



Poland Daily

HEADLINES...

POL: In Q4 2019 real GDP growth was 0.2% q/q and 3.1% y/y and was above market consensus expectations of -0.1% q/q and 3.0% y/y. Seasonally adjusted real GDP growth was 0.2% q/q and 3.5% y/y. Relatively big difference between seasonally adjusted and non-adjusted GDP growth stemmed from smaller number of working days in Q4 2019 than in Q4 2018.

POL: According to preliminary GUS data in January 2020 inflation amounted to 0.9% m/m and 4.4% y/y and was much above median forecast (0.6% m/m and 4.2% y/y). In January food prices grew by 1.7% m/m and increased by 6.7% y.y, housing costs were 2.3% up m/m and rose by 4.0% y/y and transport costs fell by 1.2% m/m and increased by 1.9% y/y. An increase in inflation in December and January was much above central bank's forecast.

POL: In December there was EUR990mn surplus in the current account and EUR224mn trade surplus. In December 2019 exports rose by 10.6% y/y to EUR17.2bn while imports rose by 0.8% y/y to 17.0bn. Services balance was positive (EUR2.05bn), primary income account was negative (-EUR1.26bn) and secondary income account was close to zero (-EUR22mn).

THE DAY AHEAD...

POL: GDP (Q4), inflation (Jan)

DEU: GDP (Q4)

CZK: GDP (Q4)

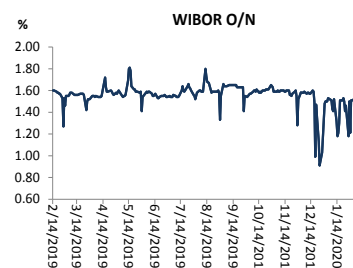
HUN: GDP (Q4)

EMU: GDP (Q4)

TODAY'S FOCUS:

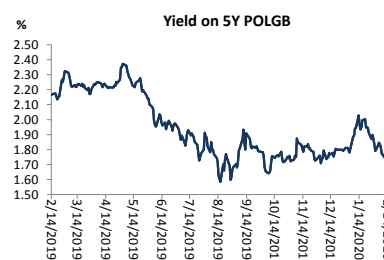
Today economic calendar on a domestic side contains preliminary data on Q4 GDP and inflation for January.

Figure 1: WIBOR O/N



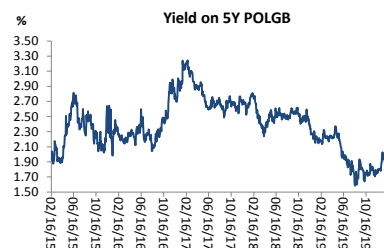
Source: Bloomberg

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	GDP (Q4)		0.0% (0.4%)	0.1% (0.3%)
CZK	8:00	GDP (Q4)		0.2% (1.7%)	0.3% (2.05)
HUN	8:00	GDP (Q4)		1.0% (4.5%)	0.5% (4.3%)
POL	9:00	GDP (Q4)	(2.9%)	0.2% (3.1%)	-0.1% (3.0%)
POL	9:00	Inflation (Jan)	0.5% (4.1%)	0.9% (4.4%)	0.6% (4.2%)
EMU	10:00	GDP (Q4)		0.1% (0.9%)	0.1% (1.0%)



Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.4% firmer versus the EUR compared to the yesterday's NBP fixing. The zloty should be moving today within a range of PLN4.2300-4.2600 per EUR.

The EUR weakened by 0.3% versus the USD on expectations that the European Central Bank would continue easing of monetary policy due to weak economic growth in euro-zone.

Fixed Income

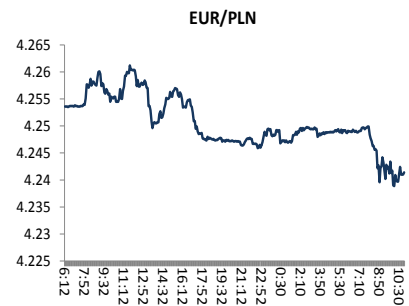
The yields on Poland's government bonds were 4-5bps down in 5-year and 10-year sectors.

