



## Poland Daily

### HEADLINES...

**POL:** In January 2019 construction output was 3.2% up yoy and declined by 61.2% mom. Construction output rose by 2.3% yoy in section construction of buildings and increased by 15.3% yoy in infrastructure construction. In January construction output declined by 6.2% yoy in specialized construction section. In January construction output was driven by infrastructure investments.

**POL:** In January 2019 retail sales in the current prices rose by 6.6% yoy and declined by 19.1% mom. Retail sales in constant prices rose by 5.2% yoy and fell by 18.9% mom. In January nominal retail sales of automobiles rose by 1.7% yoy, retail sales of fuels rose by 8.7% yoy, retail sales of food rose by 6.1% yoy, retail sales of pharmaceuticals and cosmetics increased by 11.0% yoy, retail sales of furniture and white goods were 11.5% up yoy. In January nominal retail sales in supermarkets were 5.6% up yoy while retail sales via Internet increased by 4.9% yoy.

**POL:** MPC minutes showed that the consensus within the Council is that likelihood of rate hike in the coming quarters significantly declined. The majority of the MPC share a view that interest rates should be kept unchanged in the coming quarters due to significant decline of inflationary risks and due to uncertainty on the scale and duration of global economic slowdown.

### THE DAY AHEAD...

POL: Money supply M3 (Jan)

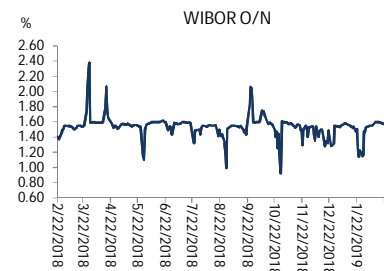
DEU: GDP (Q4), IFO (Feb)

EMU: Inflation (Jan), Core inflation (Jan)

### TODAY'S FOCUS:

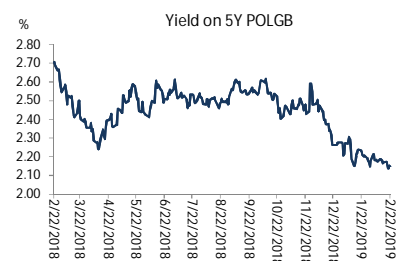
Today market participants will be focusing on structure of Q4 GDP growth in Germany and on German IFO index and euro-zone's inflation.

Figure 1: WIBOR O/N



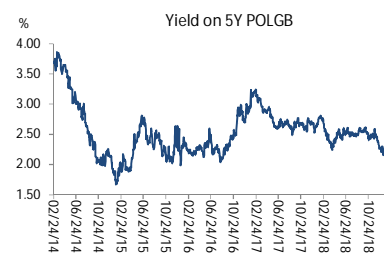
Source: Bloomberg

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	GDP (Q4)	0.0% (0.9%)	0.0% (0.9%)	0.0% (0.9%)
DEU	8:00	IFO (Feb)	98.7		98.9
EMU	9:00	Inflation (Jan)	-1.1% (1.4%)		-1.1% (1.4%)
POL	12:00	Money supply M3 (Jan)	-1.0% (9.3%)		-0.9% (9.4%)



## Foreign Exchange

Today in the morning the zloty was 0.1% firmer versus the USD and was 0.1% weaker versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.3100-4.3450 per EUR.

The USD weakened by 0.2% versus the EUR after weaker than expected US durable goods orders and weak US manufacturing PMI.

## Fixed Income

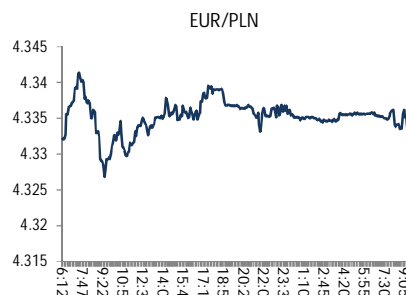
The yields on Poland's government bonds were unchanged in all tenors.

## Interest Rates

Today the O/N bid rate should be within a range of 1.10%-1.35%. Swap rates were 1-2bps up across the curve.

## Equities

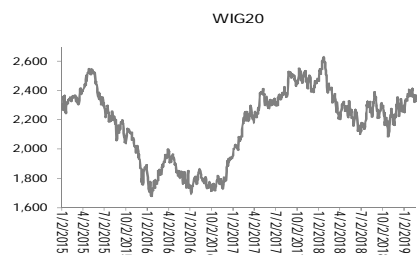
Yesterday the Dow Jones index closed 0.40% down and the S&P 500 index decreased by 0.35%. Today in the morning the FTSE index was 0.08% down, the CAC 40 index was 0.11% up and the DAX index was 0.09% up. Today the Nikkei index fell by 0.18%. Today in the morning the WIG20 index rose by 0.51% and the WIG index was 0.40% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 22 February 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8196	3.8247	-0.1%	SPOT	3.8191	3.8201	SPOT	4.3341	4.3350
EUR/PLN	4.3346	4.3322	0.1%	S/N	3.8190	3.8200	S/N	4.3343	4.3352
GBP/PLN	4.9792	4.9965	-0.3%	1W	3.8183	3.8194	1W	4.3356	4.3366
CHF/PLN	3.8180	3.8171	0.0%	1M	3.8159	3.8171	1M	4.3403	4.3415
SEK/PLN	0.4084	0.4088	-0.1%	2M	3.8120	3.8133	2M	4.3474	4.3487
NOK/PLN	0.4433	0.4428	0.1%	3M	3.8084	3.8098	3M	4.3548	4.3562
DKK/PLN	0.5809	0.5805	0.1%	6M	3.7979	3.8000	6M	4.3756	4.3783
CAD/PLN	2.8895	2.8975	-0.3%	12M	3.7763	3.7790	12M	4.4191	4.4234
CZK/PLN	0.1690	0.1688	0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1348	1.1327	0.2%	O/N	1.57 %	-1 bp			
USD/JPY	110.75	110.71	0.0%	1W	1.55 %	0 bp			
GBP/USD	1.3037	1.3064	-0.2%	1M	1.64 %	0 bp	1M		
USD/CHF	1.0005	1.0020	-0.2%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	125.68	125.40	0.2%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8705	0.8670	0.4%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3220	1.3200	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	1.64	1X7	1.79	2Y	1.75 %	1 bp	2Y	1.55 %	0 bp
2X3	1.63	3X9	1.77	5Y	1.96 %	1 bp	5Y	2.15 %	0 bp
1X4	1.72	6X12	1.75	10Y	2.28 %	2 bp	10Y	2.77 %	0 bp
3X6	1.70			5Y-2Y	20 bp	0 bp			
6X9	1.70			10Y-5Y	33 bp	1 bp			
9X12	1.69			10Y-2Y	53 bp	1 bp			



# Appendix 1

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### Additional information available upon request

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