



Poland Daily

HEADLINES...

USA: Existing home sales fall 0.6% mom to 5.38m saar in June, below market.

USA: Chicago Fed national activity index rises 0.88pts to 0.43 pts in June, above market.

EMU: Consumer confidence index unchanged at -0.6 in July, above market.

THE DAY AHEAD...

POL: Unemployment rate (Jun)

HUN: NBH decision

FRA: Manufacturing PMI (Jul)

DEU: Manufacturing PMI (Jul)

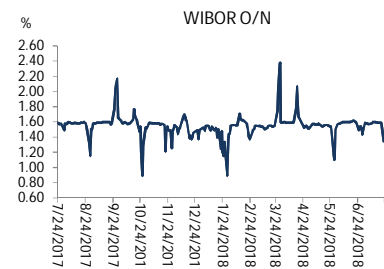
EMU: Manufacturing PMI (Jul)

USA: Manufacturing PMI (Jul)

TODAY'S FOCUS:

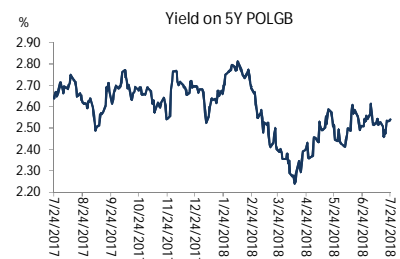
Today GUS will release unemployment rate for June. We expect unemployment rate to decline to 5.9% in June from 6.1% in May. On a foreign side market participants will focus on series of preliminary PMIs from France, Germany, euro-zone and the US for July.

Figure 1: WIBOR O/N



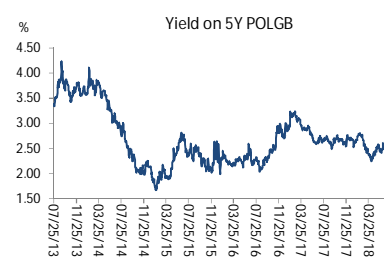
Source: Bloomberg

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 |
|---------|-------|-------------------------|-------------|--------|-----------|
| FRA | 7:00 | Manufacturing PMI (Jul) | 52.5 | 53.1 | 52.5 |
| DEU | 7:30 | Manufacturing PMI (Jul) | 55.5 | 57.3 | 55.5 |
| POL | 8:00 | Unemployment rate (Jun) | 5.9% | | 6.1% |
| EMU | 8:00 | Manufacturing PMI (Jul) | 54.7 | | 54.7 |
| HUN | 12:00 | NBH decision | 0.90% | | 0.90% |
| USA | 13:45 | Manufacturing PMI (Jul) | 55.1 | | 55.1 |

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.5% weaker versus the USD and was 0.2% weaker versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.3150-4.3500 per EUR.

The USD firmed versus the EUR ahead of today's PMIs data from euro-zone and the US for July and ahead of ECB meeting on Thursday. Market participants expect the ECB to issue dovish statement and to keep policy setting unchanged in the coming quarters.

Fixed Income

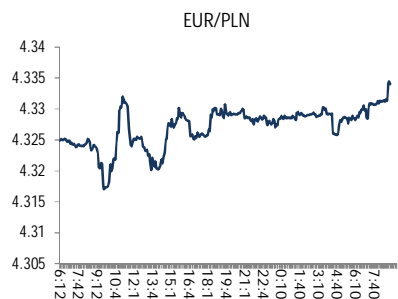
The yields on Poland's government bonds were 1bp up in medium segment of the curve.

Interest Rates

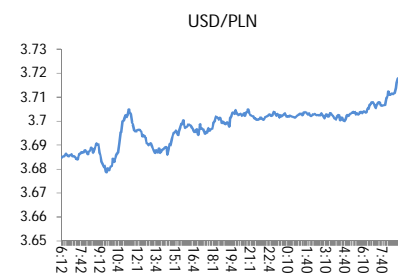
Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were practically unchanged in all tenors.

