



Poland Daily

HEADLINES...

POL: Deputy Finance Minister Piotr Nowak said that Poland wanted to return to USD bond market this year if market conditions were favourable. He added Poland wanted to be present in that market, which requires regular issuance of the 10-year benchmark. He also informed Poland might reduce bond supply at domestic auctions amid good budget liquidity and as Poland had financed 74% of 2019 borrowing needs. He added that Finance Ministry will focus on switching auctions instead of new debt issuance. In her opinion pre-financing of borrowing needs for 2020 may amount to 30%. He also informed that Poland would continue issuing green bonds.

POL: In 2019 Finance Ministry envisages general government deficit of 1.7% of GDP. For 2020 the Finance Ministry envisages real GDP growth of 3.7% and average inflation of 2.5%.

THE DAY AHEAD...

POL: Average wage (May), average employment (May)

DEU: PPI (May)

UK: Inflation (May)

USA: FOMC decision

TODAY'S FOCUS:

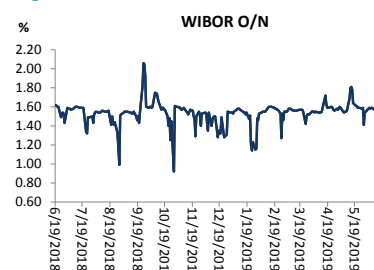
Today market participants will focus on FOMC decision and new set of macro-economic forecasts for the US economy. Market prices 20% of rate cut today and 100% of rate cut at the meeting in July. DB view is that the FOMC will not change interest rates in the coming months and will keep market dovish expectations.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	6:00	PPI (May)		-0.1% (1.9%)	0.1% (2.1%)
POL	8:00	Average wage (May)	-3.2% (6.8%)	-2.5% (7.7%)	-3.0% (7.1%)
POL	8:00	Average employment (May)	0.0% (2.9%)	-0.2% (2.7%)	0.0% (2.9%)
UK	8:30	Inflation (May)		0.3% (2.0%)	0.3% (2.0%)
USA	18:00	FOMC decision	2.50%		2.50%

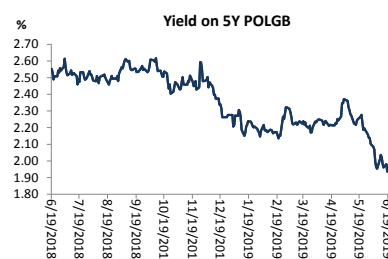
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



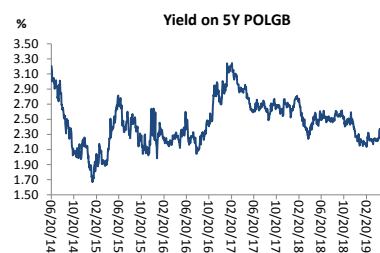
Source: Bloomberg

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. The zloty should be moving within a range of PLN4.2540-4.2750 per EUR today.

Today in the morning the EUR partially recovered its losses versus the USD ahead of FOMC meeting.

Fixed Income

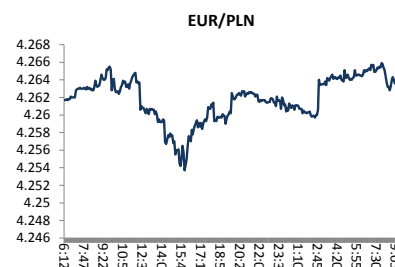
The yields on Poland's government bonds were 3bps up across the curve.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 2-3bps up in all tenors.

Equities

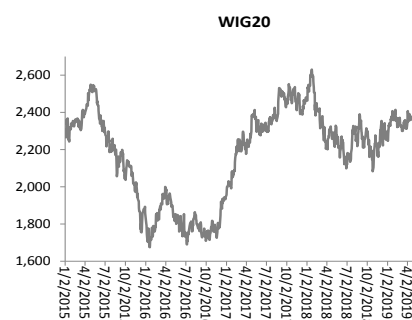
Yesterday the Dow Jones index rose by 1.35% and the S&P 500 index was 0.97% up. Today in the morning the FTSE 100 index was 0.13% down, the CAC 40 index was 0.15% down and the DAX index was 0.16% up. Today the Nikkei index increased by 1.72%. Today in the morning the WIG20 index fell by 0.27% and the WIG index was 0.19% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 19 June 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8041	3.8097	-0.1%	SPOT	3.8035	3.8047	SPOT	4.2607	4.2619
EUR/PLN	4.2613	4.2631	0.0%	S/N	3.8039	3.8051	S/N	4.2611	4.2623
GBP/PLN	4.7773	4.7736	0.1%	1W	3.8039	3.8051	1W	4.2611	4.2623
CHF/PLN	3.8079	3.8099	-0.1%	1M	3.8039	3.8051	1M	4.2611	4.2623
SEK/PLN	0.3984	0.4012	-0.7%	2M	3.8039	3.8051	2M	4.2611	4.2623
NOK/PLN	0.4353	0.4354	0.0%	3M	3.8039	3.8051	3M	4.2611	4.2623
DKK/PLN	0.5706	0.5709	-0.1%	6M	3.8039	3.8051	6M	4.2611	4.2623
CAD/PLN	2.8439	2.8374	0.2%	12M	3.8039	3.8051	12M	4.2611	4.2623
CZK/PLN	0.1664	0.1666	-0.2%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1202	1.1190	0.1%	O/N	1.53 %	-4 bp			
USD/JPY	108.39	108.30	0.1%	1W	1.56 %	-1 bp			
GBP/USD	1.2557	1.2530	0.2%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9992	0.9999	-0.1%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	121.39	121.19	0.2%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8919	0.8931	-0.1%	9M	1.81 %	0 bp	9M	%	bp
USD/CAD	1.3378	1.3427	-0.4%	12M	1.86 %	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	1.73 %	2 bp	2Y	1.54 %	2 bp
2X3	1.65	3X9	1.78	5Y	1.82 %	3 bp	5Y	1.96 %	3 bp
1X4	1.72	6X12	1.76	10Y	2.05 %	2 bp	10Y	2.36 %	2 bp
3X6	1.71			5Y-2Y	9 bp	bp			
6X9	1.70			10Y-5Y	24 bp	bp			
9X12	1.67			10Y-2Y	32 bp	bp			



Appendix 1

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Additional information available upon request

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