



# Poland Daily

## HEADLINES:

POL: In December industrial output fell by 2.3% m/m and rose by 16.7% y/y in the current prices and rose by 13.7% y/y in constant prices. Strong growth in industrial output in December stemmed from a rise in production of energy-related goods, intermediate goods and, to the lesser extent, investment goods. The strongest growth in output was reported in section production and distribution of electricity, gas, steam and hot water (up 54.2% y/y) and in branches: manufacturing of metals (up 42.7% y/y), chemicals (up 33.8% y/y), repair, maintenance and installing of machinery (up 23.3% y/y), production of beverages (up 22.1% y/y), paper (up 21.7% y/y) and metal products (up 18.5% y/y).

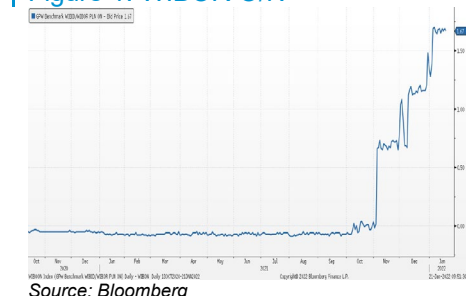
POL: In December producer prices rose by 0.8% m/m and increased by 14.3% y/y. Producer prices in section mining and quarrying rose by 22.5% y/y and were 16.2% up y/y in section production and distribution of electricity, gas, steam and hot water. The strongest growth in prices was reported in branches: production of coke and oil refining products (up 65.1% y/y), metals (up 37.8% up y/y), chemicals (up 27.7% y/y), products of wood (up 19.9% y/y), paper (up 16.0% y/y) and food products (up 13.2% y/y).

POL: Average wage in enterprises' sector rose by 10.3% m/m and increased by 11.2% y/y in December.

POL: In December average employment in enterprises' sector was unchanged m/m and was 0.5% up y/y.

POL: In December construction output was 3.1% up y/y.

Figure 1: WIBOR O/N



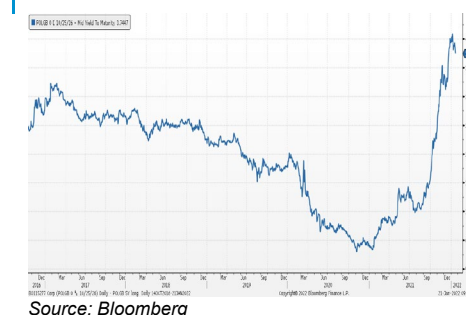
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

## THE DAY AHEAD...

POL: Industrial output (Dec), PPI (Dec), average wage (Dec), average employment (Dec), construction output (Dec)

## TODAY'S FOCUS:

Today economic calendar contains set of important macroeconomic indicators from Poland: industrial output, PPI, average wage, average employment and construction output for December.

## DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	9:00	Industrial output (Dec)	-5.0% (14.6%)	-2.3 (16.7%)	-6.3% (13.1%)
POL	9:00	Construction output (Dec)	(7.0%)	(3.1%)	(7.7%)
POL	9:00	Average wage (Dec)	8.0% (8.9%)	10.3% (11.2%)	8.2% (9.3%)
POL	9:00	Average employment (Dec)	0.2% (0.8%)	0.0% (0.5%)	0.1% (0.7%)
POL	9:00	PPI (Dec)	0.5% (13.5%)	0.8% (14.3%)	0.4% (13.5%)

Source: Deutsche Bank Estimates and Bloomberg Finance LP



### Foreign Exchange

Today in the morning the zloty was 0.3% weaker versus the USD and was 0.2% weaker versus the EUR compared to previous NBP fixing. The zloty should be moving within a range of 4.5150-4.5450 PLN per EUR today.

The USD was 0.1% firmer versus the EUR.

