



## Poland Daily

### HEADLINES...

**POL:** Entrepreneurship Minister Jadwiga Emilewicz denied there were plans to replace governments ministers, and said that in particular, she was not going to replace Energy Minister Krzysztof Tchorzewski.

**EMU:** The European Central Bank confirmed the end to assets purchase programme by the end of this year and confirmed that maturing assets would be reinvested for a longer time, exceeding the date of the first rate hike in euro-zone. The ECB President Mario Draghi said that the market properly priced in the timing of the first rate hike (in the beginning of 2020). DB expects the ECB to hike refi rate in March 2020. Draghi added that the ECB should rethink structural impact of negative deposit rates on banking system in euro-zone what means that technical rate hike of deposit rate is possible (DB expects a 15 bps hike in deposit rate in March 2019). ECB President Draghi said that the balance of risks to growth and inflation was balanced but added that it was shifting to the downside. The ECB forecasts GDP growth in euro-zone at 1.9% in 2018, 1.7% in 2019 and 2020 and 1.5% in 2021.

### THE DAY AHEAD...

**POL:** Inflation (Nov), balance of payments (Oct)

**USA:** Production (Nov), retail sales (Nov), PMI (Dec)

**EMU:** PMI (Dec)

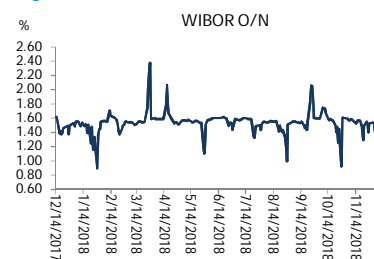
### TODAY'S FOCUS:

Today on a domestic side final inflation for November is worth noting. On a foreign side PMIs from euro-zone and the US and US retail sales and industrial output will be released today.

### DIARY (Today)

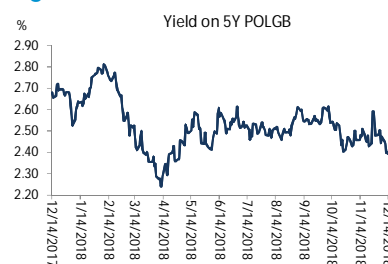
Country	GMT	Release	DB Expected	Actual	Consensus
DEU	7:30	PMI manufacturing (Dec)		51.5	51.7
POL	8:00	Inflation (Nov)	0.0% (1.2%)	0.0% (1.3%)	0.0% (1.2%)
EMU	8:00	PMI manufacturing (Dec)		51.4	51.8
POL	12:00	Current account (Oct)	-483 mIn EUR		-472 mIn EUR
POL	12:00	Trade balance (Oct)	-533 mIn EUR		-341 mIn EUR
USA	12:30	Retail sales (Nov)	0.5%		0.1%
USA	13:15	Industrial production (Nov)	0.3%		0.3%
USA	13:45	PMI manufacturing (Dec)			55.0

Figure 1: WIBOR O/N



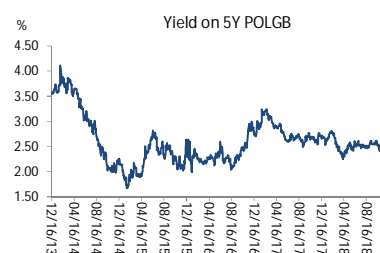
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



Source: Deutsche Bank Estimates and Bloomberg Finance LP

### Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.1% weaker 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 sharply weakened versus the USD after lower than expected PMIs from the euro-zone.

