



Poland Daily

HEADLINES...

POL: The MPC at policy meeting yesterday kept interest rates unchanged. The MPC underlined that GDP growth in Poland decelerated in Q4 2019 but consumption growth, albeit slower, still supports economic growth. The MPC said that an increase in inflation in December to 3.4% y/y stemmed from a rise in food and fuel prices while higher prices of services boosted core inflation than, according to the Council, is still moderate. The MPC expects that a rise in inflation due to supply side factors and hike in regulated prices will be transitory. NBP president Glapiński expressed a view that interest rates would remain unchanged until the end of the present MPC or within next two years. He also added that in the said period rate cut was more likely than rate hike.

THE DAY AHEAD...

DEU: Factory orders (Dec)

CZK: Industrial production (Dec), CNB decision

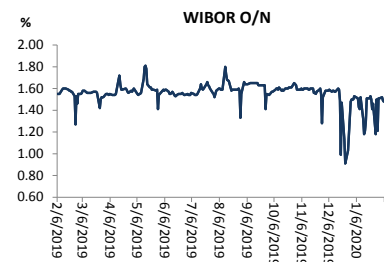
HUN: Industrial production (Dec)

USA: Initial jobless claims

TODAY'S FOCUS:

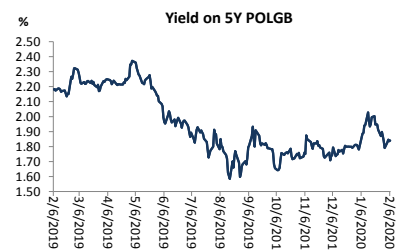
Today economic calendar contains factory orders from Germany for December, industrial production from Czech Republic and Hungary for December, CNB decision and US initial jobless claims.

Figure 1: WIBOR O/N



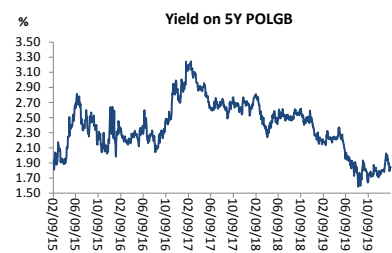
Source: Bloomberg

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	Factory orders (Dec)		-2.1% (-8.7%)	0.6% (-6.6%)
CZK	8:00	Industrial production (Dec)		(-0.9%)	(1.7%)
HUN	8:00	Industrial production (Dec)		-3.8% (-3.7%)	(3.3%)
CZK	12:00	CNB decision	2.00%		2.00%
USA	13:30	Initial jobless claims	220k		215k



Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.2% firmer versus the EUR compared to the yesterday's NBP fixing. The zloty firmed as risk aversion declined. The zloty should be moving today within a range of PLN4.2400-4.2650 per EUR.

The USD firmed by 0.2% versus the EUR after better than expected US non-manufacturing ISM.

Fixed Income

The yields on Poland's government bonds were practically steady in all tenors.

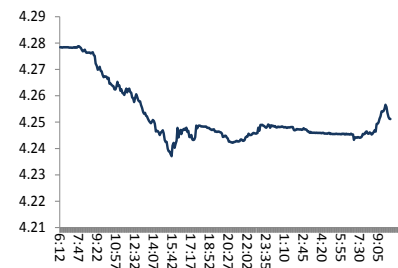
Interest Rates

Today the O/N bid rate should be within a range of 1.10%-1.20%. Swap rates were unchanged in all sectors.

Equities

Yesterday the Dow Jones index closed 1.68% up and the S&P 500 index was 1.13% up. Today in the morning the FTSE 100 index was 0.08% up, the CAC 40 index was 0.40% up and the DAX index was 0.44% up. The Nikkei index closed 2.38% up. Today in the morning the WIG20 index was 0.33% down and the WIG index was 0.09% down.

EUR/PLN



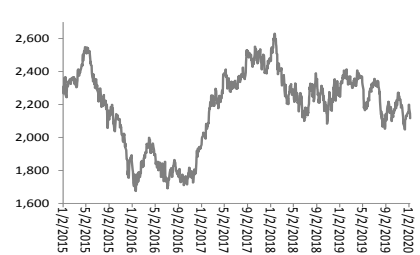
Source: Bloomberg

USD/PLN



Source: Bloomberg

WIG20



Source: Bloomberg

Polish local market data 6 February 2020 (8:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.8649	3.8654	0.0%	SPOT	3.8643	3.8654	SPOT	4.2512	4.2522
EUR/PLN	4.2517	4.2620	-0.2%	S/N	3.8643	3.8654	S/N	4.2514	4.2524
GBP/PLN	5.0204	5.0504	-0.6%	1W	3.8641	3.8653	1W	4.2530	4.2541
CHF/PLN	3.9651	3.9744	-0.2%	1M	3.8636	3.8648	1M	4.2578	4.2590
SEK/PLN	0.4035	0.4040	-0.1%	2M	3.8628	3.8641	2M	4.2659	4.2672
NOK/PLN	0.4197	0.4206	-0.2%	3M	3.8621	3.8635	3M	4.2721	4.2735
DKK/PLN	0.5690	0.5703	-0.2%	6M	3.8613	3.8630	6M	4.2941	4.2960
CAD/PLN	2.9105	2.9139	-0.1%	12M	3.8623	3.8654	12M	4.3412	4.3450
CZK/PLN	0.1696	0.1700	-0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1001	1.1026	-0.2%	O/N	1.48 %	bp			
USD/JPY	109.91	109.69	0.2%	1W	1.55 %	bp			
GBP/USD	1.2991	1.3066	-0.6%	1M	1.63 %	bp	1M		
USD/CHF	0.9747	0.9726	0.2%	3M	1.71 %	bp	3M	%	bp
EUR/JPY	120.92	120.95	0.0%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8469	0.8439	0.4%	9M	1.70 %	bp	9M	%	bp
USD/CAD	1.3280	1.3265	0.1%	12M	1.84 %	bp	12M	%	bp
FRAs				IRS (mid)			T-Bonds (mid)		
(mid)	Last closing				Today's opening	1-day change		Today's opening	1-day change
1X2	1.63	1X7	1.79	2Y	1.79 %	bp	2Y	1.58 %	1 bp
2X3	1.63	3X9	1.79	5Y	1.86 %	bp	5Y	1.84 %	0 bp
1X4	1.71	6X12	1.79	10Y	1.94 %	bp	10Y	2.21 %	1 bp
3X6	1.71			5Y-2Y	8 bp	bp			
6X9	1.72			10Y-5Y	8 bp	bp			
9X12	1.70			10Y-2Y	15 bp	bp			



Appendix 1

Important Disclosures

Additional information available upon request

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