



Poland Daily

HEADLINES:

POL: President of Banking Guarantee Fund (BFG) Piotr Tomaszewski announced that in 2021 mandatory contributions to the BFG will be significantly lowered. Final decision will be made in February. In 2019 banks in Poland paid PLN2.8bn fees to the BFG and total fees for 2020 were set at PLN3.175bn. In comparison, banking tax for 2020 is envisaged at PLN4.878bn in budget bill.

POL: Today the NBP will release data on core inflation for November. We expect core inflation of 4.2% y/y and 0.0% m/m.

THE DAY AHEAD...

POL: Core inflation (Nov)

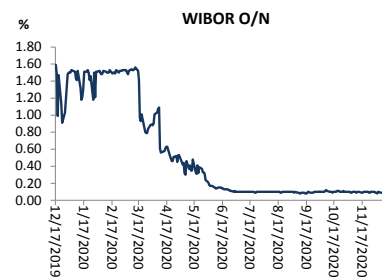
EMU: PMI (Dec, flash)

USA: FOMC decision

TODAY'S FOCUS:

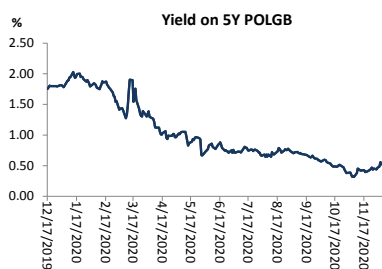
Today market participants will be focusing on FOMC meeting – the focus will be on forward guidance and FOMC economic forecasts. Economic calendar contains also today series of PMIs from Europe and the US for December and Poland's core inflation for November.

Figure 1: WIBOR O/N



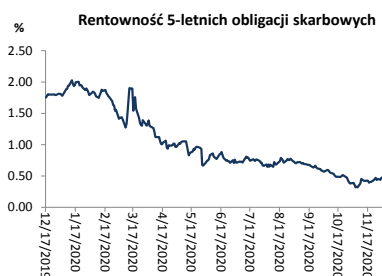
Source: Bloomberg

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	9:00	PMI manufacturing (Nov, flash.)		55.5	53.0
POL	13:00	Core inflation (Nov)	0.0% (4.2%)		0.0% (4.2%)
USA	19:00	FOMC decision	0.0% - 0.25%		0.0% - 0.25%



Foreign Exchange

Today in the morning the zloty was 0.7% firmer versus the USD and was firmer by 0.3% versus the EUR compared to the previous NBP fixing. Today the zloty should be moving in a range of 4.4200-4.4500 PLN per EUR.

The EUR firmed by 0.4% versus the US as flash euro-zone's manufacturing PMI rose to 55.5 in December, reaching a 31-month high.

Fixed Income

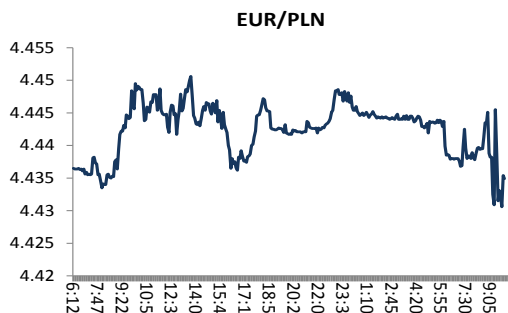
The yields on Poland's government bonds were 1-2bps up in all tenors.

Interest Rates

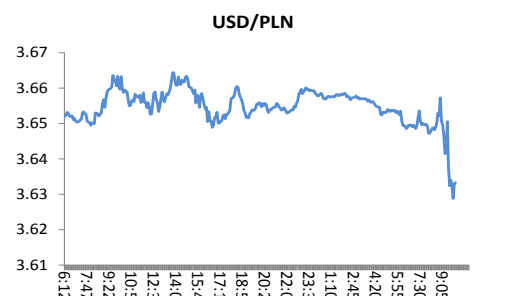
Today the O/N bid rate should be within a range of -0.05% - 0.00%. Swap rates were 4bp up in 5-year and 10-year sectors and increased by 2bps in 2-year sector.

Equities

Yesterday the Dow Jones index closed 1.13% up and the S&P 500 index rose by 1.29%. Today in the morning the FTSE 100 index was 1.17% up, the CAC 40 index was 0.88% up and the DAX index was 1.41% up. The Nikkei index closed 0.26% up. Today in the morning the WIG index was 1.24% up and the WIG20 index was 1.39% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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