



Poland Daily

HEADLINES:

POL: Today the NBP will release balance of payments for November. We estimate that there was a current account gap of EUR2014mn and trade surplus of EUR1744mn in November.

POL: Today the MPC holds policy meeting. We expect the Council to keep interest rates unchanged and to reiterate that interest rates will be on hold as long as it is required to facilitate economic recovery. The MPC may also comment on the current level of PLN exchange rate what would be interesting in the context of end-year NBP intervention to weaken the zloty.

THE DAY AHEAD...

POL: Current account (Nov), MPC decision

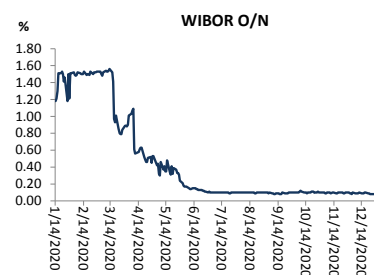
EMU: Industrial production

USA: Inflation (Dec), Core inflation (Dec)

TODAY'S FOCUS:

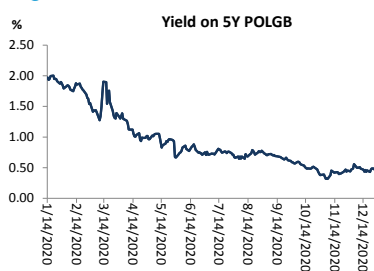
Today economic calendar contains domestic balance of payments for November and MPC decision. On a foreign side economic calendar contains industrial production for November from euro-zone and inflation and core inflation for December from the US.

Figure 1: WIBOR O/N



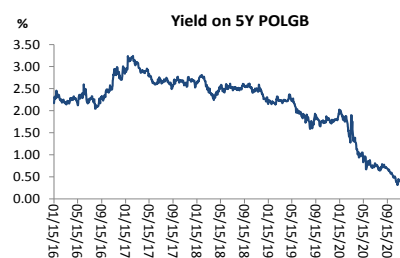
Source: Bloomberg

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 | Industrial production (Nov) | | 2.5% (-0.6%) | 0.2% (-3.2%) |
| POL | 13:00 | Current account (Nov) | EUR2014mn | | EUR1846mn |
| POL | 13:00 | Trade balance (Nov) | EUR1744mn | | EUR1563mn |
| USA | 13:30 | Inflation (Dec) | 0.4% | | 0.4% (1.3%) |
| USA | 13:30 | Core inflation (Dec) | 0.1% | | 0.1% (1.6%) |

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD and was unchanged versus the EUR compared to the previous NBP fixing. the zloty should be moving in a range of 4.5150-4.5350 PLN per EUR.

The USD weakened by 0.2% versus the EUR as various Fed members hinted that US monetary policy would remain accommodative for some time what reduced expectations of faster economic recovery in the US.

Fixed Income

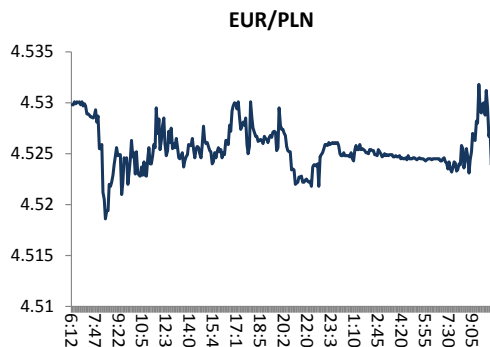
The yields on Poland's government bonds were 2bps down in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of -0.05% - 0.00%. Swap rates were 2-4bps down in all tenors.

Equities

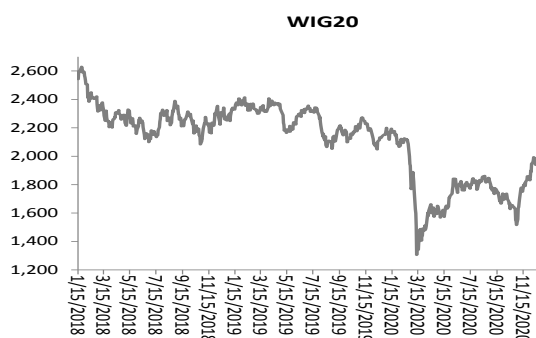
Yesterday the Dow Jones index closed 0.19% up and the S&P 500 index rose by 0.04%. Today in the morning the FTSE 100 index was 0.12% up, the CAC 40 index was 0.42% up and the DAX index was 0.15% up. The Nikkei index closed 1.04% up. Today in the morning the WIG index was 0.57% down and the WIG20 index was 0.51% down.



Source: Bloomberg

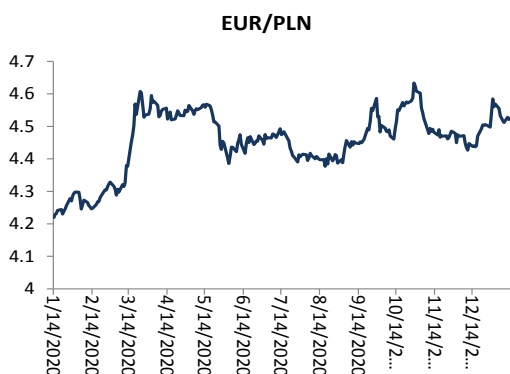


Source: Bloomberg

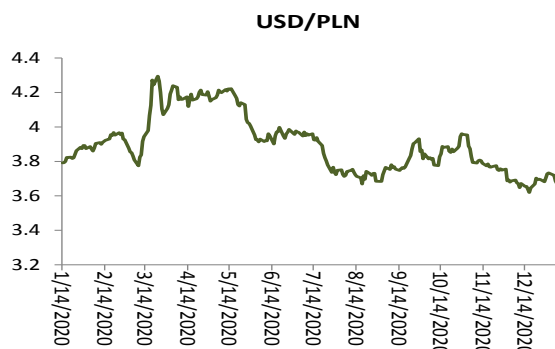


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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