



Poland Daily

HEADLINES...

POL: Today the Monetary Policy Council ends two-day policy meeting. After low inflation and a decline in manufacturing PMI for December the Council most likely will keep interest rates unchanged in 2019. Market participants will be interested in MPC members' comments on recent decline in inflation and weakening of economic activity indicators in December. Most likely scenario is a delay of rate hike till 1H2020.

THE DAY AHEAD...

POL: MPC decision

DEU: Trade balance (Nov)

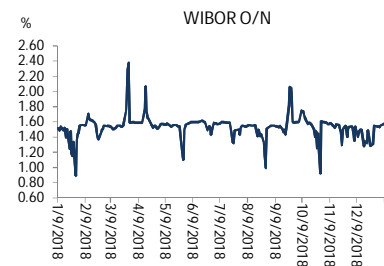
EMU: Unemployment rate (Nov)

USA: Minutes from FOMC meeting

TODAY'S FOCUS:

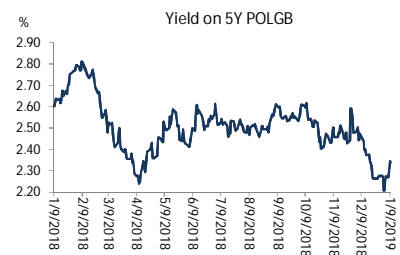
Today market participants will be focusing on press conference after MPC meeting and on minutes from FOMC meeting.

Figure 1: WIBOR O/N



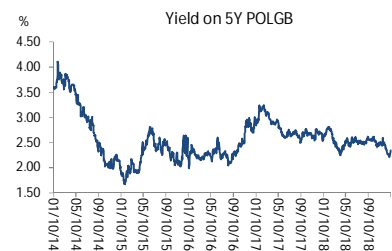
Source: Bloomberg

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	Trade balance (Nov)	EUR18.6bn	EUR20.5bn	EUR18.6bn
EMU	9:00	Unemployment rate (Nov)	8.1%		8.1%
POL		MPC decision	1.50%		1.50%
USA	18:00	Minutes from FOMC meeting			

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD and was 0,1% stronger versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2900-4.3100 per EUR.

The EUR firmed versus the USD as risk appetite increased ahead of publication of minutes from FOMC meeting.

Fixed Income

The yields on Poland's government bonds were 2-3bps up in all tenors ahead of MPC decision and press conference.

Interest Rates

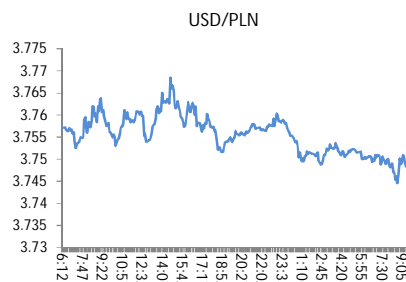
Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were 1-2bps up across the curve.

Equities

Yesterday the Dow Jones index closed 1.09% up while the S&P 500 index increased by 0.97%. Today in the morning the FTSE index rose by 0.92%, the CAC index increased by 1.25% and the DAX index was 1.16% up. Today the Nikkei index rose by 1.10%. Today in the morning the WIG20 index increased by 0.32% and the WIG index was 0.34% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 9 January 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7497	3.7559	-0.2%	SPOT	3.7491	3.7502	SPOT	4.2960	4.2970
EUR/PLN	4.2965	4.3013	-0.1%	S/N	3.7488	3.7499	S/N	4.2967	4.2977
GBP/PLN	4.7860	4.7952	-0.2%	1W	3.7484	3.7495	1W	4.2977	4.2987
CHF/PLN	3.8240	3.8307	-0.2%	1M	3.7462	3.7474	1M	4.3036	4.3048
SEK/PLN	0.4206	0.4221	-0.4%	2M	3.7435	3.7450	2M	4.3106	4.3121
NOK/PLN	0.4398	0.4398	0.0%	3M	3.7405	3.7419	3M	4.3188	4.3205
DKK/PLN	0.5755	0.5760	-0.1%	6M	3.7313	3.7335	6M	4.3421	4.3448
CAD/PLN	2.8320	2.8294	0.1%	12M	3.7131	3.7162	12M	4.3905	4.3955
CZK/PLN	0.1677	0.1678	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1458	1.1452	0.1%	O/N	1.58 %	bp			
USD/JPY	108.92	108.88	0.0%	1W	1.55 %	bp			
GBP/USD	1.2763	1.2767	0.0%	1M	1.64 %	bp	1M		
USD/CHF	0.9806	0.9805	0.0%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	124.81	124.69	0.1%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8978	0.8970	0.1%	9M	1.82 %	bp	9M	%	bp
USD/CAD	1.3242	1.3275	-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	1.82 %	bp	2Y	1.47 %	3 bp
2X3	1.64	3X9	1.80	5Y	2.15 %	bp	5Y	2.34 %	3 bp
1X4	1.72	6X12	1.80	10Y	2.50 %	bp	10Y	2.88 %	2 bp
3X6	1.73			5Y-2Y	33 bp	bp			
6X9	1.74			10Y-5Y	35 bp	bp			
9X12	1.74			10Y-2Y	68 bp	bp			



Appendix 1

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Additional information available upon request

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