



Poland Daily

HEADLINES...

POL: Core inflation (excluding food and energy) for November was -0.1% mom and 0.7% yoy in line with market consensus view.

POL: In the Financial Stability Report the NBP stated that Poland's real economy and financial system remained balanced and Poland's banking system functioned stable and was well capitalized with high quality capital. The NBP noted that cautious monitoring was required with respect to mortgages and consumer loans with several-year maturity.

POL: President Andrzej Duda signed an amendment to the bill on the Supreme Court that reinstated judges that previously were sent to retirement under previous law. This decision will likely alleviate tensions with the European Commission.

THE DAY AHEAD...

POL: Average wage (Nov), average employment (Nov)

DEU: IFO (Dec)

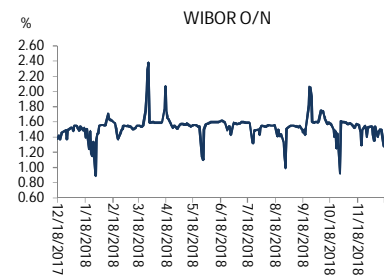
HUN: NBH decision

USA: Housing starts (Nov), building permits (Nov)

TODAY'S FOCUS:

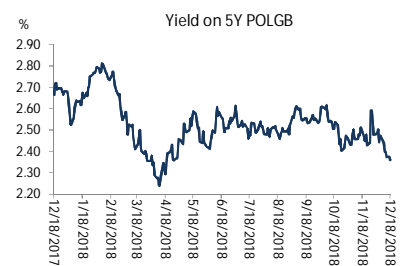
Today on a domestic side wage and employment data are important. On a foreign side German IFO and US housing data are worth noting. Market participants will be focusing on FOMC meeting on Wednesday, at which 25 bps hike is expected.

Figure 1: WIBOR O/N



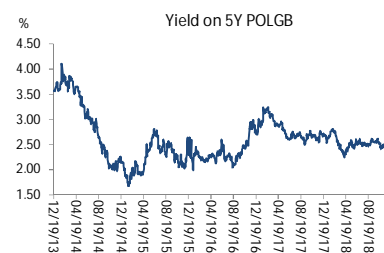
Source: Bloomberg

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
POL	8:00	Average wage (Nov)	0.5% (7.3%)	0.9% (7.7%)	0.4% (7.2%)
POL	8:00	Average employment (Nov)	0.1% (3.0%)	0.1% (3.0%)	0.1% (3.0%)
DEU	8:00	IFO (Dec)	101.7	104.7	101.7
HUN	12:00	NBH decision	0.90%		0.90%
USA	12:30	Building permits (Nov)	5.9%		0.0%
USA	12:30	Housing starts (Nov)	3.6%		-0.4%



Foreign Exchange

Today in the morning the zloty was 0.5% firmer versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2750-4.3000 per EUR.

Today in the morning the EUR firmed versus the USD after stronger than expected IFO index from Germany.

Fixed Income

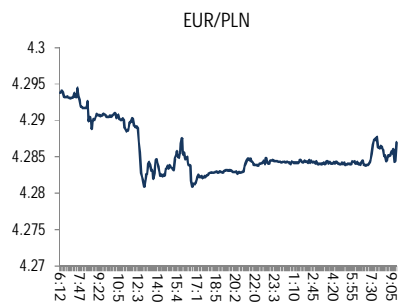
The yields on Poland's government bonds were 2bps down in 5-year sector and declined by 1 bps in 10-year segment.

Interest Rates

Today the O/N bid rate should be within a range of 0.90%-1.20%. Swap rates were 1-2bp down in all tenors.

Equities

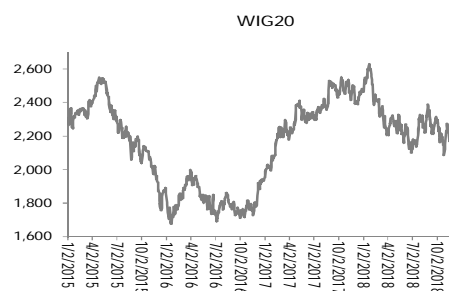
Yesterday the Dow Jones index closed 2.11% down while the S&P 500 index decreased by 2.08%. Today in the morning the FTSE index fell by 0.63%, the CAC index decreased by 0.56% and the DAX index was 0.21% down. Today the Nikkei index closed 1.82% down. Today in the morning the WIG20 index decreased by 0.17% and the WIG index was 0.27% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 18 December 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7695	3.7871	-0.5%	SPOT	3.7690	3.7700	SPOT	4.2868	4.2877
EUR/PLN	4.2873	4.2906	-0.1%	S/N	3.7689	3.7699	S/N	4.2870	4.2880
GBP/PLN	4.7649	4.7718	-0.1%	1W	3.7682	3.7694	1W	4.2883	4.2894
CHF/PLN	3.7996	3.8025	-0.1%	1M	3.7653	3.7666	1M	4.2961	4.2974
SEK/PLN	0.4173	0.4172	0.0%	2M	3.7622	3.7635	2M	4.3027	4.3042
NOK/PLN	0.4336	0.4393	-1.3%	3M	3.7594	3.7609	3M	4.3095	4.3111
DKK/PLN	0.5741	0.5747	-0.1%	6M	3.7496	3.7520	6M	4.3323	4.3352
CAD/PLN	2.8106	2.8309	-0.7%	12M	3.7296	3.7329	12M	4.3782	4.3834
CZK/PLN	0.1665	0.1663	0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1374	1.1330	0.4%	O/N	1.28 %	bp			
USD/JPY	112.48	113.34	-0.8%	1W	1.53 %	bp			
GBP/USD	1.2641	1.2600	0.3%	1M	1.64 %	bp	1M		
USD/CHF	0.9920	0.9960	-0.4%	3M	1.72 %	bp	3M		bp
EUR/JPY	127.93	128.41	-0.4%	6M	1.79 %	bp	6M		bp
EUR/GBP	0.8998	0.8992	0.1%	9M	1.82 %	bp	9M		bp
USD/CAD	1.3410	1.3378	0.2%	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	1.79	2Y	1.85 %	bp	2Y	1.41 %	0 bp
2X3	1.64	3X9	1.80	5Y	2.22 %	bp	5Y	2.36 %	-2 bp
1X4	1.72	6X12	1.81	10Y	2.59 %	bp	10Y	2.92 %	-1 bp
3X6	1.73			5Y-2Y	37 bp	bp			
6X9	1.75			10Y-5Y	37 bp	bp			
9X12	1.78			10Y-2Y	74 bp	bp			



Appendix 1

Important Disclosures

Additional information available upon request

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