



Poland Daily

HEADLINES...

POL: Government decided to hike minimal monthly wage by 7.1% to PLN2250 in 2019 from the current minimal monthly wage of PLN2100. Minimal hourly wage will be hiked to PLN14.70 from the current PLN13.70. An increase in minimal wage is consistent with the current growth in wages in enterprises' sector. A hike in minimal wage is a reaction to increasing number of vacancies and increasing demand for labour in manufacturing and services.

POL: The Finance Ministry accelerated VAT refunds, aiming at an improvement in companies' liquidity and encouraging investments. According to Finance Ministry, the cost of lowering CIT rate to 15% (from 19%) for some entrepreneurs in 2017 was PLN390mn as about 23% of CIT taxpayers benefited from lowered tax. Average per capita benefit was PLN3200.

THE DAY AHEAD...

EMU: Industrial production (Jul)

USA: PPI (Aug)

TODAY'S FOCUS:

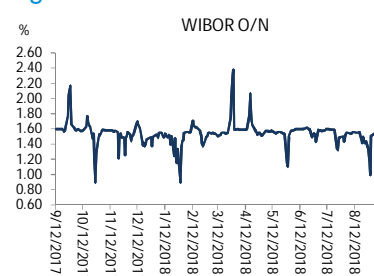
Today economic calendar contains industrial production for July from euro-zone and US producer prices for August.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
EMU	9:00	Produkcja przemysłowa (lip)	-0.5% (1.0%)		-0.5% (1.0%)
USA	12:30	Ceny producenta (sie)	0.3% (3.3%)		0.2% (3.2%)

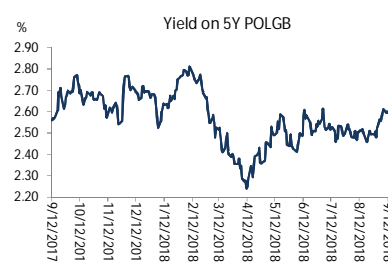
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



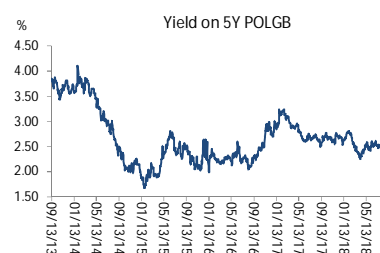
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



Foreign Exchange

Today in the morning the zloty was 0.2% weaker versus the USD and was unchanged versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2900-4.3200 per EUR.

The EUR temporarily firmed versus the USD due to improved confidence on news that PM May is going to announce UK-EU summit in November to reach agreement on major Brexit issues.

Fixed Income

The yields on Poland's government bonds were 2bps down in 5-year sector and remained unchanged elsewhere.

Interest Rates

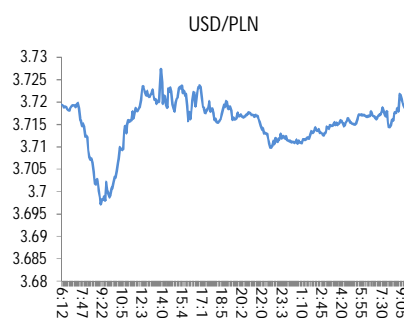
Today the O/N bid rate should be within a range of 1.20%-1.45%. Swap rates were practically unchanged across the curve.

Equities

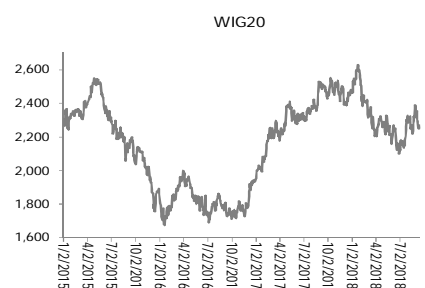
Yesterday the Dow Jones index closed 0.44% up. Today in the morning the FTSE index rose by 0.08%, the CAC index increased by 0.41% and the DAX index was 0.15% up. The Nikkei index closed 0.27% down. Today in the morning the WIG20 index rose by 0.56% and the WIG index increased by 0.48%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 12 September 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7176	3.7087	0.2%	SPOT	3.7170	3.7182	SPOT	4.3078	4.3091
EUR/PLN	4.3085	4.3077	0.0%	S/N	3.7168	3.7181	S/N	4.3085	4.3098
GBP/PLN	4.8369	4.8371	0.0%	1W	3.7166	3.7179	1W	4.3094	4.3108
CHF/PLN	3.8171	3.8069	0.3%	1M	3.7147	3.7160	1M	4.3152	4.3167
SEK/PLN	0.4105	0.4096	0.2%	2M	3.7123	3.7137	2M	4.3224	4.3241
NOK/PLN	0.4459	0.4437	0.5%	3M	3.7097	3.7113	3M	4.3294	4.3313
DKK/PLN	0.5777	0.5776	0.0%	6M	3.6994	3.7016	6M	4.3525	4.3551
CAD/PLN	2.8473	2.8207	0.9%	12M	3.6783	3.6812	12M	4.4017	4.4060
CZK/PLN	0.1681	0.1681	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1589	1.1615	-0.2%	O/N	1.54 %	0 bp			
USD/JPY	111.49	111.40	0.1%	1W	1.55 %	0 bp			
GBP/USD	1.3010	1.3043	-0.2%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9740	0.9742	0.0%	3M	1.71 %	0 bp	3M	%	bp
EUR/JPY	129.21	129.39	-0.1%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8908	0.8906	0.0%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3058	1.3148	-0.7%	12M	1.87 %	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	1.67	1X7	1.80	2Y	1.97 %	1 bp	2Y	1.64 %	1 bp
2X3	1.67	3X9	1.83	5Y	2.51 %	0 bp	5Y	2.59 %	-2 bp
1X4	1.72	6X12	1.87	10Y	2.99 %	1 bp	10Y	3.28 %	0 bp
3X6	1.75			5Y-2Y	54 bp	-1 bp			
6X9	1.79			10Y-5Y	49 bp	0 bp			
9X12	1.82			10Y-2Y	103 bp	0 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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