EUR.

The EUR firmed by 0.3% versus the USD after lower than expected US PPI for December.

Fixed Income

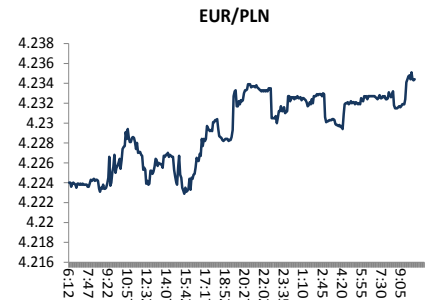
The yields on Poland's government bonds were 2bps up in 2-year sector and remained practically steady elsewhere.

Interest Rates

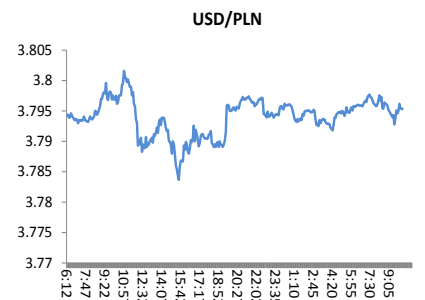
Today the O/N bid rate should be within a range of 0.80%-1.00%. Swap rates were unchanged in all tenors.

Equities

Yesterday the Dow Jones index closed 0.31% up and the S&P 500 index was 0.19% up. Today in the morning the FTSE 100 index was 0.24% down, the CAC 40 index was 0.15% up and the DAX index was 0.07% up. The Nikkei index closed 0.07% up. Today in the morning the WIG20 index was 0.29% up and the WIG index was 0.25% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 16 January 2020 (8:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.7944	3.7992	-0.1%	SPOT	3.7938	3.7949	SPOT	4.2327	4.2337
EUR/PLN	4.2332	4.2279	0.1%	S/N	3.7938	3.7949	S/N	4.2329	4.2339
GBP/PLN	4.9527	4.9357	0.3%	1W	3.7935	3.7947	1W	4.2341	4.2353
CHF/PLN	3.9397	3.9317	0.2%	1M	3.7929	3.7941	1M	4.2397	4.2409
SEK/PLN	0.4012	0.4006	0.1%	2M	3.7922	3.7935	2M	4.2470	4.2483
NOK/PLN	0.4285	0.4271	0.3%	3M	3.7917	3.7931	3M	4.2543	4.2558
DKK/PLN	0.5665	0.5658	0.1%	6M	3.7913	3.7928	6M	4.2776	4.2796
CAD/PLN	2.9108	2.9055	0.2%	12M	3.7923	3.7954	12M	4.3261	4.3303
CZK/PLN	0.1687	0.1682	0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1157	1.1128	0.3%	O/N	1.21 %	3 bp			
USD/JPY	110.01	109.87	0.1%	1W	1.54 %	0 bp			
GBP/USD	1.3053	1.2991	0.5%	1M	1.63 %	0 bp	1M		
USD/CHF	0.9631	0.9663	-0.3%	3M	1.71 %	0 bp	3M	%	bp
EUR/JPY	122.73	122.26	0.4%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8548	0.8566	-0.2%	9M	1.80 %	0 bp	9M	%	bp
USD/CAD	1.3036	1.3076	-0.3%	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	1.55 %	2 bp
2X3	1.63	3X9	1.81	5Y	1.95 %	0 bp	5Y	1.94 %	1 bp
1X4	1.71	6X12	1.84	10Y	2.01 %	0 bp	10Y	2.25 %	-1 bp
3X6	1.72			5Y-2Y	9 bp	1 bp			
6X9	1.75			10Y-5Y	6 bp	0 bp			
9X12	1.76			10Y-2Y	15 bp	0 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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