



Poland Daily

HEADLINES...

POL: In June industrial output rose by 4.2% mom and increased by 6.8% yoy. Seasonally adjusted industrial production rose by 6.6% yoy and 0.1% mom. On an annual basis the strongest growth was reported in production of ships (up 13.7% yoy), supply and production of electricity, natural gas, steam, and hot water (up 13.6% yoy), products of metal (up 12.9% yoy), paper (up 11.4% yoy), textiles (up 10.6% yoy), products of other non-metal raw materials and automobiles (each by 9.5% yoy), furniture (up 9.4% yoy), electrical machinery (up 8.9% yoy). In June output rose in branches producing investments goods and goods for exports. A decline was reported in production of pharmaceuticals (down 25.1% yoy), machinery and appliances (down 5.9% yoy) and computers, electronics and optical equipment (down 2.6% yoy).

POL: In June PPI was 0.3% mom and 3.7% yoy. The strongest growth occurred in mining and quarrying (up 1.2% mom) due to 3.0% mom rise in prices in metal ores mining. In June manufacturing prices rose by 0.3%. Construction prices were 0.4% up mom and 2.8% up yoy in June.

POL: In June construction output increased by 24.7% yoy. Strong growth was reported in buildings construction (up 33.6% yoy) and infrastructure investments (up 23.4% yoy).

POL: Technology Ministry forecast industrial output to rise by 10% yoy and expects construction output growth at 20% yoy in July.

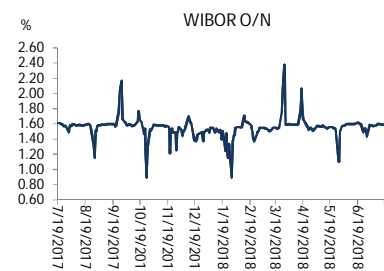
THE DAY AHEAD...

UK: retail sales (Jun)
USA: Leading indicators (Jul), Philadelphia Fed index (Jun)

TODAY'S FOCUS:

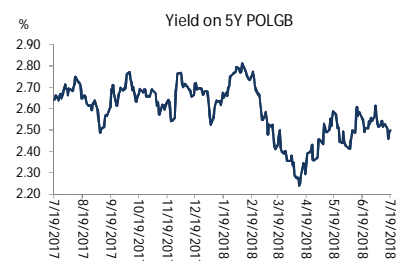
Today economic calendar contains UK's retail sales for June and US leading indicators for July and Philadelphia Fed Index for June.

Figure 1: WIBOR O/N



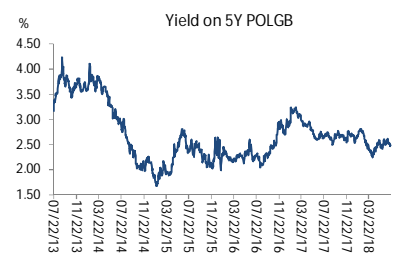
Source: Bloomberg

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
UK	8:30	Retail sales (Jun)	0.2% (3.5%)		0.2% (3.5%)
USA	12:30	Initial jobless claims	220k		220k
USA	12:30	Philadelphia Fed Index (Jul)	21.0		21.5
USA	12:30	Leading indicators (Jun)	0.6%		0.4%



Foreign Exchange

Today in the morning the zloty was 0.4% weaker versus the USD and was 0.4% weaker versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.3000-4.3350 per EUR.

The USD firmed by 0.1% versus the EUR as Fed's Beige Book showed mounting wage and inflationary pressures in some districts.

Fixed Income

The yields on Poland's government bonds were 3 bps down in medium segment of the curve and declined by 4 bps in 10-year sector.

Interest Rates

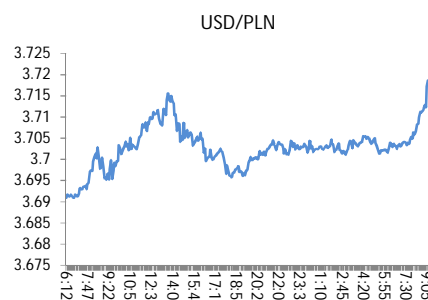
Today the O/N bid rate should be within a range of 1.35%-1.55%. Swap rates were 1-3 bps down in all tenors.

Equities

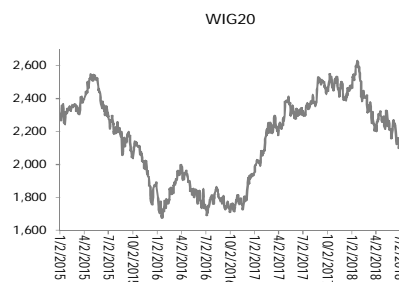
Yesterday the Dow Jones index closed 0.32% up. Today in the morning the FTSE index was 0.11% down, the CAC index fell by 0.19% and the DAX index was 0.26% down. The Nikkei index closed 0.13% down. Today in the morning the WIG20 index was 0.90% down and the WIG index was 0.34% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 19 July 2018 (7:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7191	3.7031	0.4%	SPOT	3.7184	3.7197	SPOT	4.3181	4.3195
EUR/PLN	4.3188	4.3036	0.4%	S/N	3.7183	3.7197	S/N	4.3183	4.3198
GBP/PLN	4.8504	4.8276	0.5%	1W	3.7180	3.7194	1W	4.3198	4.3213
CHF/PLN	3.7150	3.6941	0.6%	1M	3.7166	3.7180	1M	4.3256	4.3272
SEK/PLN	0.4180	0.4178	0.0%	2M	3.7149	3.7163	2M	4.3336	4.3354
NOK/PLN	0.4530	0.4526	0.1%	3M	3.7125	3.7141	3M	4.3411	4.3429
DKK/PLN	0.5795	0.5773	0.4%	6M	3.7035	3.7053	6M	4.3640	4.3666
CAD/PLN	2.8182	2.7962	0.8%	12M	3.6842	3.6869	12M	4.4103	4.4154
CZK/PLN	0.1670	0.1665	0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1613	1.1622	-0.1%	O/N	1.59 %	0 bp			
USD/JPY	112.94	113.04	-0.1%	1W	1.56 %	0 bp			
GBP/USD	1.3042	1.3037	0.0%	1M	1.64 %	0 bp	1M		
USD/CHF	1.0011	1.0024	-0.1%	3M	1.70 %	0 bp	3M	%	bp
EUR/JPY	131.15	131.37	-0.2%	6M	1.78 %	0 bp	6M	%	bp
EUR/GBP	0.8904	0.8915	-0.1%	9M	1.79 %	0 bp	9M	%	bp
USD/CAD	1.3197	1.3243	-0.4%	12M	1.82 %	0 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	1.92 %	1 bp	2Y	1.62 %	0 bp
2X3	1.65	3X9	1.80	5Y	2.43 %	2 bp	5Y	2.50 %	3 bp
1X4	1.71	6X12	1.82	10Y	2.90 %	3 bp	10Y	3.13 %	4 bp
3X6	1.72			5Y-2Y	52 bp	1 bp			
6X9	1.74			10Y-5Y	47 bp	0 bp			
9X12	1.78			10Y-2Y	98 bp	1 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