



Poland Daily

HEADLINES...

POL: Retail sales for December 2018 rose by 12.9% mom and increased by 4.7% yoy coming much below market consensus view of 8.1% yoy growth in nominal retail sales. Real retail sales for December were also much weaker than expected and rose by 3.9% yoy (versus expected 6.9% yoy growth). In December real retail sales of cars rose by 6.8% yoy, real; retail sales of fuels rose by 4.8% yoy, real retail sales in supermarkets rose by 5.1% yoy, real retail sales increased by 7.0% yoy in footwear and clothing, rose by 8.1% yoy in consumer durables, increased by 6.3% in pharmaceuticals and cosmetics, and rose by 10.4% yoy in sales via Internet. A decline of 2.4% yoy was reported in real retail sales of food.

POL: Central government debt amounted to PLN954.1bn in the end of November 2018 and fell by 0.6% mom and rose by 2.8% since the start of 2018. In November 2018 a share of foreign debt in total debt was 29.5% and the share of debt versus non-residents was 47.6%.

THE DAY AHEAD...

POL: Money supply M3 (Dec)

FRA: INSEE Index (Jan)

EMU: Consumer confidence (Jan)

TODAY'S FOCUS:

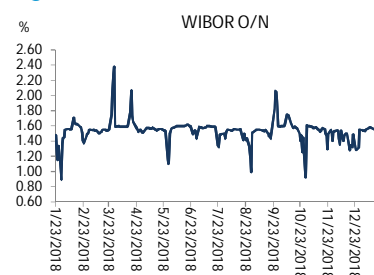
Today economic calendar contains money supply M3 for December from Poland, INSEE index from France for January and consumer confidence from euro-zone for January.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
FRA	6:45	INSEE (Jan)	103	102	103
POL	12:00	Money Supply M3 (Dec)	2.1% (8.7%)		2.1% (8.6%)
EMU	14:00	Consumer Confidence (Jan)	-6.5		-6.5

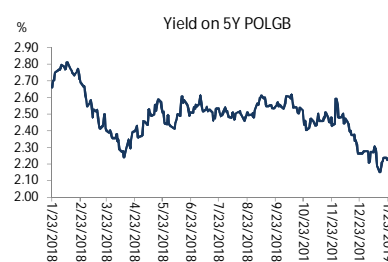
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



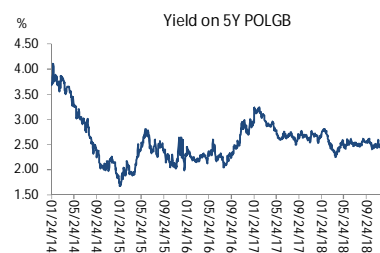
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



Foreign Exchange

Today in the morning the zloty was 0.1% weaker versus the USD and was unchanged versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2750-4.3050 per EUR.

The USD was steady versus the EUR as there were no market moving data releases.

Fixed Income

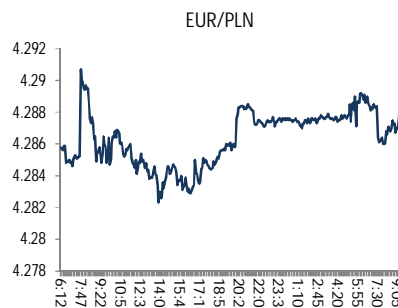
The yields on Poland's government bonds were 1bp down in 5-year and 10-year sectors.

Interest Rates

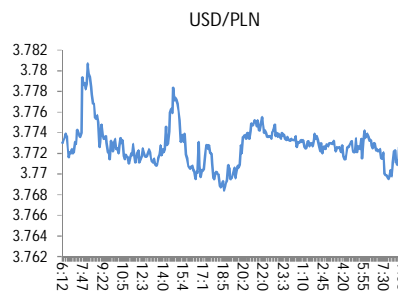
Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were 1bp up in 5-year and 10-year sectors.

Equities

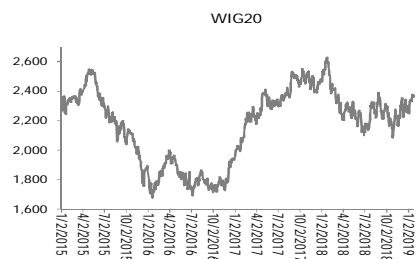
Yesterday the Dow Jones index closed 1.22% down and the S&P 500 index decreased by 1.42%. Today in the morning the FTSE index fell by 0.36%, the CAC 40 index was unchanged and the DAX index was 0.23% down. Today the Nikkei index fell by 0.14%. Today in the morning the WIG20 index increased by 0.71% and the WIG index was 0.59% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 23 January 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7748	3.7727	0.1%	SPOT	3.7742	3.7753	SPOT	4.2874	4.2884
EUR/PLN	4.2879	4.2862	0.0%	S/N	3.7737	3.7749	S/N	4.2879	4.2890
GBP/PLN	4.9026	4.8718	0.6%	1W	3.7732	3.7744	1W	4.2888	4.2899
CHF/PLN	3.7820	3.7839	-0.1%	1M	3.7707	3.7720	1M	4.2946	4.2959
SEK/PLN	0.4184	0.4179	0.1%	2M	3.7679	3.7693	2M	4.3015	4.3030
NOK/PLN	0.4391	0.4392	0.0%	3M	3.7648	3.7662	3M	4.3099	4.3115
DKK/PLN	0.5743	0.5740	0.1%	6M	3.7553	3.7578	6M	4.3329	4.3357
CAD/PLN	2.8331	2.8304	0.1%	12M	3.7354	3.7386	12M	4.3807	4.3850
CZK/PLN	0.1673	0.1674	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1359	1.1361	0.0%	O/N	1.51 %	4 bp			
USD/JPY	109.65	109.46	0.2%	1W	1.53 %	0 bp			
GBP/USD	1.2988	1.2913	0.6%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9981	0.9970	0.1%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	124.56	124.36	0.2%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8747	0.8798	-0.6%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3324	1.3329	0.0%	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	1.79 %	0 bp	2Y	1.40 %	0 bp
2X3	1.63	3X9	1.78	5Y	2.09 %	1 bp	5Y	2.23 %	-1 bp
1X4	1.71	6X12	1.76	10Y	2.47 %	1 bp	10Y	2.86 %	-1 bp
3X6	1.71			5Y-2Y	30 bp	1 bp			
6X9	1.71			10Y-5Y	38 bp	0 bp			
9X12	1.71			10Y-2Y	67 bp	1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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