



Poland Daily

HEADLINES...

POL: According to media information, Law and Justice's (PiS) leader Jaroslaw Kaczynski wants the post of Prime Minister if PiS wins parliamentary elections by a wide margin over opposition. If this happens, the current PM Mateusz Morawiecki would become deputy PM responsible for economy, finance and representing Poland abroad. Such a move would mean a shift in the centre of gravity of government's policies towards hard electorate of PiS.

USA: FOMC Chairman Jerome Powell during his congressional testimony said that uncertainties about the outlook had increased in recent months. He added that economic momentum appeared to have slowed in some major foreign economies and that there was a risk that weak inflation would be even more persistent than we currently anticipate. Also FOMC minutes revealed that many participants judged additional monetary policy accommodation would be warranted in the near term should these recent developments prove to be sustained and continue to weigh on the economic outlook. Both Powell's comments and FOMC minutes boosted expectations that the Fed will cut interest rates by 25bps at their meeting on 31 July.

THE DAY AHEAD...

DEU: Inflation (Jun)

FRA: Inflation (Jun)

CZK: Inflation (Jun)

USA: Inflation (Jun)

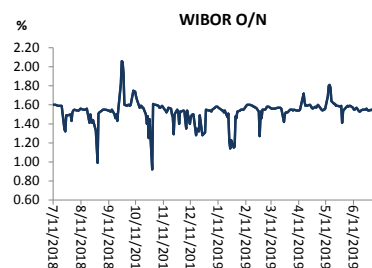
TODAY'S FOCUS:

Today economic calendar contains inflation for June from Germany, France, Czech Republic and the US.

DIARY (Today)

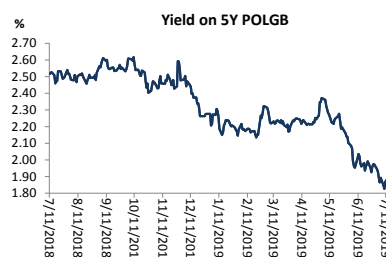
Country	GMT	Release	DB Expected	Actual	Consensus
DEU	6:00	Inflation (cze)	(1.6%)	0.3% (1.6%)	0.3% (1.6%)
FRA	6:45	Inflation (cze)		0.3% (1.4%)	0.3% (1.4%)
CZK	7:00	Inflation (cze)		0.2% (2.7%)	0.1% (2.7%)
USA	12:30	Inflation (cze)	0.0%		0.0% (1.6%)

Figure 1: WIBOR O/N



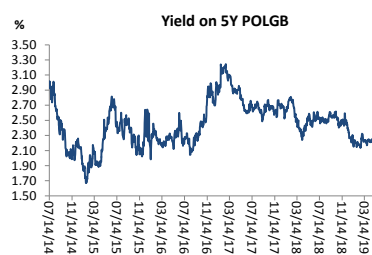
Source: Bloomberg

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 0.5% 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 PLN4.2550-4.2750 per EUR today.

The USD weakened across the board as both FOMC Chairman and minutes from FOMC meeting suggested rate cut by the FOMC at the meeting on 31 July.

Fixed Income

The yields on Poland's government bonds were practically unchanged in all parts of the curve.

Interest Rates

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

Equities

Yesterday the Dow Jones index closed 0.29% up and the S&P 500 index was 0.45% up. Today in the morning the FTSE 100 index was 0.29% up, the CAC 40 index was 0.41% up and the DAX index was 0.19% up. Today the Nikkei index increased by 0.51%. today in the morning the WIG20 index rose by 0.83% and the WIG index was 0.72% up. Stock indices increased on expectations that the Fed will cut interest rates at the meeting in July.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 11 July 2019 (9:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.7868	3.8066	-0.5%	SPOT	3.7863	3.7873	SPOT	4.2675	4.2683
EUR/PLN	4.2679	4.2729	-0.1%	S/N	3.7867	3.7877	S/N	4.2679	4.2687
GBP/PLN	4.7470	4.7508	-0.1%	1W	3.7867	3.7877	1W	4.2679	4.2687
CHF/PLN	3.8382	3.8410	-0.1%	1M	3.7867	3.7877	1M	4.2679	4.2687
SEK/PLN	0.4027	0.4020	0.2%	2M	3.7867	3.7877	2M	4.2679	4.2687
NOK/PLN	0.4423	0.4401	0.5%	3M	3.7867	3.7877	3M	4.2679	4.2687
DKK/PLN	0.5718	0.5725	-0.1%	6M	3.7867	3.7877	6M	4.2679	4.2687
CAD/PLN	2.9008	2.9011	0.0%	12M	3.7867	3.7877	12M	4.2679	4.2687
CZK/PLN	0.1667	0.1671	-0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1270	1.1225	0.4%	O/N	1.54 %	0 bp	1M		
USD/JPY	108.12	108.95	-0.8%	1W	1.58 %	0 bp	3M	%	bp
GBP/USD	1.2536	1.2480	0.4%	1M	1.64 %	0 bp	6M	%	bp
USD/CHF	0.9865	0.9910	-0.5%	3M	1.72 %	0 bp	9M	%	bp
EUR/JPY	121.86	122.30	-0.4%	6M	1.79 %	0 bp	12M	%	bp
EUR/GBP	0.8991	0.8994	0.0%	9M	1.81 %	0 bp			
USD/CAD	1.3056	1.3121	-0.5%	12M	1.86 %	0 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	1.72 %	-1 bp	2Y	1.57 %	0 bp
2X3	1.64	3X9	1.78	5Y	1.82 %	0 bp	5Y	1.88 %	1 bp
1X4	1.72	6X12	1.76	10Y	2.02 %	-1 bp	10Y	2.24 %	0 bp
3X6	1.72			5Y-2Y	10 bp	0 bp			
6X9	1.71			10Y-5Y	20 bp	0 bp			
9X12	1.69			10Y-2Y	30 bp	0 bp			



Appendix 1

Important Disclosures

Additional information available upon request

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., al. Armii Ludowej 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 1,744,449,384 paid up in full.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krześniak