



# Poland Daily

## HEADLINES:

POL: Ludwik Kotecki a member of the Monetary Policy Council, said that it was way too early to say Poland's rate hike cycle has come to an end, and it was even more premature to announce possibility of rate cuts. In his view Poland's economy will cope very well with global recession and recession in the EU. This would mean inflation and pressure on prices to rise would continue and further tightening of monetary policy could be needed. In his view it needn't be further rate hikes but could take a form of issuing of savings bonds by the central bank. Ludwik Kotecki underlined that core inflation should be the main focus of the MPC. He expressed a view that monetary policy transmission on prices was weak as core inflation was rising.

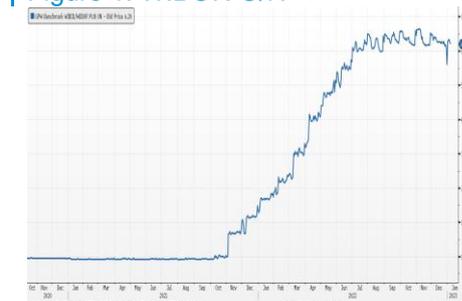
## THE DAY AHEAD...

FRA: Industrial production (Nov)

## TODAY'S FOCUS:

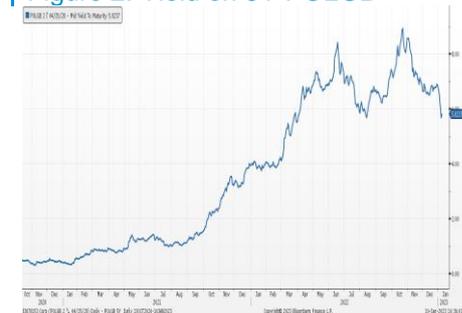
Today economic calendar contains industrial production for November from France. No domestic indicators are scheduled for release today.

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	7:45	Industrial production (Nov)		2.0% (0.7%)	0.8% (-1.0%)



### Foreign Exchange

Today in the morning the zloty was 0.7% firmer versus the USD, firmed by 0.1% versus the EUR and was 0.3% firmer versus the CHF compared to the previous NBP fixing. The zloty was 0.8% firmer versus the GBP.

Yesterday the USD weakened by 0.6% versus the EUR on rising risk appetites, but EUR/USD stabilised after hawkish comments from FOMC members suggesting the Fed would increase rates to above 5%.

### Fixed Income

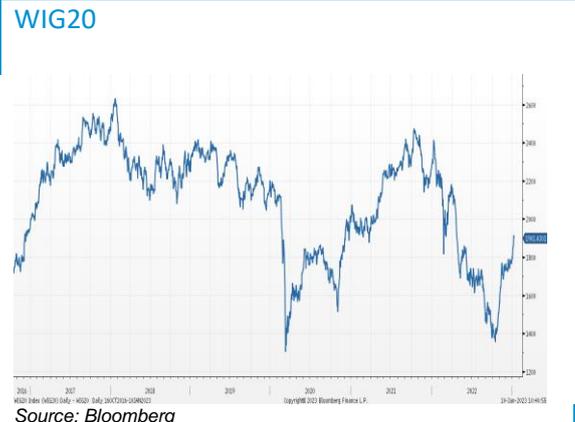
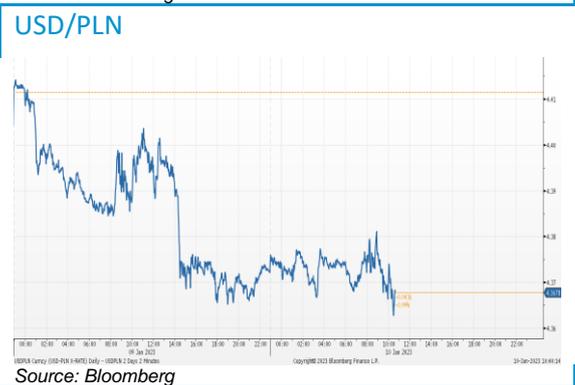
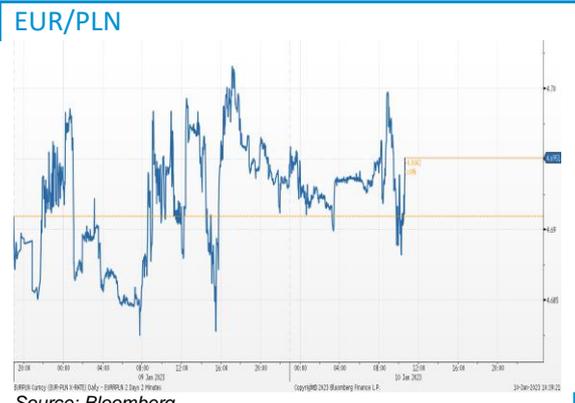
The yields on Poland's government bonds were up 11bps in 2-year sector and rose by 16bps and 15bps respectively in 5-year and 10-year ones after hawkish comments from MPC Ludwik Koteci.

### Interest Rates

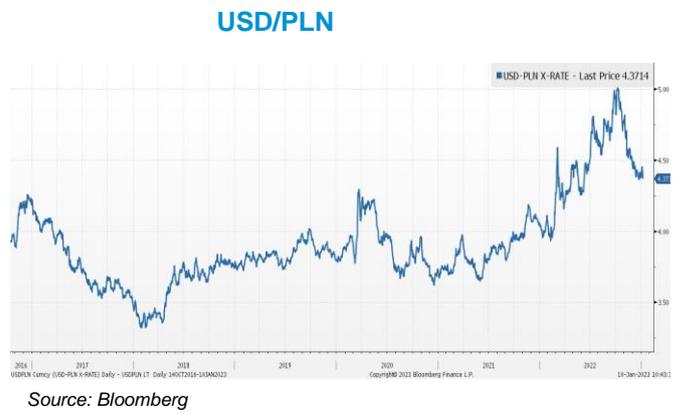
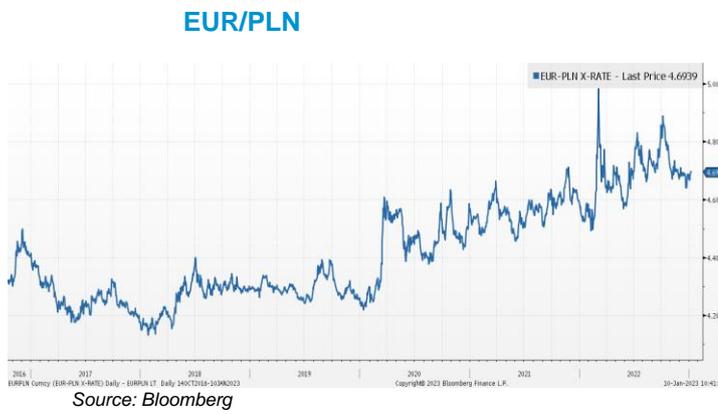
PLN swap rates were 11-15bps up in all tenors following rise in yields in POLGBs.

### Equities

Yesterday the Dow Jones index closed 0.34% down and the S&P 500 index closed 0.08% down. Today in the morning the FTSE 100 index fell by 0.25%, the CAC 40 index was 0.52% down and the DAX index was 0.48% down. The Nikkei index closed 0.78% up. Today in the morning the WIG index fell by 0.31% and the WIG20 index was 0.38% down.



### Medium term FX trends:





# Appendix 1

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