



## Poland Daily

### HEADLINES...

POL: In June industrial output fell by 5.9% m/m and decreased by 2.7% y/y, coming well below market consensus view. A decline in industrial output in June stems partially from less working days in June but the main reason is weaker performance of exporting and investment sector: production of metals declined by 11.1% y/y, coal and lignite mining dropped by 10.7% y/y, production of automobiles declined by 8.5% y/y, production of furniture fell by 6.2% y/y. Very sharp drop occurred in production of clothing (down 13.5% y/y). An increase in production was reported in ships production (up 11.1% y/y), beverages (up 6.6% y/y), computers, electronic and optical devices (up 3.5% y/y) and electrical equipment ( up 2.7% y/y).

POL: In June producer prices fell by 0.4% m/m and rose by 0.6% y/y. Producer prices rose in products of other non-metal raw materials (up 5.1% y/y), pharmaceuticals (up 2.7% y/y), ships (up 2.3% y/y), food (up 1.4% y/y), electrical devices (up 0.8% y/y), automobiles (up 0.7% y/y), beverages (up 0.6% y/y). A decline in prices was reported in section machinery and equipment (down 0.3% y/y), products of wood and plastics (each down by 0.4% y/y), paper (down 1.3% y/y), computers and optical appliances (down 1.4% y/y), metals (down 1.6% y/y), coke and oil refining products (down by 2,3% y/y).

### THE DAY AHEAD...

POL: Retail sales (Jun),

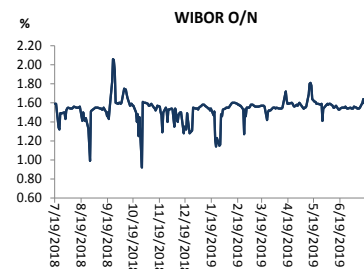
DEU: PPI (Jun)

USA: Univ. of Michigan Consumer Sentiment (Jul)

### TODAY'S FOCUS:

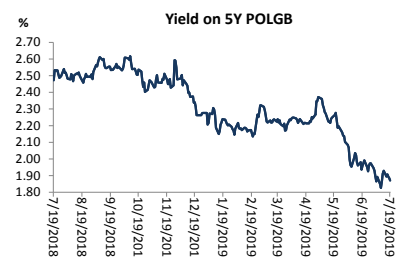
Today economic calendar contains retail sales for June from Poland, Germany's PPI for June and US Univ. of Michigan consumer sentiment for July.

Figure 1: WIBOR O/N



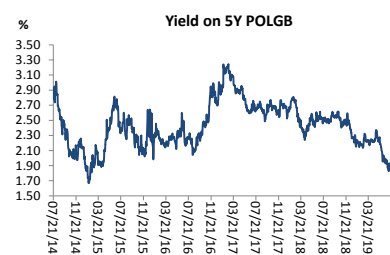
Source: Bloomberg

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	Producer prices (Jun)		-0.4% (1.2%)	-0.1% (1.5%)
POL	8:00	Retail sales (Jun)	(6.5%)	1.5% (5.3%)	1.5% (6.0%)
USA	14:00	Consumer sentiment (Jul)	96.9		98.8



## 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 PLN4.2500-4.2740 per EUR today.

The USD firmed versus the EUR as NY Fed said that NY Fed Williams's comments that policy makers should act quickly if economic conditions are adverse were academic comments, not indication for FOMC decision at July's meeting.

## Fixed Income

The yields on Poland's government bonds were 1bp down in 2-year and 5-year sectors and declined by 4bps in the long end of the curve.

## Interest Rates

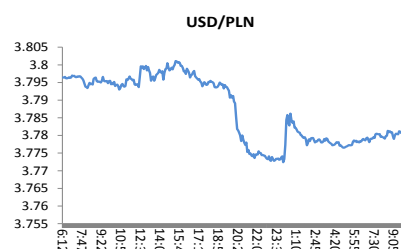
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 1-3bps down across in all tenors.

## Equities

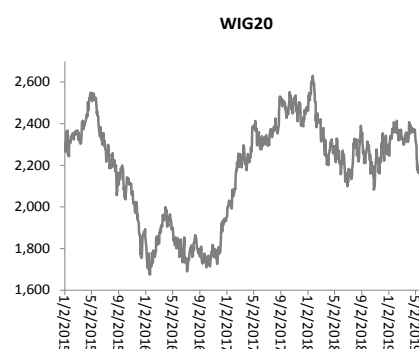
Yesterday the Dow Jones index rose by 0.01% and the S&P 500 index was 0.36% up. Today in the morning the FTSE 100 index was 0.63% up, the CAC 40 index was 0.80% up and the DAX index was 0.87% up. Today the Nikkei index increased by 2.00%. Today in the morning the WIG20 index rose by 0.82% and the WIG index was 1.04% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 19 July 2019 (9:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7826	3.7933	-0.3%	SPOT	3.7821	3.7830	SPOT	4.2576	4.2583
EUR/PLN	4.2580	4.2635	-0.1%	S/N	3.7825	3.7834	S/N	4.2580	4.2587
GBP/PLN	4.7396	4.7341	0.1%	1W	3.7825	3.7834	1W	4.2580	4.2587
CHF/PLN	3.8449	3.8505	-0.1%	1M	3.7825	3.7834	1M	4.2580	4.2587
SEK/PLN	0.4050	0.4055	-0.1%	2M	3.7825	3.7834	2M	4.2580	4.2587
NOK/PLN	0.4427	0.4415	0.3%	3M	3.7825	3.7834	3M	4.2580	4.2587
DKK/PLN	0.5703	0.5709	-0.1%	6M	3.7825	3.7834	6M	4.2580	4.2587
CAD/PLN	2.9024	2.9064	-0.1%	12M	3.7825	3.7834	12M	4.2580	4.2587
CZK/PLN	0.1667	0.1665	0.1%						
				WIBOR			T-bills (mid)		
					Last fixing	1-day change		Today's opening	1-day change
EUR/USD	1.1257	1.1240	0.2%	O/N	1.59 %	-1 bp	1M		
USD/JPY	107.68	107.74	-0.1%	1W	1.59 %	-1 bp	3M		
GBP/USD	1.2530	1.2480	0.4%	1M	1.64 %	0 bp	6M		
USD/CHF	0.9837	0.9851	-0.2%	3M	1.72 %	0 bp	9M		
EUR/JPY	121.21	121.09	0.1%	6M	1.79 %	0 bp	12M		
EUR/GBP	0.8984	0.9006	-0.2%	9M	1.81 %	0 bp			
USD/CAD	1.3033	1.3052	-0.1%	12M	1.86 %	0 bp			
FRAs (mid)				IRS (mid)			T-Bonds (mid)		
	Last closing				Today's opening	1-day change		Today's opening	1-day change
1X2	1.64	1X7	1.79	2Y	1.74 %	-1 bp	2Y	1.54 %	-1 bp
2X3	1.64	3X9	1.78	5Y	1.82 %	-2 bp	5Y	1.87 %	-1 bp
1X4	1.72	6X12	1.78	10Y	2.03 %	-3 bp	10Y	2.21 %	-4 bp
3X6	1.71			5Y-2Y	8 bp	-1 bp			
6X9	1.71			10Y-5Y	21 bp	-1 bp			
9X12	1.69			10Y-2Y	29 bp	-2 bp			



# Appendix 1

## Important Disclosures

### Additional information available upon request

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