



Poland Daily

HEADLINES...

POL: On Tuesday in Luxembourg there was a hearing of Poland on rule of law. Deputy President of the European Commission Frans Timmermans said at press conference that the issue of rule of law in Poland should be resolved through a dialogue with the European Commission and other EU countries. He added that there still were systemic threats to rule of law in Poland and that Poland's government should take proper actions in the issue in question. Further steps under procedure of Art. 7 of the TEU will be discussed at the next meeting of ministers of European affairs within the Council of Europe in September, during new Austrian presidency that will start on July 1 after end of Bulgarian one.

THE DAY AHEAD...

FRA: Consumer confidence (Jun)

EMU: Money supply M3 (May)

CZK: CNB decision

USA: Trade balance (May, prelim.), durable goods orders (May, prelim), pending home sales (May)

TODAY'S FOCUS:

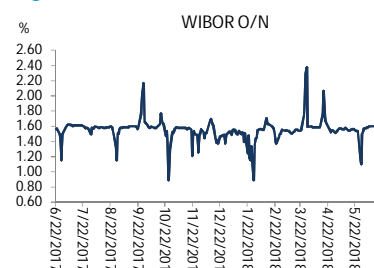
Today market participants will be focusing on preliminary data on US trade balance for May, US durable goods orders for May and money supply in euro-zone for May. At today's policy meeting the Czech National Banks should keep interest rates unchanged (despite recent rise in inflation and CZK weakness). DB Research expects the CNB to hike its policy rate by 25 bps at its meeting in August.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
FRA	6:45	Consumer confidence (May)		97	100
EMU	8:00	Money supply M3 (May)	(3.8%)		(3.8%)
CZK	11:00	CNB decision	0.75%		0.75%
USA	12:30	Trade balance (May, prelim.)	-USD67.5bn		-USD69.0bn
USA	12:30	Durable goods orders (May)	-1.0%		-1.0%
USA	14:00	Pending home sales (May)	-0.5%		0.5%

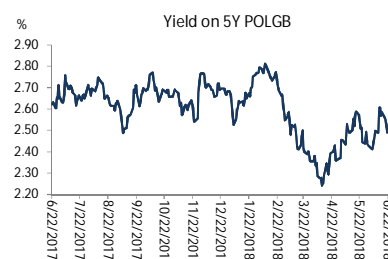
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



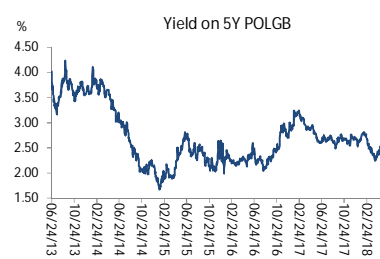
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



Foreign Exchange

Today in the morning the zloty was 0.1% weaker versus the USD and was unchanged versus the EUR compared to the last NBP fixing. Yesterday the zloty remained weak together with its regional peers due to increased risk aversion as US-China trade conflict escalated. Today the zloty should be moving within a range of PLN4.3200-4.3500 per EUR.

Yesterday the USD firmed versus the EUR, remaining in mid of 1.16-1.17 range. Market's mood today will be determined by US trade balance and durable orders data.

Fixed Income

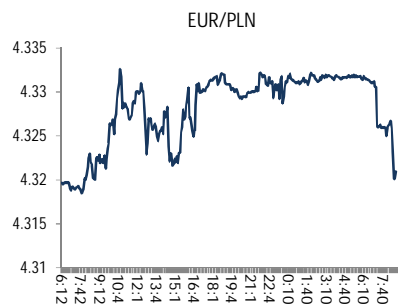
The yields on Poland's government bonds were practically steady across the curve.

Interest Rates

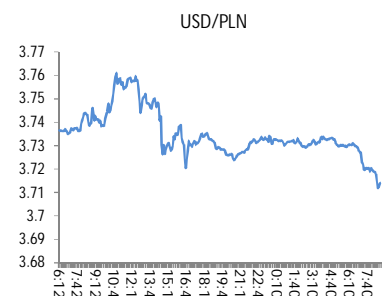
Today the O/N bid rate should be within a range of 1,20%-1,50%. Swap rates were unchanged in all tenors yesterday.

Equities

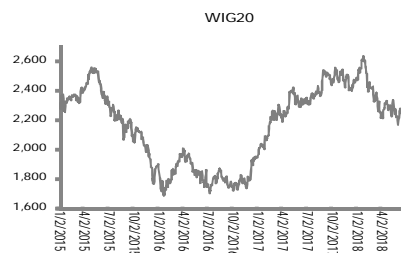
Yesterday the Dow Jones index closed 0.12% up. Yesterday at closing the FTSE index was 0.37% up, the CAC index fell by 0.05% and the DAX index was 0.29% down. The Nikkei index closed 0.31% down. Yesterday the WIG20 index closed 0.12% down and the WIG index was 0.27% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 27 June 2018 (6:15 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7198	3.7151	0.1%	SPOT	3.7185	3.7210	SPOT	4.3367	4.3392
EUR/PLN	4.3380	4.3372	0.0%	S/N	3.7181	3.7208	S/N	4.3374	4.3400
GBP/PLN	4.9184	4.9281	-0.2%	1W	3.7179	3.7206	1W	4.3384	4.3411
CHF/PLN	3.7559	3.7595	-0.1%	1M	3.7167	3.7193	1M	4.3449	4.3477
SEK/PLN	0.4190	0.4198	-0.2%	2M	3.7149	3.7177	2M	4.3529	4.3559
NOK/PLN	0.4576	0.4580	-0.1%	3M	3.7135	3.7162	3M	4.3603	4.3633
DKK/PLN	0.5822	0.5821	0.0%	6M	3.7068	3.7100	6M	4.3855	4.3892
CAD/PLN	2.7931	2.7936	0.0%	12M	3.6855	3.6911	12M	4.4307	4.4362
CZK/PLN	0.1674	0.1674	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1662	1.1675	-0.1%	O/N	1.53 %	bp			
USD/JPY	109.90	109.64	0.2%	1W	1.55 %	bp			
GBP/USD	1.3222	1.3265	-0.3%	1M	1.64 %	bp	1M		
USD/CHF	0.9905	0.9882	0.2%	3M	1.70 %	bp	3M	%	bp
EUR/JPY	128.17	128.01	0.1%	6M	1.78 %	bp	6M	%	bp
EUR/GBP	0.8820	0.8801	0.2%	9M	1.79 %	bp	9M	%	bp
USD/CAD	1.3319	1.3299	0.1%	12M	1.82 %	bp	12M	%	bp
FRAs (mid)	Last closing			IRS (mid)	Today's opening	1-day change	T-Bonds (mid)	Today's opening	1-day change
1X2	1.66	1X7	1.79	2Y	1.93 %	1 bp	2Y	1.63 %	0 bp
2X3	1.66	3X9	1.81	5Y	2.44 %	1 bp	5Y	2.55 %	1 bp
1X4	1.71	6X12	1.84	10Y	2.92 %	-1 bp	10Y	3.22 %	1 bp
3X6	1.73			5Y-2Y	51 bp	0 bp			
6X9	1.76			10Y-5Y	48 bp	-2 bp			
9X12	1.80			10Y-2Y	99 bp	-3 bp			



Appendix 1

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Additional information available upon request

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