### Fixed Income

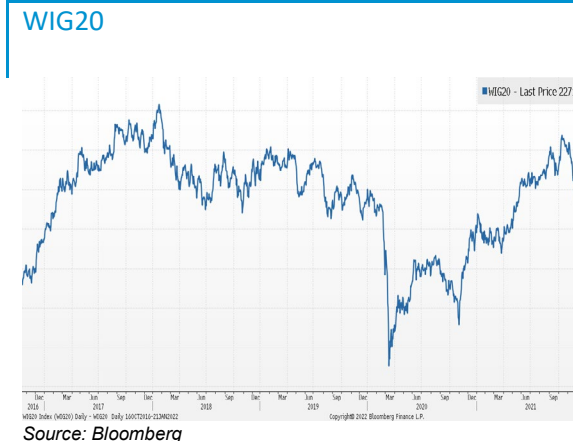
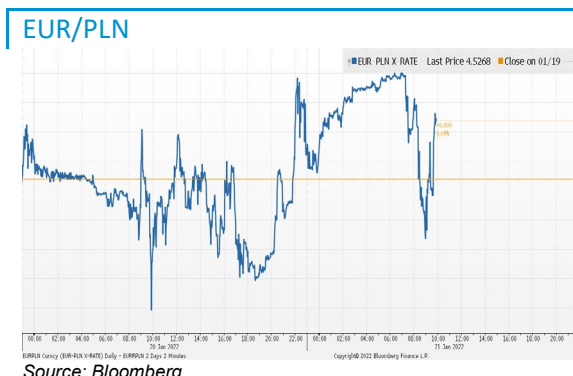
The yields on Poland's government bonds fell by 8bps in 5-year and 10-year sectors.

### Interest Rates

Today the O/N bid rate should be within a range of 1.00% - 1.30%. Swap rates were 4-5bps down in 5-year and 10-year sectors.

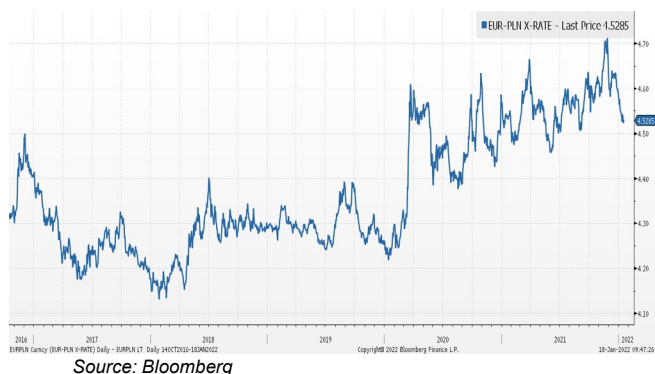
### Equities

Yesterday the Dow Jones index closed 0.89% down and the S&P 500 index fell by 1.10%. Today in the morning the FTSE 100 index was 0.80% down, the CAC 40 index was 1.18% down and the DAX index was 1.34% down. The Nikkei index closed 0.90% down. Today in the morning the WIG index was 1.74% down and the WIG20 index was 1.64% down. Stock indices fell as US tech stocks corrected yesterday and as investors were concerned with impact of approaching tightening of monetary policy by the FOMC.

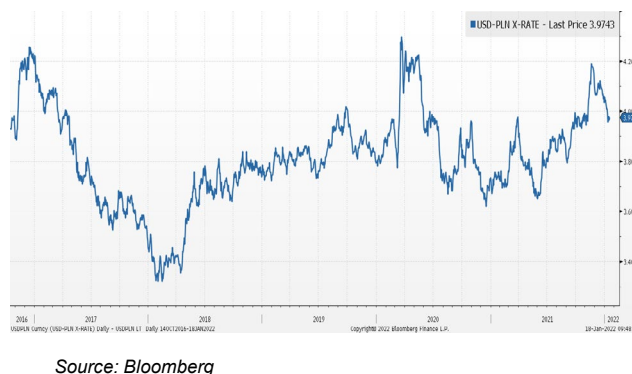


### Medium term FX trends:

#### EUR/PLN



#### USD/PLN





# Appendix 1

## Important Disclosures

### Additional information available upon request

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