



Poland Daily

HEADLINES...

POL: The head of Polish Financial Supervision Authority (KNF) Marek Chrzanowski resigned yesterday due to accusation of demanding a bribe from Leszek Czarnecki, owner of Getin Bank and Idea Bank. PM Mateusz Morawiecki accepted resignation of head of the KNF. Spokesperson of the KNF denied any allegation that bribe was demanded by KNF head Chrzanowski at any meeting with Leszek Czarnecki. KNF recently put Idea Bank at public warnings list.

POL: The Central Statistical Office (GUS) informed that inflation in October was 0.4% mom and 1.8% yoy, above initial estimate of 0.4% mom and 1.7% yoy.

POL: According to preliminary estimate of the GUS GDP growth in Q3 was 1.7% qoq and 5.1% yoy, much above market consensus view of 0.9% qoq and 4.6% yoy.

THE DAY AHEAD...

POL: Inflation (Oct), GDP (Q3, prel.)

CZK: GDP (Q3, prel.)

HUN: GDP (Q3, prel.)

UK: Inflation (Oct),

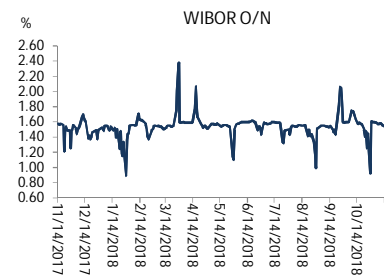
EMU: GDP (Q3, prel.), industrial production (Oct)

USA: Inflation (Oct), Core Inflation (Oct),

TODAY'S FOCUS:

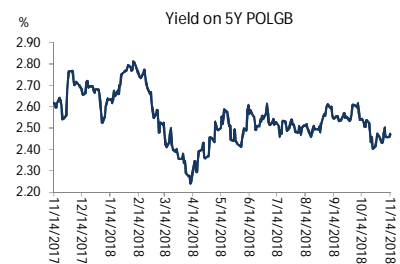
Today market participants will be focusing on US inflation and core inflation for October and Q3 GDP from the euro-zone and Germany. On a domestic side the GUS released final inflation for October and preliminary Q3 GDP.

Figure 1: WIBOR O/N



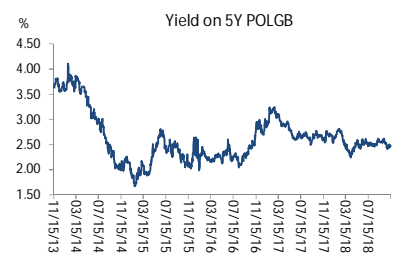
Source: Bloomberg

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	GDP (Q3, p)	(1.2%)	-0.2% (1.1%)	-0.1% (1.2%)
CZK	7:00	GDP (Q3, p)		0.4% (2.3%)	0.6% (2.6%)
HUN	7:00	GDP (Q3, p)		1.2% (4.8%)	0.7% (4.4%)
POL	8:00	GDP (Q3, p)	0.9% (4.5%)	1.7% (5.1%)	0.9% (4.6%)
POL	8:00	Inflation (Oct)	0.4% (1.8%)	0.4% (1.8%)	0.4% (1.7%)
EMU	9:00	GDP (Q3, p)	0.2%		0.2% (1.7%)
USA	12:30	Inflation (Oct)	0.4%		0.3% (2.5%)



Foreign Exchange

Today in the morning the zloty was 0.6% firmer versus the USD and was 0.2% firmer versus the EUR compared to the last NBP fixing. Higher than expected inflation and much stronger than forecast Q3 GDP growth should support the zloty. Today the zloty should be moving within a range of PLN4.2750-4.3050 per EUR.

The EUR firmed as the UK and the EU reached an agreement in Brexit talks due to compromise on Irish border issue. Firming of the EUR is hindered by lack of an agreement between the European Commission and Italy on Italian budget and by weaker than expected Germany's GDP growth in Q3.

Fixed Income

The yields on Poland's government bonds were 1-2 bps up in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.50%. Swap rates increased by 1-2bps across the curve.

Equities

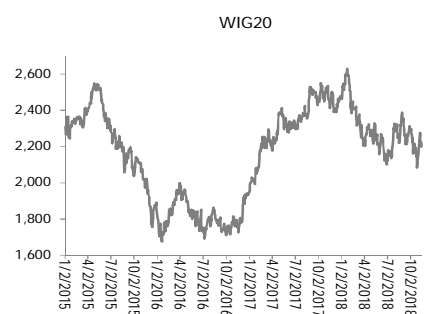
Yesterday the Dow Jones index closed 0.40% down and the S&P 500 index decreased by 0.15%. Today in the morning the FTSE index fell by 0.87%, the CAC index decreased by 1.29% and the DAX index was 1.12% down. Today the Nikkei index closed 0.16% up. Today in the morning the WIG20 index fell by 0.61% and the WIG index decreased by 0.46%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 14 November 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.8046	3.8268	-0.6%	SPOT	3.8040	3.8051	SPOT	4.2909	4.2921
EUR/PLN	4.2915	4.2994	-0.2%	S/N	3.8037	3.8048	S/N	4.2915	4.2928
GBP/PLN	4.9320	4.9325	0.0%	1W	3.8033	3.8045	1W	4.2924	4.2937
CHF/PLN	3.7712	3.7862	-0.4%	1M	3.8014	3.8026	1M	4.2981	4.2995
SEK/PLN	0.4175	0.4197	-0.5%	2M	3.7961	3.7976	2M	4.3079	4.3097
NOK/PLN	0.4460	0.4498	-0.9%	3M	3.7928	3.7944	3M	4.3164	4.3183
DKK/PLN	0.5751	0.5762	-0.2%	6M	3.7828	3.7852	6M	4.3382	4.3411
CAD/PLN	2.8720	2.8912	-0.7%	12M	3.7585	3.7626	12M	4.3861	4.3911
CZK/PLN	0.1653	0.1657	-0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1280	1.1235	0.4%	O/N	1.54 %	bp			
USD/JPY	113.82	114.11	-0.3%	1W	1.56 %	bp			
GBP/USD	1.2965	1.2889	0.6%	1M	1.64 %	bp	1M		
USD/CHF	1.0089	1.0107	-0.2%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	128.39	128.21	0.1%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8701	0.8716	-0.2%	9M	1.82 %	bp	9M	%	bp
USD/CAD	1.3248	1.3236	0.1%	12M	1.87 %	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	1.64	1X7	1.80	2Y	2.01 %	1 bp	2Y	1.58 %	1 bp
2X3	1.66	3X9	1.83	5Y	2.51 %	2 bp	5Y	2.47 %	2 bp
1X4	1.72	6X12	1.89	10Y	2.92 %	1 bp	10Y	3.24 %	1 bp
3X6	1.75			5Y-2Y	51 bp	bp			
6X9	1.79			10Y-5Y	41 bp	bp			
9X12	1.86			10Y-2Y	92 bp	bp			



Appendix 1

Important Disclosures

Additional information available upon request

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