



Poland Daily

HEADLINES...

POL: The Monetary Policy Council, as expected, didn't change interest rates and repeated its guidance for unchanged interest rates in the coming quarters. In the opinion of MPC members incoming economic slowdown in Poland will be relatively shallow and re-estimation of NBP's models on recent data show that a rise in inflation in 2019 will be moderate. The NBP expects a rise of inflation towards the centre of CPI target in 2019. NBP President Adam Glapinski said that monetary policy in Poland was conducted flawlessly and in his opinion the current policy of keeping interest rates steady proved to be appropriate. In his opinion interest rates may be unchanged also in 2020 and the only factors that may cause inflation to rise are hikes in energy prices and rise in oil prices.

USA: FOMC meeting minutes contained a statement that the Committee could afford to be patient about further policy firming what was market friendly as it was interpreted by market participants as an indication of slower pace of rate hikes in the future.

THE DAY AHEAD...

FRA: Industrial production (Nov)

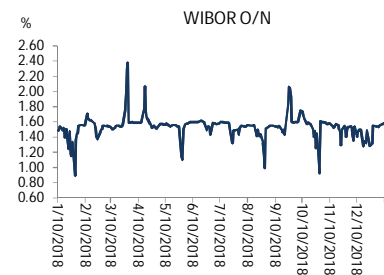
USA: Initial jobless claims

CZK: Inflation (Dec)

TODAY'S FOCUS:

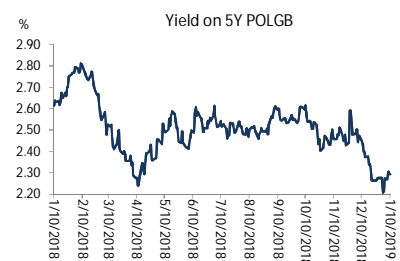
Today market participants will be focusing on comments from FOMC members. Economic calendar contains less relevant data today.

Figure 1: WIBOR O/N



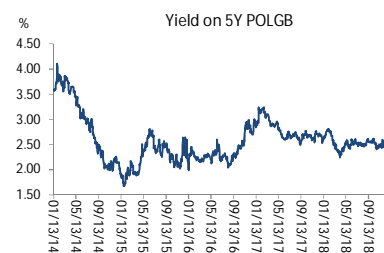
Source: Bloomberg

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
FRA	6:45	Industrial production (Nov)		-1.3% (-2.1%)	0.0% (-0.2%)
CZK	7:00	Inflation (Dec)		0.1% (2.0%)	0.1% (2.0%)
USA	12:30	Initial jobless claims	225k		226k



Foreign Exchange

Today in the morning the zloty was 0.4% firmer versus the USD and was 0.2% weaker versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2900-4.3200 per EUR.

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

Fixed Income

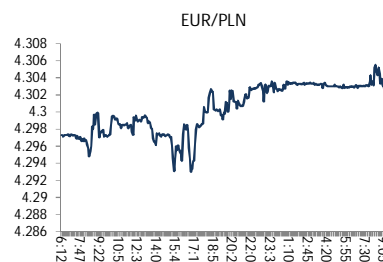
The yields on Poland's government bonds were 5bps down in 2-year and 5-year sectors and declined by 3 bps in 10-year one.

Interest Rates

Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were 1-3bps down across the curve.

Equities

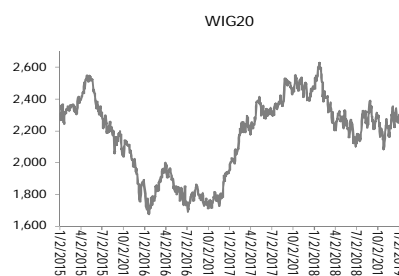
Yesterday the Dow Jones index closed 0.39% up while the S&P 500 index increased by 0.41%. Today in the morning the FTSE index fell by 0.24%, the CAC index decreased by 0.70% and the DAX index was 0.32% down. Today the Nikkei index fell by 1.29%. Today in the morning the WIG20 index decreased by 0.96% and the WIG index was 0.74% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 10 January 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN			
				forwards	bid	offer	forwards	bid	offer	
USD/PLN	3.7364	3.7509	-0.4%	SPOT	3.7359	3.7369	SPOT	4.3057	4.3067	
EUR/PLN	4.3062	4.2989	0.2%	S/N	3.7358	3.7368	S/N	4.3059	4.3070	
GBP/PLN	4.7660	4.7835	-0.4%	1W	3.7351	3.7362	1W	4.3076	4.3087	
CHF/PLN	3.8274	3.8282	0.0%	1M	3.7331	3.7342	1M	4.3134	4.3146	
SEK/PLN	0.4202	0.4201	0.0%	2M	3.7304	3.7317	2M	4.3204	4.3219	
NOK/PLN	0.4406	0.4399	0.2%	3M	3.7270	3.7290	3M	4.3288	4.3308	
DKK/PLN	0.5768	0.5758	0.2%	6M	3.7184	3.7204	6M	4.3523	4.3550	
CAD/PLN	2.8225	2.8335	-0.4%	12M	3.6989	3.7039	12M	4.3992	4.4045	
CZK/PLN	0.1681	0.1678	0.1%							
				WIBOR			T-bills (mid)			
				O/N	Last fixing	1-day change		Today's opening	1-day change	
EUR/USD	1.1525	1.1461	0.6%							
USD/JPY	108.11	108.91	-0.7%	1W	1.58 %	0 bp				
GBP/USD	1.2755	1.2753	0.0%	1M	1.55 %	0 bp	1M			
USD/CHF	0.9764	0.9798	-0.4%	3M	1.64 %	0 bp	3M	%	bp	
EUR/JPY	124.60	124.82	-0.2%	6M	1.72 %	0 bp	6M	%	bp	
EUR/GBP	0.9035	0.8987	0.5%	9M	1.79 %	0 bp	9M	%	bp	
USD/CAD	1.3238	1.3238	0.0%	12M	1.82 %	0 bp	12M	%	bp	
				FRAs			T-Bonds (mid)			
					Last closing	Today's opening	1-day change		Today's opening	1-day change
1X2	1.64	1X7	1.79	2Y	1.81 %	-1 bp	2Y	1.42 %	-5 bp	
2X3	1.64	3X9	1.79	5Y	2.13 %	-3 bp	5Y	2.29 %	-5 bp	
1X4	1.72	6X12	1.80	10Y	2.48 %	-2 bp	10Y	2.85 %	-3 bp	
3X6	1.72			5Y-2Y	32 bp	-1 bp				
6X9	1.72			10Y-5Y	36 bp	1 bp				
9X12	1.73			10Y-2Y	68 bp	-1 bp				



Appendix 1

Important Disclosures

Additional information available upon request

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