### Fixed Income

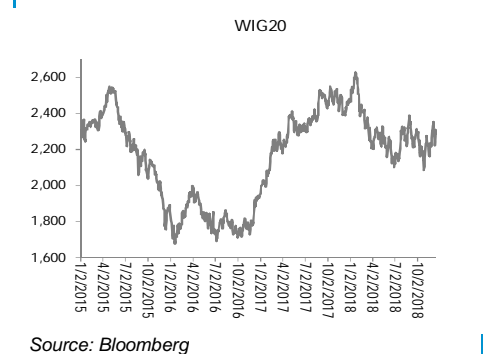
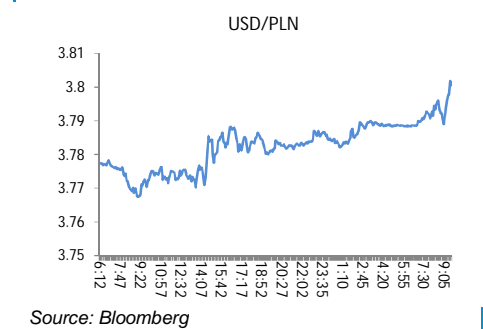
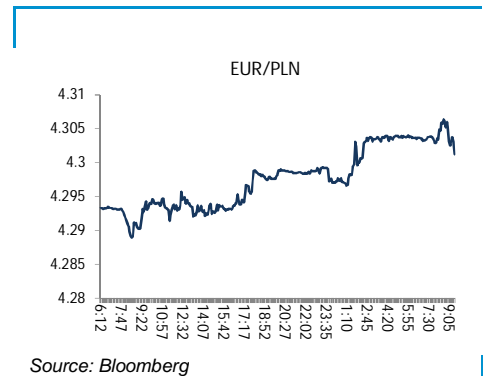
The yields on Poland's government bonds were 6bps down in 5-year sector and declined by 3 bps in 10-year segment. Today at switching auction the Finance Ministry will offer bonds series OK0521, PS0424, WS0428, WZ0524 and WZ0528.

### Interest Rates

Today the O/N bid rate should be within a range of 1.10%-1.40%. Swap rates were 1bp down in all tenors.

### Equities

Yesterday the Dow Jones index closed 0.29% up while the S&P 500 index decreased by 0.02%. Today in the morning the FTSE index fell by 1.08%, the CAC index decreased by 1.25% and the DAX index was 1.49% down. Today the Nikkei index closed 2.02% down. Today in the morning the WIG20 index decreased by 1.00% and the WIG index was 0.82% down.



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

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8067	3.7739	0.9%	SPOT	3.8058	3.8076	SPOT	4.2976	4.2990
EUR/PLN	4.2983	4.2937	0.1%	S/N	3.8057	3.8075	S/N	4.2978	4.2993
GBP/PLN	4.7859	4.7787	0.1%	1W	3.8050	3.8069	1W	4.2998	4.3013
CHF/PLN	3.8225	3.8036	0.5%	1M	3.8023	3.8043	1M	4.3066	4.3085
SEK/PLN	0.4177	0.4163	0.3%	2M	3.7991	3.8012	2M	4.3144	4.3163
NOK/PLN	0.4412	0.4415	-0.1%	3M	3.7962	3.7985	3M	4.3208	4.3230
DKK/PLN	0.5758	0.5753	0.1%	6M	3.7863	3.7891	6M	4.3439	4.3475
CAD/PLN	2.8420	2.8260	0.6%	12M	3.7660	3.7702	12M	4.3912	4.3968
CZK/PLN	0.1666	0.1662	0.2%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1291	1.1377	-0.8%	O/N	1.50 %	1 bp			
USD/JPY	113.59	113.48	0.1%	1W	1.54 %	0 bp			
GBP/USD	1.2574	1.2662	-0.7%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9962	0.9922	0.4%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	128.26	129.11	-0.7%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8980	0.8985	-0.1%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3395	1.3354	0.3%	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	1.43 %	-5 bp
2X3	1.64	3X9	1.80	5Y	2.22 %	-1 bp	5Y	2.39 %	-3 bp
1X4	1.72	6X12	1.82	10Y	2.59 %	-1 bp	10Y	2.95 %	-1 bp
3X6	1.73			5Y-2Y	36 bp	0 bp			
6X9	1.75			10Y-5Y	37 bp	0 bp			
9X12	1.78			10Y-2Y	74 bp	0 bp			



# Appendix 1

## Important Disclosures

### Additional information available upon request

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