



Poland Daily

HEADLINES:

POL: Preliminary inflation for November amounted to 0.0% m/m and 3.0% y/y compared to 0.1% m/m and 3.1% y/y in October. In November food prices rose by 2.0% y/y and fell by 0.1% m/m, energy prices were 0.1% up m/m and increased by 4.7% y/y while fuel prices were 0.2% up m/m and were 9.2% down y/y. In November the main inflationary factors were increasing prices of services and rising energy prices.

POL: Today the Monetary Policy Council holds policy meeting. We don't expect changes to monetary policy today. Market participants will be interested in any signals of the need for new instruments of quantitative easing like longer-term refinancing operations similar to ECB's TLTROs .

THE DAY AHEAD...

POL: MPC decision

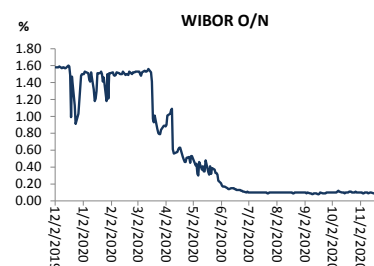
EMU: Unemployment rate (Oct)

USA: ADP employment change (Nov)

TODAY'S FOCUS:

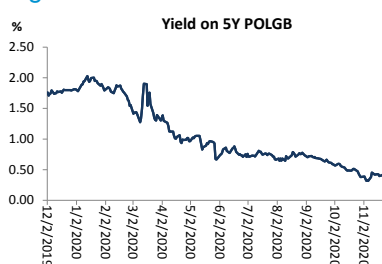
Today domestic economic calendar contains MPC decision and US ADP employment change for November.

Figure 1: WIBOR O/N



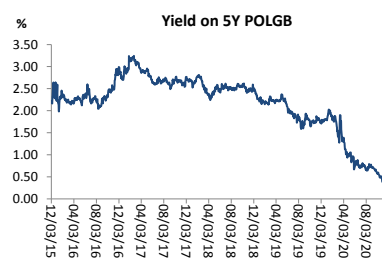
Source: Bloomberg

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
EMU	10:00	Unemployment rate (Oct)			8.4%
POL		MPC decision	0.10%		0.10%
USA	13:15	ADP employment change (Nov)	550k		430k



Foreign Exchange

Today in the morning the zloty was 0.9% firmer versus the USD and was firmer by 0.4% versus the EUR compared to the previous NBP fixing. Today the zloty should be moving in a range of 4.4400-4.4850 PLN per EUR.

The USD weakened by 0.5% versus the EUR, moving to above 1.20 per EUR as new, compromise proposal of USD908bn fiscal stimulus package gained bi-partisan support in the US.

Fixed Income

The yields on Poland's government bonds rose by 1bp in 10Y sector.

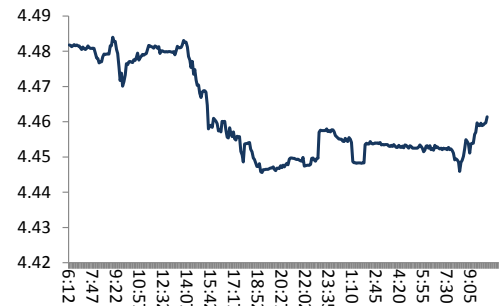
Interest Rates

Today the O/N bid rate should be within a range of -0.05% - 0.00%. Swap rates were practically unchanged across the curve.

Equities

Yesterday the Dow Jones index closed 0.63% up and the S&P 500 index rose by 1.13%. Today in the morning the FTSE 100 index was 0.02% up, the CAC 40 index was 0.29% down and the DAX index was 0.53% down. The Nikkei index closed 0.05% up. Today in the morning the WIG index was 0.14% up and the WIG20 index was 0.02% down.

EUR/PLN



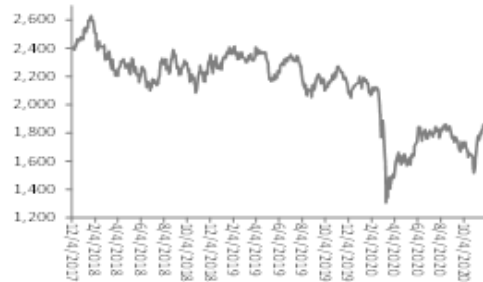
Source: Bloomberg

USD/PLN



Source: Bloomberg

WIG20



Source: Bloomberg

Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

Important Disclosures

Additional information available upon request

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