



Poland Daily

HEADLINES...

POL: In June average gross wage in enterprises' sector was 7.5% up yoy and increased by 3.2% mom to PLN4849. In June average employment in enterprises' sector rose by 3.7% yoy and increased by 0.2% mom to 6.222mn persons. Wage growth for June was stronger than market consensus view but there are no signs that robust wage growth translates on consumer prices.

POL: In June industrial output rose by 4.2% mom and increased by 6.8% yoy.

POL: In June PPI was 0.3% mom and 3.7% yoy.

POL: In June construction output increased by 24.7% yoy.

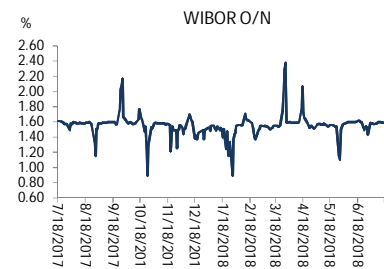
THE DAY AHEAD...

POL: Industrial output (Jun), construction output (Jun), PPI (Jun)
EMU: Inflation (Jun)
UK: Inflation (Jun)
USA: housing starts (Jul)

TODAY'S FOCUS:

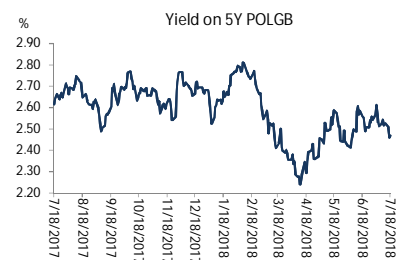
Today market participants will be focusing on second day of Fed's Chairman Powell Congressional testimony. On a macro side inflation for June from euro-zone and the UK is worth noting. Poland's industrial output, construction output and PPI data for June will be of interest today.

Figure 1: WIBOR O/N



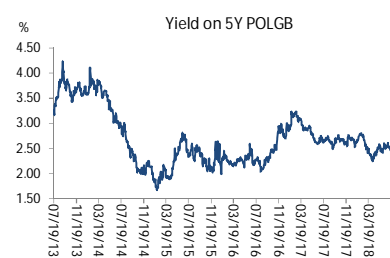
Source: Bloomberg

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
POL	8:00	Industrial output (Jun)	3.5% (6.3%)	4.2% (6.8%)	3.5% (6.3%)
POL	8:00	Construction output (Jun)	(19.5%)	(24.7%)	(20.2%)
POL	8:00	PPI (Jun)	0.5% (3.7%)	0,3% (3,7%)	0.5% (3.6%)
UK	8:30	Inflation (Jun)	(3.5%)		0.4% (3.5%)
EMU	9:00	Inflation (Jun)	(2.0%)		0.1% (2.0%)

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 1.0% weaker versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. The zloty weakened versus rapidly firming US dollar. Today the zloty should be moving within a range of PLN4.2800-4.3150 per EUR.

The USD firmed across the board as Fed's Chairman Powell in his Congressional testimony presented an upbeat outlook for the US economy and assured that interest rates would be gradually increasing, albeit at a moderate pace.

Fixed Income

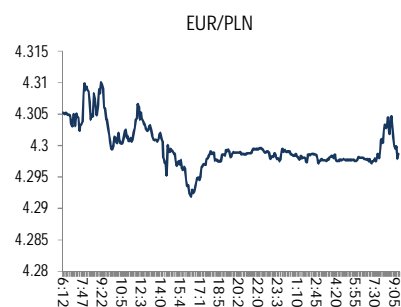
The yields on Poland's government bonds were 2 bps down in medium segment of the curve and declined by 4 bps in 10-year sector.

Interest Rates

Today the O/N bid rate should be within a range of 1.35%-1.55%. Swap rates were 2-4 bps down in all tenors.

Equities

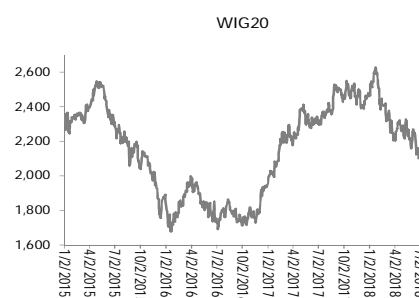
Yesterday the Dow Jones index closed 0.22% up. Today in the morning the FTSE index was 0.55% up, the CAC index rose by 0.62% and the DAX index was 0.81% up. The Nikkei index closed 0.43% up. Today in the morning the WIG20 index was 0.27% up and the WIG index was 0.21% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 18 July 2018 (7:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.6980	3.6619	1.0%	SPOT	3.6973	3.6986	SPOT	4.2968	4.2982
EUR/PLN	4.2975	4.2998	-0.1%	S/N	3.6972	3.6986	S/N	4.2975	4.2990
GBP/PLN	4.8391	4.8572	-0.4%	1W	3.6969	3.6983	1W	4.2985	4.3000
CHF/PLN	3.6863	3.6850	0.0%	1M	3.6956	3.6970	1M	4.3045	4.3060
SEK/PLN	0.4169	0.4170	0.0%	2M	3.6939	3.6953	2M	4.3123	4.3141
NOK/PLN	0.4519	0.4530	-0.3%	3M	3.6914	3.6931	3M	4.3205	4.3226
DKK/PLN	0.5766	0.5768	0.0%	6M	3.6822	3.6845	6M	4.3433	4.3461
CAD/PLN	2.7922	2.7914	0.0%	12M	3.6633	3.6664	12M	4.3894	4.3947
CZK/PLN	0.1663	0.1663	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1621	1.1742	-1.0%	O/N	1.59 %	bp			
USD/JPY	113.06	112.35	0.6%	1W	1.56 %	bp			
GBP/USD	1.3086	1.3264	-1.3%	1M	1.64 %	bp	1M		
USD/CHF	1.0032	0.9937	1.0%	3M	1.70 %	bp	3M	%	bp
EUR/JPY	131.39	131.92	-0.4%	6M	1.78 %	bp	6M	%	bp
EUR/GBP	0.8881	0.8852	0.3%	9M	1.79 %	bp	9M	%	bp
USD/CAD	1.3245	1.3119	1.0%	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	1.91 %	-2 bp	2Y	1.62 %	0 bp
2X3	1.65	3X9	1.80	5Y	2.41 %	-3 bp	5Y	2.47 %	-2 bp
1X4	1.71	6X12	1.82	10Y	2.88 %	-4 bp	10Y	3.09 %	-4 bp
3X6	1.71			5Y-2Y	50 bp	-1 bp			
6X9	1.74			10Y-5Y	47 bp	-1 bp			
9X12	1.77			10Y-2Y	97 bp	-2 bp			



Appendix 1

Important Disclosures

Additional information available upon request

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., ul. Lecha Kaczynskiego 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 2,651,449,384 paid up in full.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krześniak