

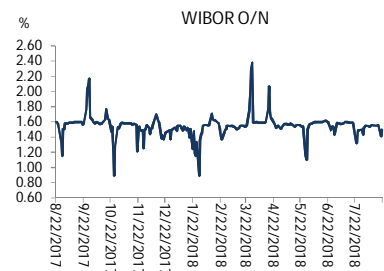


# Poland Daily

## HEADLINES...

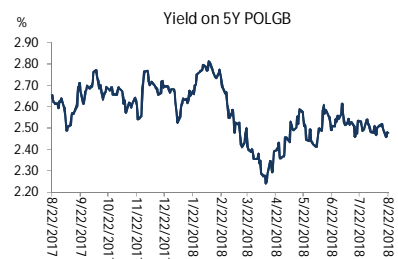
POL: Government accepted 2019 budget draft. In 2019 government envisages real GDP growth of 3.8%, real private consumption 3.5% and average inflation of 2.3%. In 2019 draft budget envisages budget revenues of PLN386.9bn and budget expenditures of PLN415.4bn what results in budget gap of PLN28.5bn. General government deficit (Eurostat definition) is envisaged at 1.8% of GP in 2019. Government expects private consumption to grow by 5.9% in nominal terms and total wage bill in national economy to grow by 6.0% in nominal terms in 2019. 2019 budget assumptions are conservative and expected continuation of robust economic growth will facilitate reaching budgetary goals.

Figure 1: WIBOR O/N



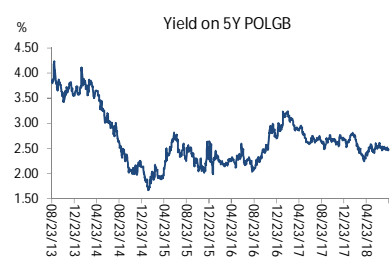
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

	2018 budget	2019 draft
GDP (real growth)	3.8	3.8
Personal consumption (real growth)	3.5	3.5
Inflation (annual average)	2.3	2.3
General government deficit (% of GDP)	-2.7	-1.8

Source: Finance Ministry

## THE DAY AHEAD...

- POL: Retail sales (Jul)
- HUN: Average wage (Jun)
- USA: Existing home sales (Jul), minutes from FOMC meeting

## TODAY'S FOCUS:

Today the GUS will release data on retail sales for July. On a foreign side US existing home sales for July and Hungary's average wage for June will be published.

## DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
HUN	7:00	Average wage (Jun)			(10.0%)
POL	8:00	Retail sales (Jul)	(9.3%)		-0.2% (9.5%)
USA	14:00	Existing Home Sales (Jul)	0.4%		0.4%
USA	18:00	Minutes from FOMC meeting			



## Foreign Exchange

Today in the morning the zloty was 0.8% firmer versus the USD and was 0.5% firmer versus the EUR compared to the last NBP fixing. The zloty firmed as Turkish lira has stabilised. Today the zloty should be moving within a range of PLN4.2750-4.3150 per EUR.

The USD weakened versus the EUR to above USD1.1550 per EUR as President Trump's lawyer Cohen admitted to illegal funding of election campaign.

## Fixed Income

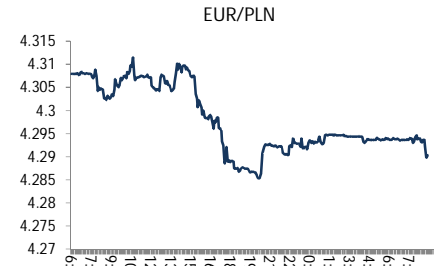
The yields on Poland's government bonds were 1bp up in 2-year and 5-year sectors.

## Interest Rates

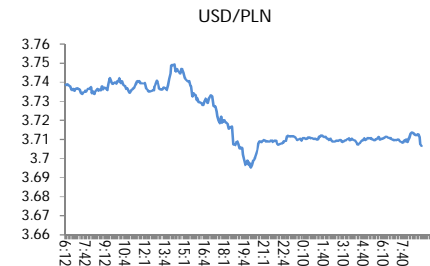
Today the O/N bid rate should be within a range of 1.10%-1.40%. 9M and 12M WIBOR rates rose by 1 and 2 bps respectively as one domestic bank has been bidding for 12M liquidity for several days. Swap rates were 1bp up across the curve.

## Equities

Yesterday the Dow Jones index closed 0.25% up. Today in the morning the FTSE index was 0.33% down, the CAC index fell by 0.01% and the DAX index was 0.17% down. The Nikkei index closed 0.64% up. Today in the morning the WIG20 index fell by 0.15% and the WIG index was 0.27% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 22 August 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN						
				forwards	bid	offer	forwards	bid	offer				
USD/PLN	3.7088	3.7375	-0.8%	SPOT	3.7080	3.7096	SPOT	4.2895	4.2911				
EUR/PLN	4.2903	4.3101	-0.5%	S/N	3.7077	3.7095	S/N	4.2901	4.2918				
GBP/PLN	4.7837	4.7951	-0.2%	1W	3.7075	3.7092	1W	4.2910	4.2927				
CHF/PLN	3.7670	3.7853	-0.5%	1M	3.7063	3.7080	1M	4.2968	4.2986				
SEK/PLN	0.4071	0.4108	-0.9%	2M	3.7042	3.7061	2M	4.3046	4.3066				
NOK/PLN	0.4413	0.4447	-0.8%	3M	3.7018	3.7038	3M	4.3128	4.3150				
DKK/PLN	0.5752	0.5779	-0.5%	6M	3.6928	3.6954	6M	4.3363	4.3392				
CAD/PLN	2.8461	2.8691	-0.8%	12M	3.6730	3.6768	12M	4.3818	4.3872				
CZK/PLN	0.1667	0.1675	-0.5%										
				WIBOR		Last fixing	1-day change		T-bills (mid)	Today's opening	1-day change		
EUR/USD	1.1568	1.1532	0.3%	O/N	1.50	%		9	bp				
USD/JPY	110.43	110.21	0.2%	1W	1.55	%		1	bp				
GBP/USD	1.2898	1.2830	0.5%	1M	1.64	%		0	bp				
USD/CHF	0.9846	0.9874	-0.3%	3M	1.71	%		0	bp				
EUR/JPY	127.75	127.10	0.5%	6M	1.79	%		0	bp				
EUR/GBP	0.8968	0.8989	-0.2%	9M	1.81	%		1	bp				
USD/CAD	1.3031	1.3027	0.0%	12M	1.86	%		2	bp				
FRAs				Last closing		1-day change		Today's opening		1-day change			
1X2	1.68	1X7	1.81	2Y	1.92	%	1	bp	2Y	1.60	%	1	bp
2X3	1.67	3X9	1.81	5Y	2.40	%	1	bp	5Y	2.47	%	1	bp
1X4	1.73	6X12	1.84	10Y	2.87	%	1	bp	10Y	3.11	%	0	bp
3X6	1.73			5Y-2Y	48	bp	0	bp					
6X9	1.76			10Y-5Y	47	bp	0	bp					
9X12	1.80			10Y-2Y	95	bp	1	bp					



# Appendix 1

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