Interest Rates

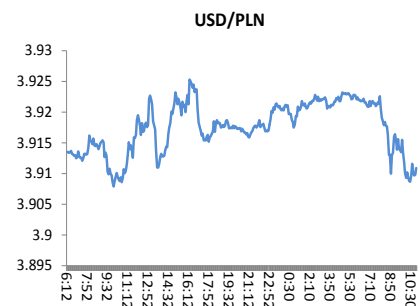
Today the O/N bid rate should be within a range of 1.10%-1.20%. Swap rates were 3bps up in 2-year sector and rose by 8bps in 5-year and 10-year sectors.

Equities

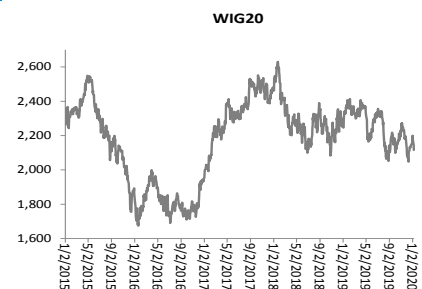
Yesterday the Dow Jones index closed 0.43% down and the S&P 500 index was 0.16% down. Today in the morning the FTSE 100 index was 0.10% up, the CAC 40 index was 0.17% down and the DAX index was 0.17% up. The Nikkei index closed 0.59% down. Today in the morning the WIG20 index was 0.07% up and the WIG index was 0.11% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

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

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.9094	3.9104	0.0%	SPOT	3.9088	3.9100	SPOT	4.2395	4.2406
EUR/PLN	4.2401	4.2557	-0.4%	S/N	3.9088	3.9100	S/N	4.2397	4.2409
GBP/PLN	5.0961	5.0711	0.5%	1W	3.9086	3.9099	1W	4.2411	4.2423
CHF/PLN	3.9858	4.0050	-0.5%	1M	3.9082	3.9095	1M	4.2463	4.2476
SEK/PLN	0.4035	0.4060	-0.6%	2M	3.9074	3.9088	2M	4.2540	4.2554
NOK/PLN	0.4220	0.4223	-0.1%	3M	3.9067	3.9081	3M	4.2603	4.2618
DKK/PLN	0.5675	0.5695	-0.4%	6M	3.9061	3.9082	6M	4.2825	4.2849
CAD/PLN	2.9507	2.9493	0.0%	12M	3.9083	3.9115	12M	4.3297	4.3336
CZK/PLN	0.1710	0.1712	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.0846	1.0883	-0.3%	O/N	1.50 %	bp			
USD/JPY	109.80	109.73	0.1%	1W	1.54 %	bp			
GBP/USD	1.3036	1.2968	0.5%	1M	1.63 %	bp	1M		
USD/CHF	0.9810	0.9764	0.5%	3M	1.71 %	bp	3M	%	bp
EUR/JPY	119.09	119.42	-0.3%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8320	0.8392	-0.9%	9M	1.70 %	bp	9M	%	bp
USD/CAD	1.3249	1.3259	-0.1%	12M	1.84 %	bp	12M	%	bp
FRA (mid)	Last closing			IRS (mid)	Today's opening	1-day change	T-Bonds (mid)	Today's opening	1-day change
1X2	1.63	1X7	1.79	2Y	1.81 %	0 bp	2Y	1.61 %	-1 bp
2X3	1.63	3X9	1.79	5Y	1.85 %	-3 bp	5Y	1.84 %	-4 bp
1X4	1.71	6X12	1.80	10Y	1.93 %	-4 bp	10Y	2.19 %	-5 bp
3X6	1.71			5Y-2Y	4 bp	bp			
6X9	1.71			10Y-5Y	8 bp	bp			
9X12	1.72			10Y-2Y	12 bp	bp			



Appendix 1

Important Disclosures

Additional information available upon request

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