



Poland Daily

HEADLINES...

POL: Energy Minister Krzysztof Tchorzewski informed that a transfer of PLN1bn from four energy groups controlled by the state would have a form of a one-off climate tax that will diminish energy groups' profits in 2019. Energy Minister Krzysztof Tchorzewski also suggested that energy groups may resign from electricity price hikes in 2019 or significantly amend their proposals of electricity prices for 2019. According to the Eurostat, average retail price of electricity in the first half of 2018 was EUR0.141 per kWh in Poland versus the EU average of EUR0.2049 per kWh.

POL: On Wednesday PM Mateusz Morawiecki won confidence vote with 231 votes for and 181 votes against. The vote was a preemptive move by Law and Justice lawmakers to prevent non-confidence vote submitted by opposition and scheduled on Friday.

UK: On Wednesday PM May won non-confidence vote (231 to 131 what constitutes moderate margin, taking into account that 1/3 of conservative MPs voted against PM May).

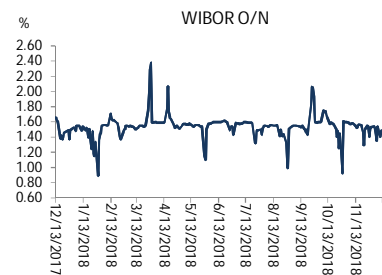
THE DAY AHEAD...

- EMU: ECB meeting
- DEU: Inflation (Nov)
- USA: Initial jobless claims

TODAY'S FOCUS:

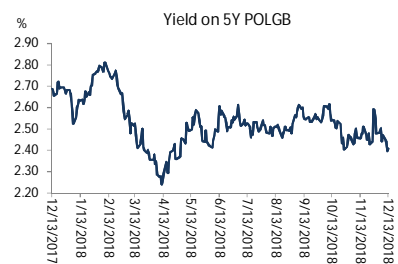
Today market participants will be focusing on ECB communique and ECB President Mario Draghi's comments on the potential date of rate hike in 2019.

Figure 1: WIBOR O/N



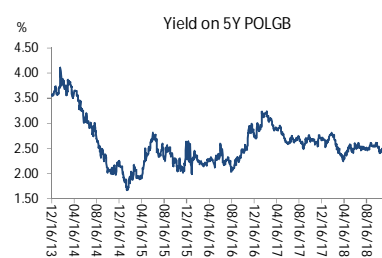
Source: Bloomberg

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	Inflation (Nov)	0.1% (2.3%)	0.1% (2.3%)	0.1% (2.3%)
EMU	11:45	ECB decision	0.00%		0.00%
USA	12:30	Initial jobless claims	225k		226k



Foreign Exchange

Today in the morning the zloty was 0.6% firmer versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. The zloty recovered yesterday's losses versus the USD. Today the zloty should be moving within a range of PLN4.2800-4.3050 per EUR.

The EUR firmed by 0.4% versus the USD as US inflation for November came as expected.

Fixed Income

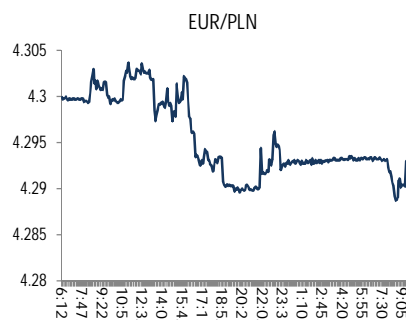
The yields on Poland's government bonds were 2-3bps up in 5-year and 10-year segments.

Interest Rates

Today the O/N bid rate should be within a range of 1.10%-1.35%. Swap rates were 1-3bps in all sectors.

Equities

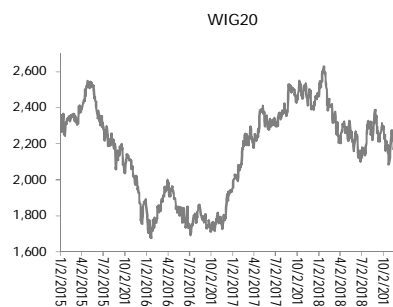
Yesterday the Dow Jones index closed 0.64% up and the S&P 500 index increased by 0.54%. Today in the morning the FTSE index rose by 0.02%, the CAC index decreased by 0.06% and the DAX index was 0.04% down. Today the Nikkei index closed 0.99% up. Today in the morning the WIG20 index decreased by 0.06% and the WIG index was 0.07% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 13 December 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7729	3.7934	-0.5%	SPOT	3.7724	3.7734	SPOT	4.2929	4.2938
EUR/PLN	4.2934	4.2993	-0.1%	S/N	3.7723	3.7733	S/N	4.2931	4.2940
GBP/PLN	4.7816	4.7556	0.5%	1W	3.7718	3.7729	1W	4.2945	4.2955
CHF/PLN	3.8020	3.8191	-0.4%	1M	3.7685	3.7698	1M	4.3014	4.3026
SEK/PLN	0.4172	0.4151	0.5%	2M	3.7652	3.7665	2M	4.3092	4.3107
NOK/PLN	0.4421	0.4424	-0.1%	3M	3.7621	3.7640	3M	4.3154	4.3173
DKK/PLN	0.5753	0.5760	-0.1%	6M	3.7529	3.7545	6M	4.3384	4.3413
CAD/PLN	2.8273	2.8368	-0.3%	12M	3.7329	3.7359	12M	4.3858	4.3905
CZK/PLN	0.1662	0.1662	0.0%						
				WIBOR Last fixing 1-day change			T-bills (mid) Today's opening 1-day change		
EUR/USD	1.1379	1.1334	0.4%	O/N	1.49 %	2 bp			
USD/JPY	113.46	113.47	0.0%	1W	1.54 %	0 bp			
GBP/USD	1.2674	1.2537	1.1%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9923	0.9933	-0.1%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	129.12	128.61	0.4%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8979	0.9040	-0.7%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3345	1.3372	-0.2%	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	1.64	1X7	1.79	2Y	1.86 %	1 bp	2Y	1.48 %	-6 bp
2X3	1.64	3X9	1.80	5Y	2.23 %	3 bp	5Y	2.42 %	-2 bp
1X4	1.72	6X12	1.81	10Y	2.60 %	2 bp	10Y	2.96 %	-5 bp
3X6	1.73			5Y-2Y	37 bp	1 bp			
6X9	1.75			10Y-5Y	37 bp	-1 bp			
9X12	1.78			10Y-2Y	74 bp	1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., ul. Lecha Kaczynskiego 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 1,744,449,384 paid up in full.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krześniak