



Poland Daily

HEADLINES:

POL: Today the MPC ends two-day policy meeting. We expect the MPC to keep interest rates unchanged with the main reference rate at 5.75%. The communique after the meeting should suggest further pause in monetary policy. MPC decisions in coming months will be determined by fiscal policy of new government that will have significant impact on future path of inflation. Other major factors that will be taken into account by the MPC in their policy making are signals of recovery in economic activity, exchange rate, global trends in commodity markets and supply chains. Communique after the meeting and tomorrow's press conference of NBP President will be definitely of interest for market participants.

THE DAY AHEAD...

POL: MPC decision

DEU: Factory orders (Oct)

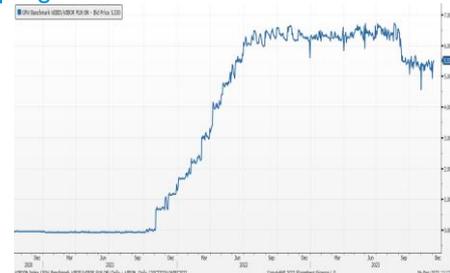
HUN: Industrial production (Oct)

USA: ADP employment change (Nov), trade balance (Oct)

TODAY'S FOCUS:

Today economic calendar contains MPC decision, factory orders for October from Germany, industrial production for October from Hungary and change in ADP employment for November and trade balance for October from the US.

Figure 1: WIBOR O/N



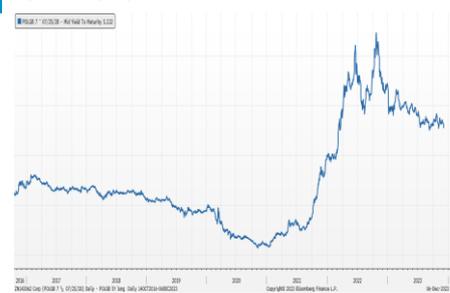
Source: Bloomberg

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	7:00	Factory orders (Oct)		-3.7% (-7.3%)	0.2% (-3.9%)
HUN	7:30	Industrial output (Oct)		-0.6% (-2.8%)	(-2.1%)
POL		MPC decision	5.75%		5.75%
USA	13:15	ADP employment change (Nov)	130 tys.		130 tys.
USA	13:30	Trade balance (Oct)	-USD62.7bn		-USD64.2bn



Foreign Exchange

Today in the morning the zloty was weaker by 0.7% versus the USD, weakened by 0.4% versus the EUR and was 0.6% weaker versus the CHF compared to the previous NBP fixing. The zloty was 0.4% weaker versus the GBP compared to the previous NBP fixing. The zloty weakened today in the morning ahead of MPC decision.

The USD was 0.4% firmer versus the EUR compared to the previous NBP fixing.

Fixed Income

The yields on Poland's government bonds were 1bp up in 5-year sector and rose by 3bps in 10-year one.

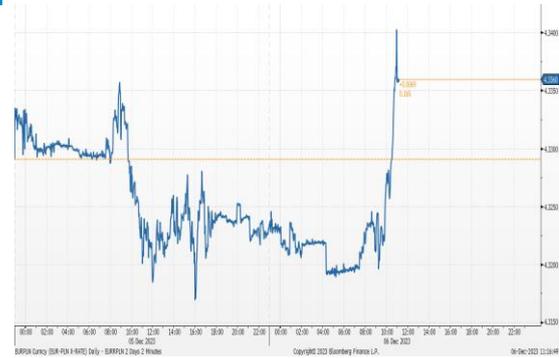
Interest Rates

PLN swap rates were 1-3bps up across the curve.

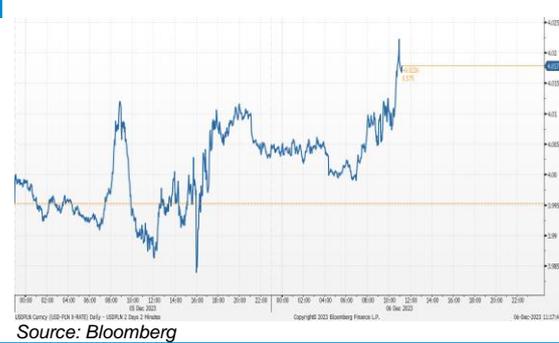
Equities

Yesterday the Dow Jones index closed 0.22% down and the S&P 500 index closed 0.06% down. Today in the morning the FTSE 100 index rose by 0.30%, the CAC 40 index was 0.26% up and the DAX index was 0.17% up. The Nikkei index closed 2.04% up. Today in the morning the WIG index rose by 0.07% reaching fresh high and the WIG20 index was 0.02% up.

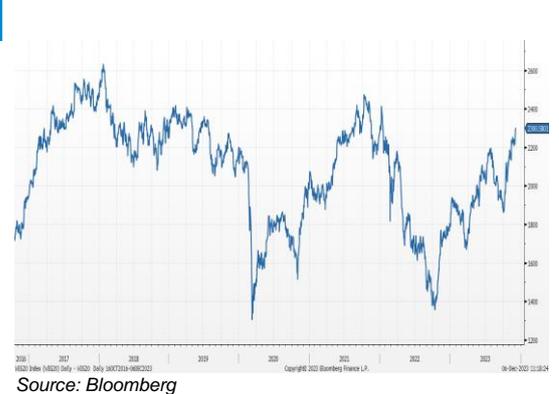
EUR/PLN



USD/PLN

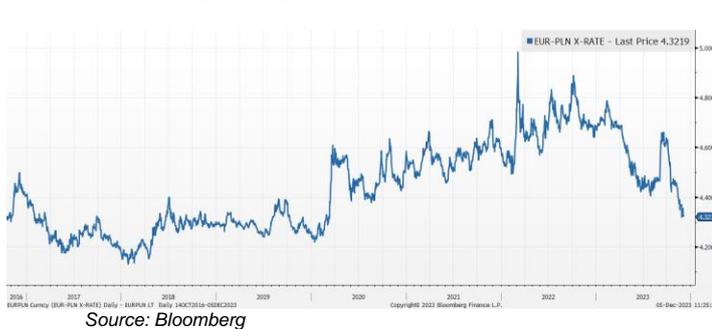


WIG20

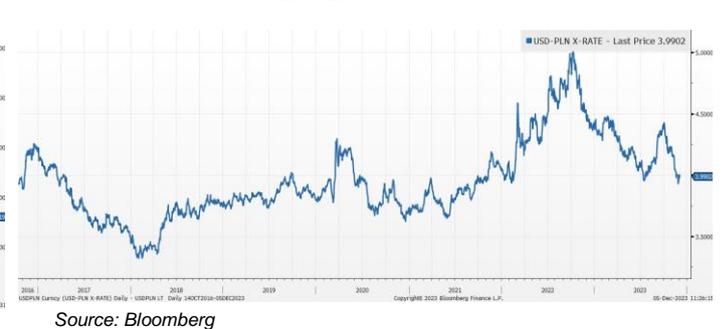


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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