



# Poland Daily

## HEADLINES...

POL: In October nominal retail sales rose by 7.4% mom and increased by 9.7% yoy. Real retail sales rose by 6.5% mom and increased by 7.8% yoy in October. Much stronger than expected increase in retail sales stemmed mainly from 20.9% mom and 9.7% yoy growth in real retail sales of automobiles. Growth in retail sales was also boosted by a strong real growth in sales of fuels (up 11.0% yoy), pharmaceuticals and cosmetics (up 11.7% yoy), footwear and clothing (up 11.6% yoy) and other goods, including sales via Internet (up 15.0% yoy). In real terms, retail sales of durable consumer goods was 7.5% up yoy. In October, structure of retail sales was very robust and pointed to strong consumer demand.

POL: Minutes from MPC meeting revealed MPC's opinion that according to available forecasts, GDP growth in the coming quarters would gradually decline in the wake of weakening economic growth abroad, and slower growth of both domestic consumption and investment. The MPC also underlined uncertainty on inflation growth in 2019 related to potential rise in energy prices, introducing the emission charge on fuels and resulting rise in production costs of enterprises. The Council stated that higher wages had not yet translated on consumer inflation. The MPC added that wage growth would be limited by rise of energy costs and weaker foreign demand. On the other hand wages would be increased by an outflow of foreign workers to other EU countries in 2019, including Germany.

EMU: Consumer confidence fell by 1.2 pts to -3.9 pts in November, below market consensus.

## THE DAY AHEAD...

POL: Money supply M3 (Oct)

DEU: GDP (Q3), PMI Manufacturing (Nov)

EMU: PMI Manufacturing (Nov)

USA: PMI Manufacturing (Nov)

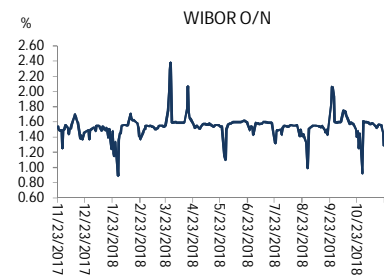
## TODAY'S FOCUS:

Today market participants will focus on German Q3 GDP and PMI indices from euro-zone and the US for November.

## DIARY (Today)

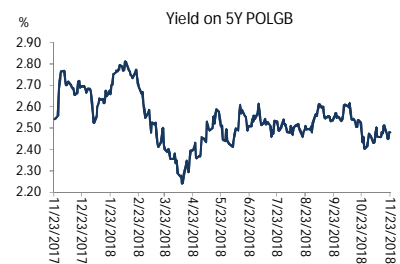
Country	GMT	Release	DB Expected	Actual	Consensus
DEU	6:00	GDP (Q3)	-0.2% (1.1%)	-0.2% (1.1%)	-0.2% (1.1%)
DEU	7:30	PMI Manufacturing (Nov)		51.6	52.2
EMU	8:00	PMI Manufacturing (Nov)			
POL	12:00	Money supply M3 (Oct)	0.8% (7.7%)		0.9% (7.8%)
USA	13:45	PMI Manufacturing (Nov)			55.7

Figure 1: WIBOR O/N



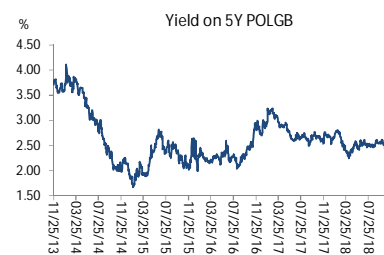
Source: Bloomberg

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 0.1% weaker versus the USD and was 0.2% firmer versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2850-4.3100 per EUR.

Today in the morning the EUR fell sharply versus the USD from 1.1410 to 1.1370 USD per EUR after much weaker than expected Germany's PMIs in manufacturing and services for November.

## Fixed Income

The yields on Poland's government bonds were 3-4bps up in all tenors.

## Interest Rates

Today the O/N bid rate should be within a range of 1.00%-1.35%. Swap rates rose by 1bp across the curve.

## Equities

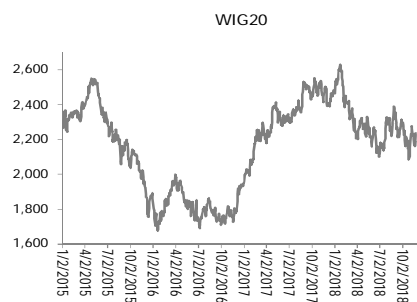
Today in the morning the FTSE index rose by 0.41%, the CAC index increased by 0.31% and the DAX index was 0.54% up. Today in the morning the WIG20 index fell by 0.33% and the WIG index declined by 0.15%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 23 November 2018 (7:30 GMT)

waluta (mid)	Dziś	Ostatni fixing	Zmiana	forwardy USD/PLN	bid	offer	forwardy EUR/PLN	bid	offer	
USD/PLN	3.7761	3.7764	0.0%	SPOT	3.7756	3.7766	SPOT	4.2955	4.2965	
EUR/PLN	4.2960	4.3064	-0.2%	S/N	3.7755	3.7765	S/N	4.2957	4.2967	
GBP/PLN	4.8492	4.8300	0.4%	1W	3.7750	3.7761	1W	4.2971	4.2983	
CHF/PLN	3.7911	3.8000	-0.2%	1M	3.7731	3.7743	1M	4.3026	4.3039	
SEK/PLN	0.4173	0.4171	0.0%	2M	3.7683	3.7697	2M	4.3128	4.3144	
NOK/PLN	0.4415	0.4416	0.0%	3M	3.7651	3.7664	3M	4.3199	4.3215	
DKK/PLN	0.5758	0.5770	-0.2%	6M	3.7546	3.7569	6M	4.3423	4.3452	
CAD/PLN	2.8573	2.8541	0.1%	12M	3.7328	3.7359	12M	4.3900	4.3946	
CZK/PLN	0.1653	0.1656	-0.2%							
							Bony			
				WIBOR	Ostatni fixing	Zmiana 1-dzień	skarbowe (mid)	Dzisiejsze otwarcie	Zmiana 1-dzień	
EUR/USD	1.1377	1.1403	-0.2%	O/N	1.29 %	-18 bp				
USD/JPY	112.86	112.95	-0.1%	1W	1.54 %	0 bp				
GBP/USD	1.2842	1.2790	0.4%	1M	1.64 %	0 bp	1M			
USD/CHF	0.9962	0.9938	0.2%	3M	1.72 %	0 bp	3M	%	bp	
EUR/JPY	128.41	128.80	-0.3%	6M	1.79 %	0 bp	6M	%	bp	
EUR/GBP	0.8859	0.8916	-0.6%	9M	1.82 %	0 bp	9M		bp	
USD/CAD	1.3217	1.3231	-0.1%	12M	1.87 %	0 bp	12M		bp	
							Obligacje skarbowe			
				FRAs (mid)	Ostatnie zamknięcie		(mid)	Dzisiejsze otwarcie	Zmiana 1-dzień	
				1X2	1.65	1X7	1.80	2L	1.62 %	4 bp
				2X3	1.65	3X9	1.83	5L	2.48 %	4 bp
				1X4	1.73	6X12	1.87	10L	3.24 %	3 bp
				3X6	1.75			5L-2L	49 bp	-1 bp
				6X9	1.79			10L-5L	42 bp	0 bp
				9X12	1.84			10L-2L	91 bp	0 bp



# Appendix 1

## Important Disclosures

### Additional information available upon request

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