



# Poland Daily

## HEADLINES...

POL: Today the Monetary Policy Council ends two-day policy meeting. In our view recent weaker economic activity data and lack of inflationary pressure from wage growth in Poland will support majority view with the MPC that interest rates should be kept unchanged in the coming quarters. In our opinion MPC members at press conference on Wednesday may comment on moderate zloty weakening but most likely will stress that the current level of PLN exchange rate level is neutral for monetary policy if there are no inflationary impulses. At the meeting on Wednesday the MPC will publish updated inflation and GDP projections. Except from new projection the market will be interested in MPC's assessment of the current macro-economic conditions in Poland.

## THE DAY AHEAD...

POL: MPC decision, official reserve assets (Oct)

DEU: Industrial production (Sep)

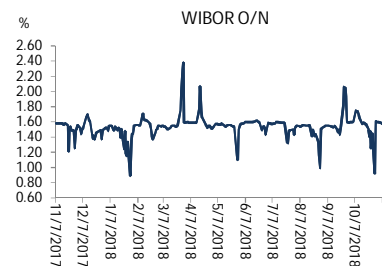
EMU: Retail sales (Sep)

HUN: Minutes from NBH meeting

## TODAY'S FOCUS:

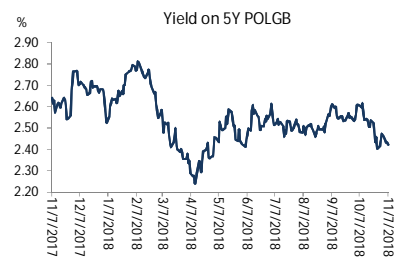
Today market participants will be focusing on new projections of inflation and GDP and MPC comments after the meeting. On a foreign side market players are busy in finding implications of very likely victory of Democrats in the US Congress.

Figure 1: WIBOR O/N



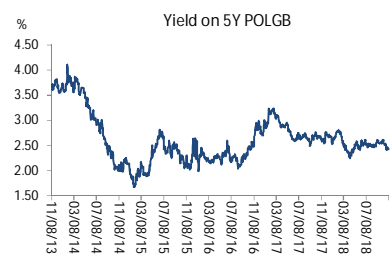
Source: Bloomberg

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
DEU	6:00	Industrial production (Sep)	(0.5%)	0.2% (0.8%)	0.0% (0.5%)
EMU	9:00	Retail sales (Sep)			0.1% (0.9%)
POL		MPC decision	1.50%		1.50%
POL	12:00	Official reserve assets (Sep)			



## Foreign Exchange

Today in the morning the zloty was 0.8% firmer versus the USD and was 0.2% firmer versus the EUR compared to the last NBP fixing. The zloty firmed versus the as Democrats likely won majority in US Congress. Today the zloty should be moving within a range of PLN4.2900-4.3100 per EUR.

The USD weakened across the board, as very likely victory of Democrats in US Congress will reduce President Trump's ability to implement his agenda.

## Fixed Income

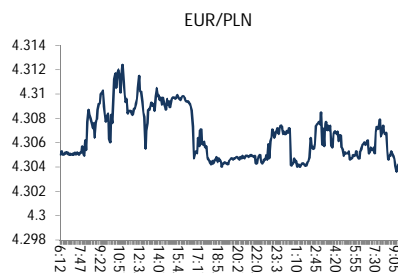
The yields on Poland's government bonds were 1bp down in 5-year and 10-year sectors and remained unchanged in the short end of the curve.

## Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.50%.

## Equities

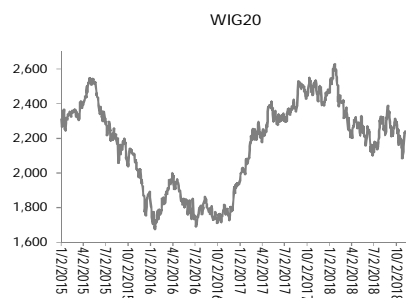
Yesterday the Dow Jones index closed 0.68% up and the S&P 500 index increased by 0.63%. Today in the morning the FTSE index rose by 1.12%, the CAC index increased by 1.24% and the DAX index was 1.06% up. Today the Nikkei index closed 0.26% down. Today in the morning the WIG20 index rose by 0.64% and the WIG index increased by 0.52%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

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

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7516	3.7802	-0.8%	SPOT	3.7510	3.7521	SPOT	4.3012	4.3023
EUR/PLN	4.3018	4.3115	-0.2%	S/N	3.7507	3.7518	S/N	4.3021	4.3033
GBP/PLN	4.9298	4.9359	-0.1%	1W	3.7505	3.7517	1W	4.3029	4.3041
CHF/PLN	3.7554	3.7624	-0.2%	1M	3.7487	3.7499	1M	4.3088	4.3101
SEK/PLN	0.4164	0.4170	-0.1%	2M	3.7440	3.7454	2M	4.3183	4.3201
NOK/PLN	0.4504	0.4520	-0.4%	3M	3.7405	3.7421	3M	4.3264	4.3283
DKK/PLN	0.5768	0.5780	-0.2%	6M	3.7305	3.7326	6M	4.3482	4.3510
CAD/PLN	2.8612	2.8803	-0.7%	12M	3.7070	3.7101	12M	4.3968	4.4023
CZK/PLN	0.1664	0.1669	-0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1467	1.1405	0.5%	O/N	1.57 %	bp			
USD/JPY	113.18	113.20	0.0%	1W	1.56 %	bp			
GBP/USD	1.3141	1.3057	0.6%	1M	1.64 %	bp	1M		
USD/CHF	0.9990	1.0047	-0.6%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	129.78	129.11	0.5%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8726	0.8735	-0.1%	9M	1.82 %	bp	9M	%	bp
USD/CAD	1.3113	1.3124	-0.1%	12M	1.87 %	bp	12M	%	bp
							T-Bonds (mid)	Today's opening	1-day change
FRAs (mid)	Last closing			IRS (mid)	Today's opening	1-day change	2Y	1.54 %	0 bp
1X2	1.65	1X7	1.81	2Y	2.01 %	bp	5Y	2.42 %	-1 bp
2X3	1.66	3X9	1.82	5Y	2.50 %	bp	10Y	3.17 %	-1 bp
1X4	1.73	6X12	1.88	10Y	2.91 %	bp			
3X6	1.75			5Y-2Y	50 bp	bp			
6X9	1.78			10Y-5Y	41 bp	bp			
9X12	1.85			10Y-2Y	90 bp	bp			



# Appendix 1

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