



Poland Daily

HEADLINES:

POL: The Monetary Policy Council, as expected, didn't change settings of monetary policy. The MPC didn't signal the need for new instruments of quantitative easing like longer-term refinancing operations either. The Council confirmed that the NBP would continue to buy government and agency bonds in secondary market and would continue to offer bill discount credit. The MPC assessed business conditions in Q3 as relatively positive but the Council expects real GDP to decline in Q4 and envisages weaker GDP growth in 2021 compared to pre-covid. The MPC reiterated its preference for weaker zloty. The tone of communique reinforces expectations of longer period of steady interest rates in Poland.

THE DAY AHEAD...

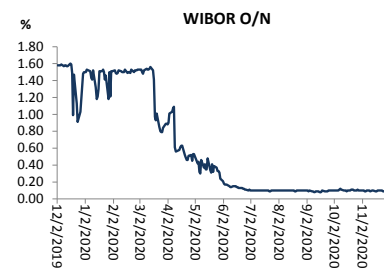
EMU: Services PMI (Nov)

USA: Initial jobless claims, ISM Services (Nov)

TODAY'S FOCUS:

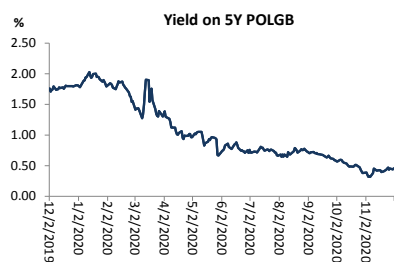
Today economic calendar contains series of PMIs from Europe and the US for November and US initial jobless claims.

Figure 1: WIBOR O/N



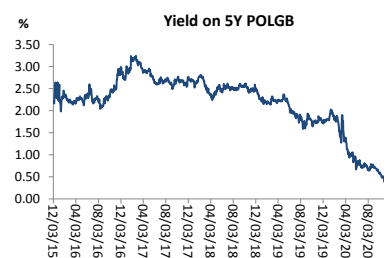
Source: Bloomberg

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	8:55	Services PMI (Nov)		46.0	46.2
EMU	9:00	Services PMI (Nov)		41.7	41.3
USA	13:30	Initial jobless claims	780k		775k
USA	15:00	ISM Services (Nov)	54.5		55.8



Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD and was weaker by 0.4% versus the EUR compared to the previous NBP fixing. Today the zloty should be moving in a range of 4.4600-4.4950 PLN per EUR.

The USD weakened by 0.5% versus the EUR, reaching 32-month low versus basket of currencies as risk aversion continued to fall.

Fixed Income

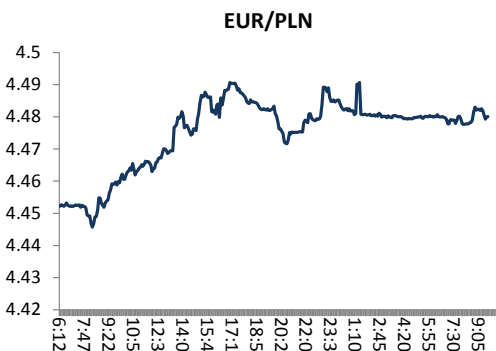
The yields on Poland's government bonds remained practically unchanged in all tenors.

Interest Rates

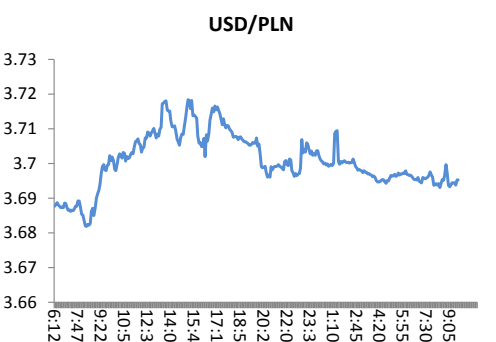
Today the O/N bid rate should be within a range of -0.05% - 0.00%. Swap rates were practically unchanged across the curve.

Equities

Yesterday the Dow Jones index closed 0.20% up and the S&P 500 index rose by 0.18%. Today in the morning the FTSE 100 index was 0.14% up, the CAC 40 index was 0.20% down and the DAX index was 0.16% down. The Nikkei index closed 0.03% up. Today in the morning the WIG index was 0.14% down and the WIG20 index was 0.23% down.



Source: Bloomberg

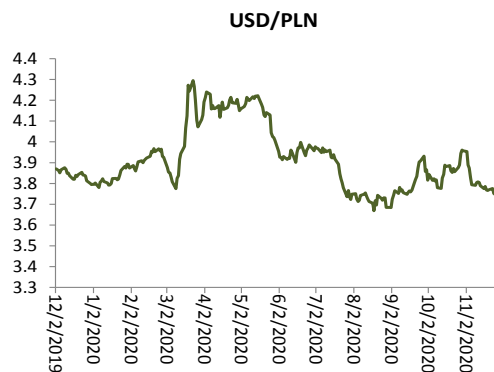
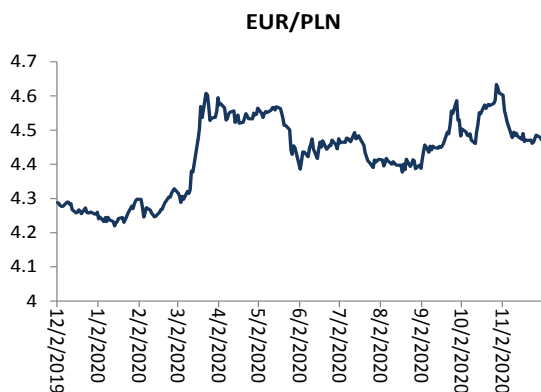


Source: Bloomberg



Source: Bloomberg

Medium term FX trends:





Appendix 1

Important Disclosures

Additional information available upon request

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