



Poland Daily

HEADLINES...

POL: In Q1 2019 debt of the sector of public finances was PLN1005.26bn and increased by PLN20.94bn (up 2.1%) versus the end of 2018. An increase of public debt in Q1 2019 stemmed from PLN21.3bn increase in central government debt (up 2.3%) and decline in debt of local governments by PLN362mn (down 0.5%). In Q1 2019 domestic debt (versus residents) rose by PLN35.06bn (up 6.8%) while foreign debt (versus non-residents) declined by PLN14.1bn (down 3.0%). In 2018 domestic debt (versus residents) rose by PLN42.7bn (up 9.0%) while foreign debt (versus non-residents) declined by PLN20.2bn (down 4.1%).

POL: In the period of January-April 2019 Poland's trade deficit was -EUR0.2bn.

THE DAY AHEAD...

CZK: Inflation (May)

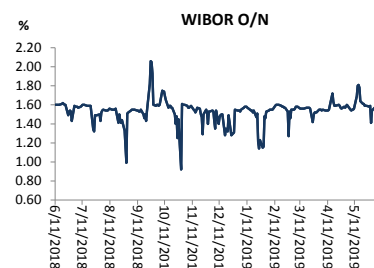
EMU: Consumer confidence (Jun)

USA: PPI (May), Core PPI (May)

TODAY'S FOCUS:

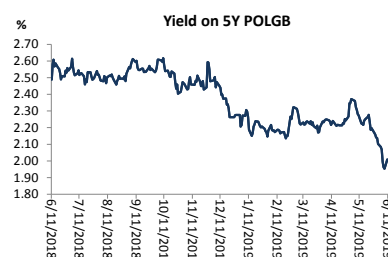
Today financial markets are under negative impact of weak US employment report published on Friday that fueled expectations that the FOMC will cut interest rates in coming quarters. Regarding trade conflict also indefinite suspension of increase in tariffs on Mexican imports to the US and constant pressure of the US on China regarding further trade talks are worth mentioning.

Figure 1: WIBOR O/N



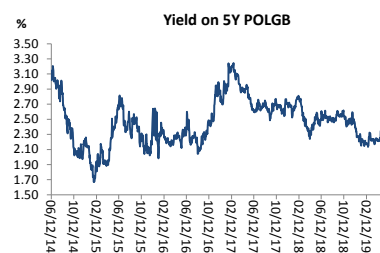
Source: Bloomberg

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	Inflation (May)		0.7% (2.9%)	0.4% (2.7%)
EMU	8:30	Consumer confidence (Jun)	2.4	-3.3	2.5
USA	12:30	PPI (May)	0.2%		0.1% (2.0%)
USA	12:30	Core PPI (May)	0.2%		0.2% (2.3%)



Foreign Exchange

Today in the morning the zloty was 0.3% firmer versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2550-4.2800 per EUR today.

Today in the morning the USD has been weakening versus the EUR remaining negatively affected by weak US employment report of Friday.

Fixed Income

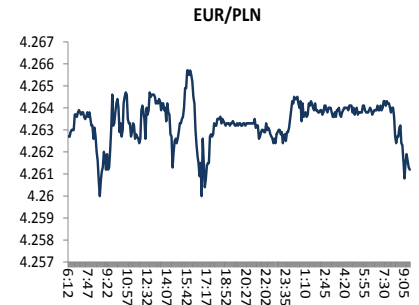
The yields on Poland's government bonds were 1bp up in 5Y and 10Y sectors.

Interest Rates

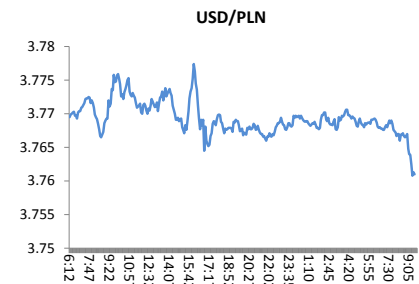
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were practically unchanged in all tenors.

Equities

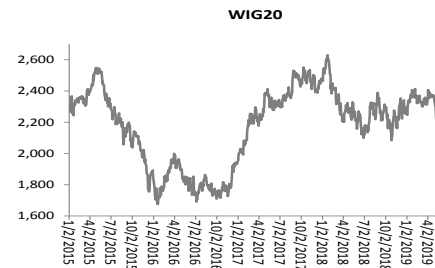
Yesterday the Dow Jones index rose by 0.30% and the S&P 500 index was 0.47% up. Today in the morning the FTSE index was 0.45% up, the CAC 40 index was 0.42% up and the DAX index was 1.08% up. Today the Nikkei index increased by 0.33%. Today in the morning the WIG20 index fell by 0.08% and the WIG index was 0.06% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 11 June 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7643	3.7745	-0.3%	SPOT	3.7638	3.7648	SPOT	4.2606	4.2614
EUR/PLN	4.2610	4.2640	-0.1%	S/N	3.7642	3.7652	S/N	4.2610	4.2618
GBP/PLN	4.7803	4.7897	-0.2%	1W	3.7642	3.7652	1W	4.2610	4.2618
CHF/PLN	3.8023	3.8100	-0.2%	1M	3.7642	3.7652	1M	4.2610	4.2618
SEK/PLN	0.3996	0.4000	-0.1%	2M	3.7642	3.7652	2M	4.2610	4.2618
NOK/PLN	0.4343	0.4359	-0.4%	3M	3.7642	3.7652	3M	4.2610	4.2618
DKK/PLN	0.5705	0.5710	-0.1%	6M	3.7642	3.7652	6M	4.2610	4.2618
CAD/PLN	2.8399	2.8450	-0.2%	12M	3.7642	3.7652	12M	4.2610	4.2618
CZK/PLN	0.1663	0.1665	-0.2%						
EUR/USD	1.1320	1.1297	0.2%	WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
USD/JPY	108.62	108.62	0.0%	O/N	1.57 %	-1 bp			
GBP/USD	1.2700	1.2690	0.1%	1W	1.57 %	-2 bp			
USD/CHF	0.9901	0.9907	-0.1%	1M	1.64 %	0 bp	1M		
EUR/JPY	122.96	122.71	0.2%	3M	1.72 %	0 bp	3M	%	bp
EUR/GBP	0.8914	0.8902	0.1%	6M	1.79 %	0 bp	6M	%	bp
USD/CAD	1.3255	1.3267	-0.1%	9M	1.81 %	0 bp	9M	%	bp
				12M	1.86 %	0 bp	12M	%	bp
FRA (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	1.76 %	0 bp	2Y	1.63 %	0 bp
2X3	1.64	3X9	1.78	5Y	1.89 %	1 bp	5Y	2.02 %	1 bp
1X4	1.72	6X12	1.77	10Y	2.17 %	1 bp	10Y	2.51 %	1 bp
3X6	1.72			5Y-2Y	14 bp	bp			
6X9	1.71			10Y-5Y	28 bp	bp			
9X12	1.69			10Y-2Y	42 bp	bp			



Appendix 1

Important Disclosures

Additional information available upon request

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