



Poland Daily

HEADLINES...

POL: Inflation for December was confirmed at 0.0% mom and 1.1% yoy. In December services prices were 0.4% up mom and 0.9% yoy while prices of goods were 0.2% down mom and rose by 1.2% yoy. In December food prices were 0.7% up mom, prices of footwear and clothing were 1.4% down mom and prices of housing and energy rose by 0.1% mom. Transport prices were 1.4% down mom and prices of recreation and culture were 0.5% up mom. In 2018 average inflation was 1.6%.

UK: British Parliament rejected PM May's Brexit deal with 432 to 202 vote. Today UK Parliament will vote non-confidence motion vs PM May which can be won by PM May if she has support of conservative MP. If PM May retains her post, likelihood of soft Brexit increases if a cross-party consensus is reached.

THE DAY AHEAD...

UK: non-confidence vote for PM May

POL: Core inflation (Dec)

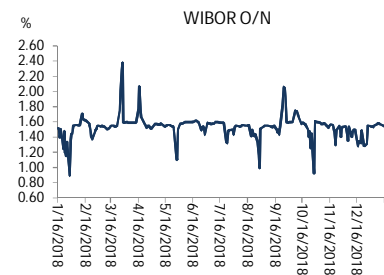
CZK: PPI (Dec)

UK: Inflation (Dec)

TODAY'S FOCUS:

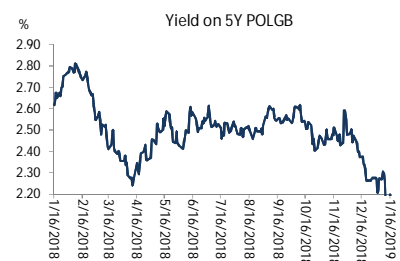
The main focus today will be on non-confidence vote of PM May in UK's Parliament.

Figure 1: WIBOR O/N



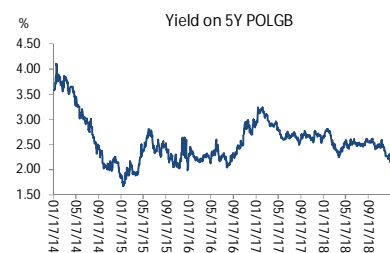
Source: Bloomberg

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
CZK	7:00	PPI (Dec)		-1.1% (2.4%)	-0.3% (3.2%)
UK	8:30	Inflation (Dec)	0.2% (1.1%)	0.2% (1.1%)	0.2% (1.1%)
POL	12:00	Core inflation (Dec)	0.0% (0.7%)		0.0% (0.7%)



Foreign Exchange

Today in the morning the zloty was 0.1% weaker versus the USD and was flat 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.

The USD firmed as UK's Parliament rejected Brexit deal. After the vote British pound initially weakened by 1.2% versus the USD but today in the morning the unit completely recovered its losses.

Fixed Income

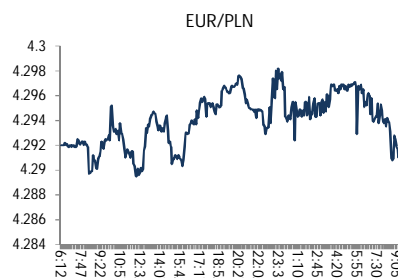
The yields on Poland's government bonds were 3-4bps up in 5-year and 10-year sectors and remained almost steady in the short end of the curve.

Interest Rates

Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were 4-5bps up in all tenors.

Equities

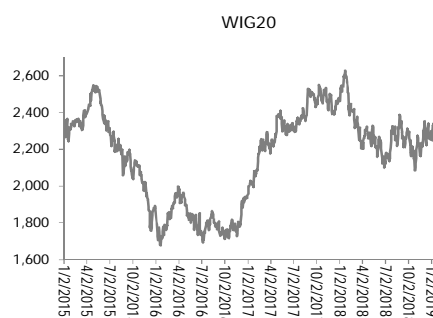
Yesterday the Dow Jones index closed 0.65% up and the S&P 500 index increased by 1.07%. Today in the morning the FTSE index fell by 0.33%, the CAC index increased by 0.35% and the DAX index was 0.02% down. Today the Nikkei index fell by 0.55%. Today in the morning the WIG20 index decreased by 0.04% and the WIG index was 0.02% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 16 January 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7592	3.7542	0.1%	SPOT	3.7585	3.7598	SPOT	4.2919	4.2931
EUR/PLN	4.2925	4.2922	0.0%	S/N	3.7580	3.7593	S/N	4.2927	4.2940
GBP/PLN	4.8427	4.8300	0.3%	1W	3.7577	3.7591	1W	4.2935	4.2948
CHF/PLN	3.8041	3.8111	-0.2%	1M	3.7552	3.7565	1M	4.2995	4.3010
SEK/PLN	0.4193	0.4191	0.0%	2M	3.7526	3.7541	2M	4.3064	4.3080
NOK/PLN	0.4409	0.4388	0.5%	3M	3.7496	3.7512	3M	4.3147	4.3165
DKK/PLN	0.5751	0.5750	0.0%	6M	3.7404	3.7427	6M	4.3380	4.3406
CAD/PLN	2.8354	2.8284	0.2%	12M	3.7214	3.7243	12M	4.3852	4.3904
CZK/PLN	0.1679	0.1679	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1419	1.1433	-0.1%	O/N	1.54 %	-1 bp			
USD/JPY	108.59	108.58	0.0%	1W	1.55 %	0 bp			
GBP/USD	1.2881	1.2866	0.1%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9883	0.9851	0.3%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	124.00	124.13	-0.1%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8864	0.8887	-0.2%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3259	1.3273	-0.1%	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	1.63	1X7	1.78	2Y	1.76 %	4 bp	2Y	1.35 %	1 bp
2X3	1.63	3X9	1.77	5Y	2.03 %	5 bp	5Y	2.19 %	4 bp
1X4	1.71	6X12	1.77	10Y	2.41 %	4 bp	10Y	2.77 %	3 bp
3X6	1.70			5Y-2Y	27 bp	0 bp			
6X9	1.72			10Y-5Y	38 bp	-1 bp			
9X12	1.70			10Y-2Y	65 bp	-1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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