



Poland Daily

HEADLINES:

POL: The OECD forecasts real GDP in Poland to decline by 3.5% in 2020 and to increase by 2.9% in 2021 and rose by 3.8% in 2022. The OECD underlined that covid-19 impact on Poland was more mild than in many other economies due to the strength of economy and prompt reaction of monetary and fiscal policies. However, in the opinion of the OECD crisis caused by the pandemic creates risks of increased economic inequality and reversal of improvement in living standards, in particular in less developed regions of Poland. The OECD pointed to the following risks to economic growth in Poland: (1) uncertainty on emergence of new wave of covid-19, (2) uncertainty on pace and extent of economic recovery, (3) low financing of health-care sector that generates long-term risks to public health, (4) covid-19 crisis increased public debt while ageing of population and demands for more public spending create risk to financial sustainability in the long-term. The OECD recommended integrating of SMEs with international supply chains, simplifying tax procedures and increasing access to infrastructure, energy and digital technologies, including big data.

THE DAY AHEAD...

DEU: Factory orders (Oct)

USA: Employment report (Nov)

POL: Minutes from MPC meeting

TODAY'S FOCUS:

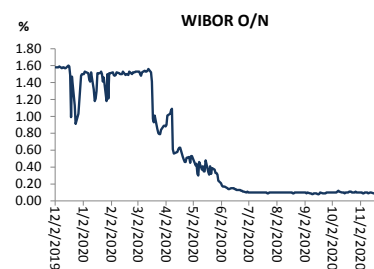
Today economic calendar contains US employment report for November, factory orders for October from Germany and, on a domestic side, minutes from MPC meeting.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	7:00	Factory orders (Oct)		2.9 (1.8%)	1.5% (0.2%)
HUN	8:00	Industrial production (Oct)		2.8% (2.7%)	(0.5%)
POL	13:00	Minutes from MPC meeting			
USA	13:30	Change in non-farm payrolls (Nov)	500k		475k
USA	13:30	Unemployment rate (Nov)	6.8%		6.8%

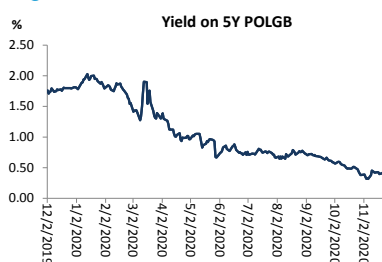
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



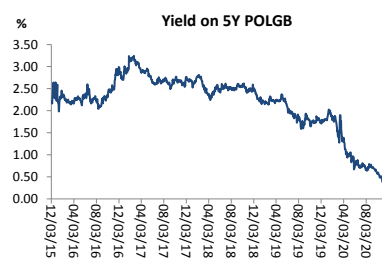
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg



Foreign Exchange

Today in the morning the zloty was 0.6% firmer versus the USD and was firmer by 0.1% versus the EUR compared to the previous NBP fixing. Today the zloty should be moving in a range of 4.4550-4.4900 PLN per EUR.

The USD weakened by 0.5% versus the EUR, as risk aversion continued to decline.

Fixed Income

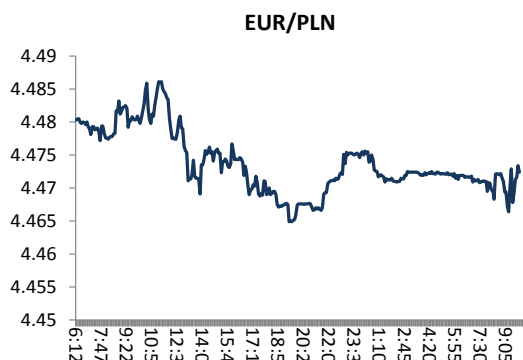
The yields on Poland's government bonds were 6bps up in 5-year and 10-year sectors following a rise in yields on US Treasuries.

Interest Rates

Today the O/N bid rate should be within a range of -0.05% - 0.00%. Swap rates were 4-5bps up in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index closed 0.29% up and the S&P 500 index fell by 0.06%. Today in the morning the FTSE 100 index was 0.65% up, the CAC 40 index was 0.39% up and the DAX index was 0.03% up. The Nikkei index closed 0.22% down. Today in the morning the WIG index was 1.29% up and the WIG20 index was 1.61% up.



Source: Bloomberg

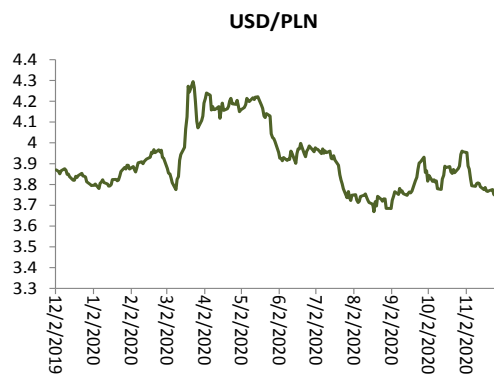
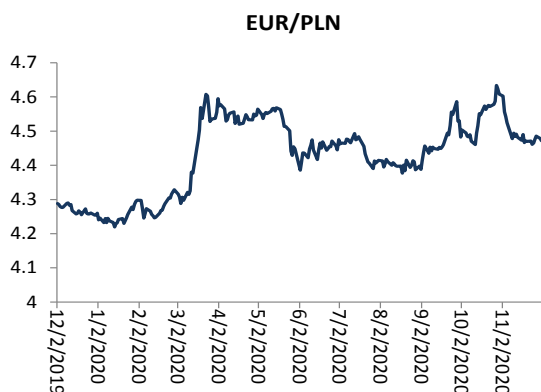


Source: Bloomberg



Source: Bloomberg

Medium term FX trends:





Appendix 1

Important Disclosures

Additional information available upon request

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