Equities

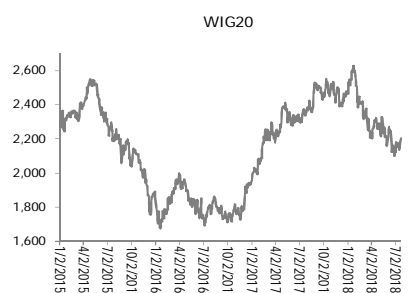
Yesterday the Dow Jones index closed 0.06% down. Today in the morning the FTSE index was 0.17% up, the CAC index rose by 0.45% and the DAX index was 0.53% up. The Nikkei index closed 0.51% up. Today in the morning the WIG20 index rose by 0.42% and the WIG index was 0.33% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 24 July 2018 (7:00 GMT)

| Currency (mid) | Today | Last fixing | Change | USD/PLN | | | EUR/PLN | | |
|----------------|--------------|-------------|--------|-----------|-----------------|--------------|---------------|-----------------|--------------|
| | | | | forwards | bid | offer | forwards | bid | offer |
| USD/PLN | 3.7157 | 3.6957 | 0.5% | SPOT | 3.7148 | 3.7165 | SPOT | 4.3340 | 4.3359 |
| EUR/PLN | 4.3350 | 4.3262 | 0.2% | S/N | 3.7147 | 3.7165 | S/N | 4.3342 | 4.3362 |
| GBP/PLN | 4.8642 | 4.8500 | 0.3% | 1W | 3.7143 | 3.7162 | 1W | 4.3356 | 4.3377 |
| CHF/PLN | 3.7370 | 3.7271 | 0.3% | 1M | 3.7128 | 3.7149 | 1M | 4.3417 | 4.3440 |
| SEK/PLN | 0.4183 | 0.4176 | 0.2% | 2M | 3.7113 | 3.7132 | 2M | 4.3493 | 4.3515 |
| NOK/PLN | 0.4522 | 0.4526 | -0.1% | 3M | 3.7087 | 3.7108 | 3M | 4.3566 | 4.3592 |
| DKK/PLN | 0.5819 | 0.5806 | 0.2% | 6M | 3.6998 | 3.7024 | 6M | 4.3803 | 4.3835 |
| CAD/PLN | 2.8185 | 2.8111 | 0.3% | 12M | 3.6815 | 3.6847 | 12M | 4.4267 | 4.4320 |
| CZK/PLN | 0.1680 | 0.1671 | 0.5% | | | | | | |
| | | | | WIBOR | Last fixing | 1-day change | T-bills (mid) | Today's opening | 1-day change |
| EUR/USD | 1.1667 | 1.1706 | -0.3% | O/N | 1.34 % | bp | | | |
| USD/JPY | 111.26 | 111.11 | 0.1% | 1W | 1.55 % | bp | | | |
| GBP/USD | 1.3092 | 1.3123 | -0.2% | 1M | 1.64 % | bp | 1M | | |
| USD/CHF | 0.9942 | 0.9916 | 0.3% | 3M | 1.70 % | bp | 3M | % | bp |
| EUR/JPY | 129.81 | 130.06 | -0.2% | 6M | 1.78 % | bp | 6M | % | bp |
| EUR/GBP | 0.8912 | 0.8920 | -0.1% | 9M | 1.79 % | bp | 9M | % | bp |
| USD/CAD | 1.3184 | 1.3147 | 0.3% | 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 | 1.65 | 1X7 | 1.78 | 2Y | 1.95 % | 3 bp | 2Y | 1.63 % | 0 bp |
| 2X3 | 1.65 | 3X9 | 1.79 | 5Y | 2.48 % | 6 bp | 5Y | 2.54 % | 1 bp |
| 1X4 | 1.70 | 6X12 | 1.82 | 10Y | 2.94 % | 6 bp | 10Y | 3.18 % | 0 bp |
| 3X6 | 1.71 | | | 5Y-2Y | 53 bp | 3 bp | | | |
| 6X9 | 1.74 | | | 10Y-5Y | 47 bp | 1 bp | | | |
| 9X12 | 1.79 | | | 10Y-2Y | 100 bp | 3 bp | | | |



Appendix 1

Important Disclosures

Additional information available upon request

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