



Poland Daily

HEADLINES...

POL: S&P upgraded its forecast of Poland's GDP growth in 2019 to 4.1% from 3.9% and maintained their GDP growth forecast for 2020 at 3.1%. S&P estimates Poland's general government deficit at -1.5% of GDP in 2019 and -2.6% of GDP in 2020-2021. According to S&P forecasts average inflation in Poland will amount to 1.9% in 2019 and 2.5% in 2020-2022.

POL: In the period of January-June 2019 central budget gap was -PLN5.0bn (or 17.7% of 2019 plan). Budget revenues amounted to PLN192.2bn (49.6% of 2019 plan) while budget expenditures amounted to PLN197.2bn (47.4% of 2019 plan).

THE DAY AHEAD...

FRA: GDP (Q2)

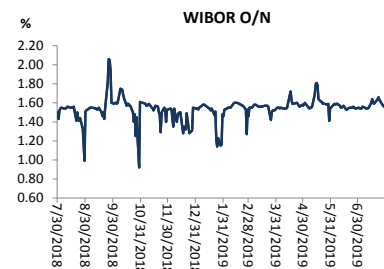
DEU: Inflation (Jul)

USA: Consumer confidence (Jul)

TODAY'S FOCUS:

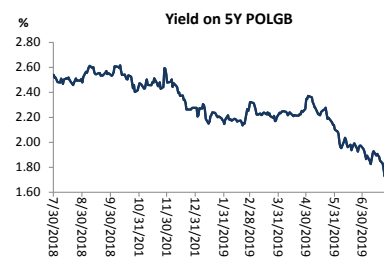
Today economic calendar Q2 GDP from France, HICP for July from Germany and US consumer confidence for July. Financial markets are under influence of fears of no-deal Brexit what is reflected in sharp weakening of the GBP. The main event this week will be US FOMC decision on Wednesday (DB expects 25 bps cut in fed funds rate).

Figure 1: WIBOR O/N



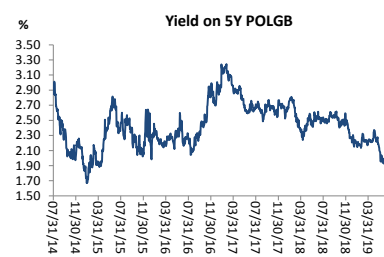
Source: Bloomberg

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
FRA	5:30	GDP (Q2)		(1.3%)	(1.2%)
DEU	12:00	HICP (Jul)	(1.2%)		0.3% (1.2%)
USA	14:00	Consumer confidence (Jul)	120.0		125.0



Foreign Exchange

Today in the morning the zloty was 0.1% weaker versus the USD and was 0.3% weaker versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2700-4.3050 per EUR today.

The EUR firmed versus the USD by 0.2% ahead of FOMC decision on Wednesday. GBP weakened by 1.3% versus the USD on concerns that PM Johnson will aim at no-deal Brexit.

Fixed Income

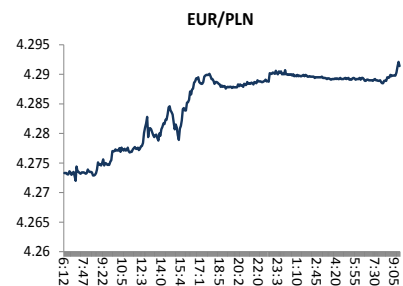
The yields on Poland's government bonds were 9bps up in 5-year sector and increased by 3bps in the long end of the curve as market participants closed long positions in POLGBs.

Interest Rates

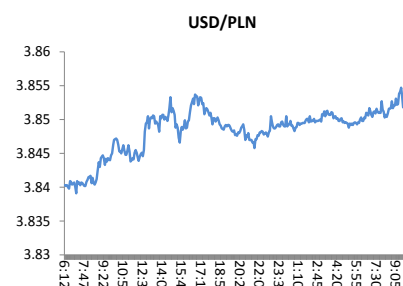
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 4bps up in 2-year sector and increased by 9 and 5 bps respectively in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index rose by 0.11% and the S&P 500 index was 0.16% down. Today in the morning the FTSE 100 index was 0.19% up, the CAC 40 index was 0.25% down and the DAX index was 0.60% down. Today the Nikkei index increased by 0.43%. Today in the morning the WIG20 index fell by 0.33% and the WIG index was 0.14% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 30 July 2019 (9:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN			
				forwards	bid	offer	forwards	bid	offer	
USD/PLN	3.8502	3.8453	0.1%	SPOT	3.8497	3.8506	SPOT	4.2902	4.2910	
EUR/PLN	4.2906	4.2773	0.3%	S/N	3.8501	3.8510	S/N	4.2906	4.2914	
GBP/PLN	4.6836	4.7394	-1.2%	1W	3.8501	3.8510	1W	4.2906	4.2914	
CHF/PLN	3.8853	3.8774	0.2%	1M	3.8501	3.8510	1M	4.2906	4.2914	
SEK/PLN	0.4038	0.4048	-0.2%	2M	3.8501	3.8510	2M	4.2906	4.2914	
NOK/PLN	0.4416	0.4412	0.1%	3M	3.8501	3.8510	3M	4.2906	4.2914	
DKK/PLN	0.5747	0.5728	0.3%	6M	3.8501	3.8510	6M	4.2906	4.2914	
CAD/PLN	2.9233	2.9190	0.1%	12M	3.8501	3.8510	12M	4.2906	4.2914	
CZK/PLN	0.1673	0.1670	0.1%							
				WIBOR			T-bills (mid)			
				O/N	Last fixing	1-day change	(mid)	Today's opening	1-day change	
EUR/USD	1.1144	1.1123	0.2%		1.56 %	-7 bp				
USD/JPY	108.63	108.65	0.0%	1W	1.58 %	-1 bp				
GBP/USD	1.2166	1.2325	-1.3%	1M	1.64 %	0 bp	1M			
USD/CHF	0.9909	0.9917	-0.1%	3M	1.72 %	0 bp	3M			
EUR/JPY	121.06	120.85	0.2%	6M	1.79 %	0 bp	6M			
EUR/GBP	0.9161	0.9025	1.5%	9M	1.81 %	0 bp	9M			
USD/CAD	1.3171	1.3173	0.0%	12M	1.86 %	0 bp	12M			
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 %	4 bp	2Y	1.54 %	1 bp	
2X3	1.64	3X9	1.78	5Y	1.82 %	9 bp	5Y	1.89 %	9 bp	
1X4	1.72	6X12	1.77	10Y	2.01 %	5 bp	10Y	2.17 %	3 bp	
3X6	1.71				5Y-2Y	7 bp				
6X9	1.71				10Y-5Y	20 bp				
9X12	1.69				10Y-2Y	26 bp				



Appendix 1

Important Disclosures

Additional information available upon request

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