



# Poland Daily

## HEADLINES:

POL: Today in the morning NBP President Adam Glapinski said that further PLN weakening would not be consistent with fundamentals of Poland's economy nor with monetary policy conducted by the central bank. NBP President reminded that the central bank had a right to intervene in FX market. NBP President said that PLN weakening was a result of several factors, among others rapid firming of the USD and pandemic situation and stressed he was certain that economic situation of Poland were not among them. NBP President added that recent rate hikes and rate hikes priced in by the market would support the zloty. NBP President also said that further rate hikes would be adequate to bring inflation back within MPC target in the horizon of monetary policy and their size would depend on reaction of the economy on changes in monetary policy.

POL: In October construction output rose by 0.4% m/m and increased by 4.2% y/y. In October construction of buildings fell by 1.2% m/m and declined by 0.6% y/y, infrastructure investments rose by 2.2% m/m and were 3.0% up y/y and specialized construction works fell by 0.7% m/m and were up by as much as 12.7% y/y.

## THE DAY AHEAD...

POL: Money supply M3 (Oct)

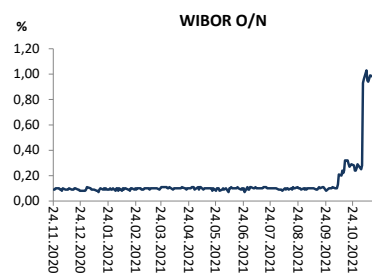
DEU: IFO (Nov)

USA: initial jobless claims, GDP (Q3), durable goods orders (Oct), Univ. of Michigan Consumer Sentiment (Nov)

## TODAY'S FOCUS:

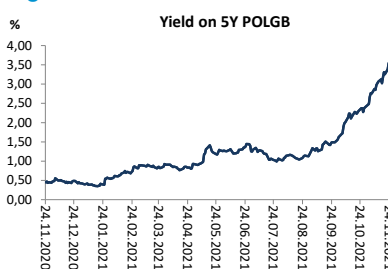
Today economic calendar contains money supply from Poland for October, index IFO for November from Germany and US initial jobless claims and Q3 GDP, durable goods orders for October and consumer sentiment for November.

Figure 1: WIBOR O/N



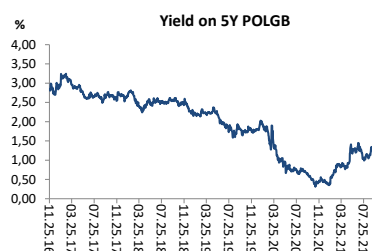
Source: Bloomberg

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
DEU	9:00	IFO (Nov)		96.5	96.7
POL	13:00	Money supply M3 (Oct)	1.0% (8.5%)		1.0% (8.4%)
USA	13:30	Initial jobless claims	276k		260k
USA	13:30	GDP (Q3)			2.2%
USA	13:30	Durable goods orders (Oct)	-1.2%		0.2%
USA	15:00	Consumer sentiment (Nov)	72.0		67.0

Source: Deutsche Bank Estimates and Bloomberg Finance LP



### Foreign Exchange

Today in the morning the zloty was 0.6% firmer versus the USD and was 0.8% firmer versus the EUR compared to previous NBP fixing. The zloty firmed by 0.8% versus the CHF to PLN4.4560 per CHF. The zloty firmed after verbal intervention by NBP President Adam Glapinski. The zloty should be moving within a wide range of 4.6600-4.7050 PLN per EUR today.

The USD firmed by 0.2% versus the EUR due to increased expectations of rate hike in the US.

### Fixed Income

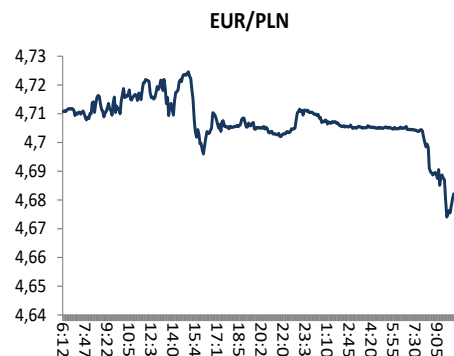
The yields on Poland's government bonds rose by 7bps in 2-year sector and rose by 13bps in 5-year sector and were 10bps up in 10-year one as market expects that the NBP would have to hike more aggressively as the zloty is weak.

### Interest Rates

Today the O/N bid rate should be within a range of 0.75% - 1.05%. Swap rates were 4-7bps up in all tenors.

### Equities

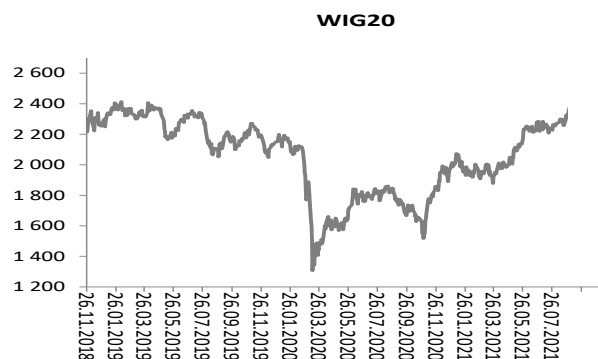
Yesterday the Dow Jones index closed 0.55% up and the S&P 500 index rose by 0.17%. Today in the morning the FTSE 100 index was 0.41% up, the CAC 40 index was 0.32% up and the DAX index was 0.04% down. The Nikkei index closed 1.58% down. Today in the morning the WIG index was 0.27% up and the WIG20 index was 0.06% up.



Source: Bloomberg

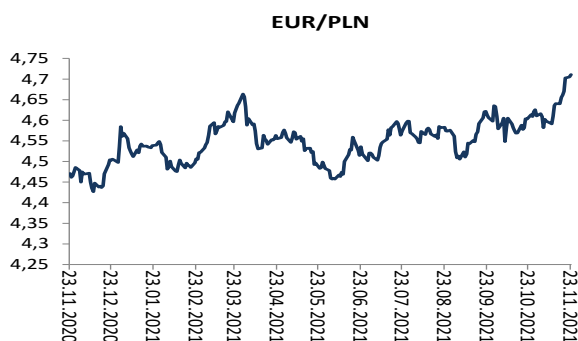


Source: Bloomberg

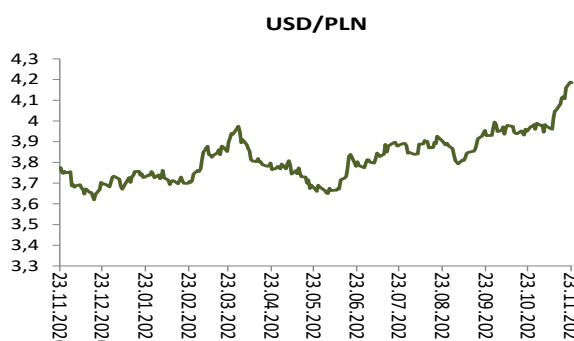


Source: Bloomberg

### Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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