



Poland Daily

HEADLINES:

POL: Poland and Hungary withdrew their veto to EU 2021-2027 budget accepting Germany’s proposal to delay date of implementation of conditionality of EU funds on rule of law principle until new rule is accepted by the European Court of Justice. It would mean year or so delay in the adoption of new rule. The agreement is to be accepted by remaining EU countries at two-day EU summit that starts today.

THE DAY AHEAD...

EMU: ECB decision

UK : Industrial production (Oct)

FRA: Industrial production (Oct)

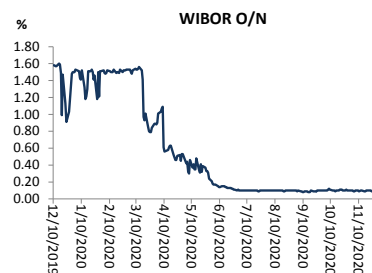
CZK: Inflation (Oct)

USA: Inflation (Oct), initial jobless claims

TODAY’S FOCUS:

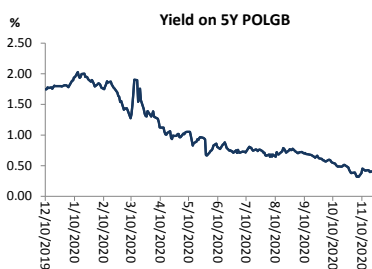
Today market participants will be focusing on ECB meeting (we expect an extension of QE programmes and no change in interest rates) and two-day EU summit. Economic calendar contains US initial jobless claims and inflation for October.

Figure 1: WIBOR O/N



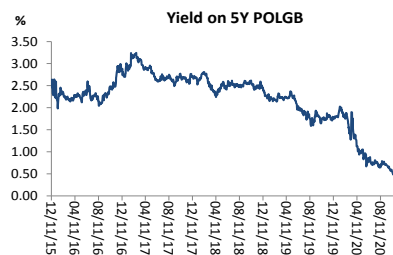
Source: Bloomberg

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
UK	7:00	Production (Oct)		1.3% (-5.5%)	0.3% (-6.4%)
FRA	7:45	Production (Oct)		1.6% (4.2%)	0.4% (4.5%)
CZK	8:00	Inflation (Oct)		0.0% (2.7%)	0.1% (2.8%)
EMU	12:45	ECB decision	0.0%		0.0%
USA	13:30	Initial jobless claims	725k		725k
USA	13:30	Inflation (Oct)	0.2%		0.1% (1.1%)

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.4% firmer versus the USD and was firmer by 0.5% versus the EUR compared to the previous NBP fixing. The zloty firmed after the news of withdrawing a veto to EU budget by Poland and Hungary. Today the zloty should be moving in a range of 4.4150-4.4500 PLN per EUR.

The USD firmed by 0.1% versus the EUR. The GBP weakened by 1.0% versus the USD and weakened by 0.9% against the EUR as trade negotiations between the EU and UK stalled.

Fixed Income

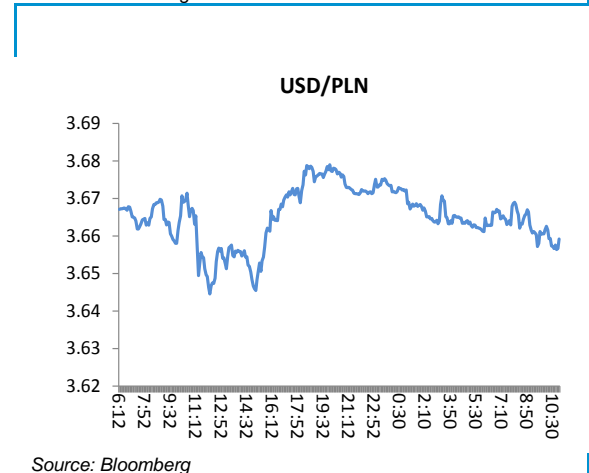
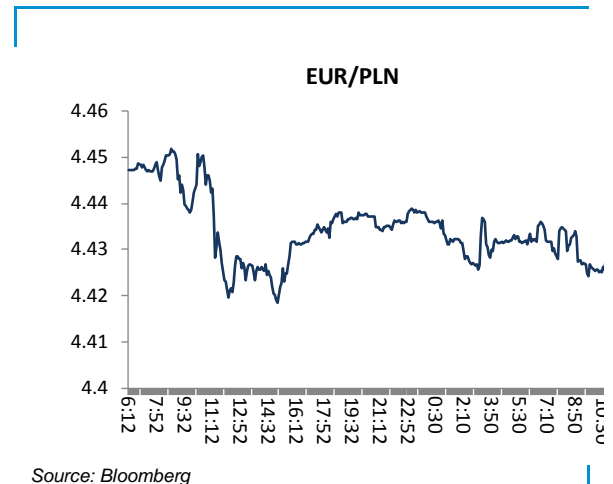
The yields on Poland's government bonds were 1bp up in all tenors.

Interest Rates

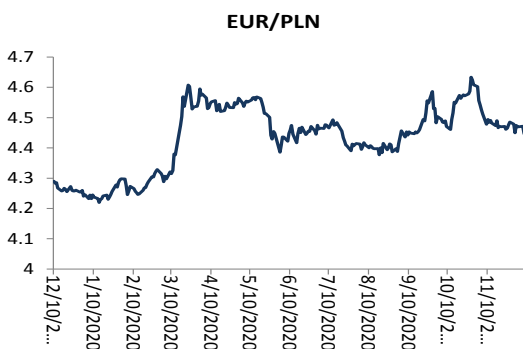
Today the O/N bid rate should be within a range of -0.05% - 0.00%. Swap rates were 1bp up in all tenors.

Equities

Yesterday the Dow Jones index closed 0.35% down and the S&P 500 index fell by 0.79%. Today in the morning the FTSE 100 index was 0.51% up, the CAC 40 index was 0.33% up and the DAX index was 0.09% up. The Nikkei index closed 0.23% down. Today in the morning the WIG index was 0.37% down and the WIG20 index was 0.38% down.



Medium term FX trends:





Appendix 1

Important Disclosures

Additional information available upon request

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