



Poland Daily

HEADLINES...

POL: In May there was a EUR42mn surplus on the current account and trade balance was positive at EUR98mn, in line with our expectations. In May exports rose by 2.7% yoy to EUR17.3bn and imports increased by 1.7% yoy to EUR17.2bn. Services account revealed stable surplus of EUR1.67bn that almost compensated for an –EUR1.78bn gap in the primary income account. NBP balance of payments data for May show that weaker the zloty compensated for slightly softer foreign demand.

POL: Core inflation (ex food and energy), in line with forecasts, was marginally up to 0.6% yoy in June from 0.5% yoy in May. Core inflation data should be neutral for the MPC.

POL: In June average wage in enterprises' sector was 7.5% up yoy and increased by 3.2% mom. In June average employment in enterprises' sector rose by 3.7% yoy and increased by 0.2% mom. Wage growth for June was stronger than market consensus view.

THE DAY AHEAD...

POL: Average wage (Jun), average employment (Jun)
USA: Industrial production (Jul)

TODAY'S FOCUS:

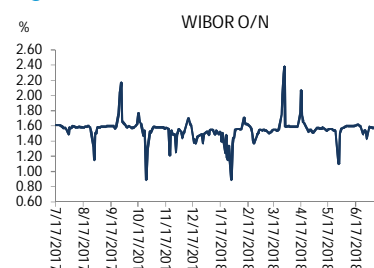
Today market participants will be focusing on Fed's Chairman Powell Congressional testimony. On a macro side US industrial production will be of interest. Poland's labour market data show that wage growth is robust but inflation data reveal no impact on consumer prices.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Average wage (Jun)	2.5% (6.8%)	3.2% (7.5%)	2.5% (7.0%)
POL	8:00	Average employment (Jun)	0.1% (3.7%)	0.2% (3.7%)	0.2% (3.7%)
USA	13:15	Industrial production (Jun)	0.5%		0.5%

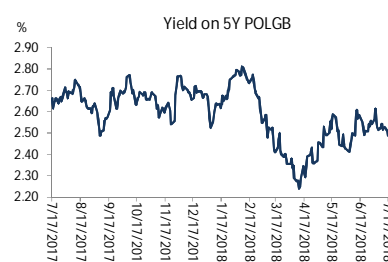
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



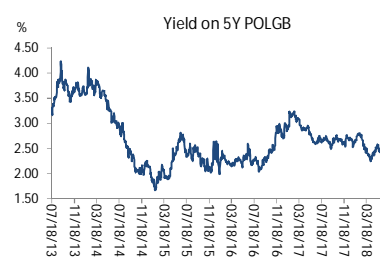
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



Appendix 1

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Additional information available upon request

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