



# Poland Daily

## HEADLINES:

POL: The MPC, as expected, kept interest rates unchanged with the main reference rate at 5.75%. The main premises in keeping interest rates unchanged were impact of previous rate cuts in September and October and uncertainty on future fiscal and regulatory policy. In the communique after the meeting the MPC underlined ongoing weak demand, weakening business cycle and softening inflationary pressure in economic environment of Poland's economy . The MPC said that despite weaker economic activity in Poland situation in labour market was still good and unemployment rate remained low. The MPC stated that the main factors reducing inflation were decline in core inflation and, to the lesser extent, decline in food inflation. The MPC added that decline in producer prices and firming of the zloty would be conducive in further reducing of inflation. The MPC repeated that their future decisions would depend on incoming data on prospects for inflation and economic growth.

## THE DAY AHEAD...

POL: Official reserve assets (Nov), press conference of NBP President

EMU: GDP (Q3)

USA: Initial jobless claims

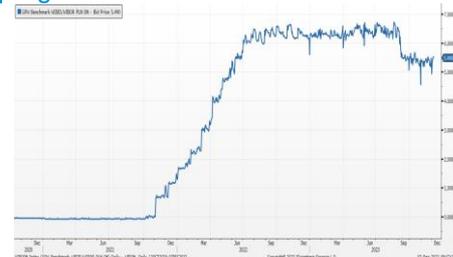
## TODAY'S FOCUS:

Today economic calendar contains press conference of NBP President, GDP for Q3 from euro-zone and US initial jobless claims.

## DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
EMU	10:00	GDP (Q3)			-0.1% (0.1%)
POL	13:00	Official reserve assets (Nov)			
USA	13:30	Initial jobless claims	222k		220k
POL	14:00	Press conference of NBP President			

Figure 1: WIBOR O/N



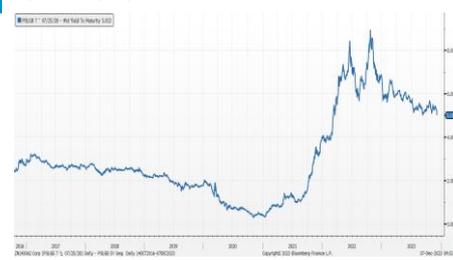
Source: Bloomberg

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 weaker by 0.1% versus the USD, firmed by 0.1% versus the EUR and was 0.1% weaker versus the CHF compared to the previous NBP fixing. The zloty was 0.2% firmer versus the GBP compared to the previous NBP fixing. The zloty stabilised after MPC decision.

The USD was 0.1% firmer versus the EUR compared to the previous NBP fixing.

### Fixed Income

The yields on Poland's government bonds were 3-4bps down in all tenors as the MPC kept interest rates unchanged.

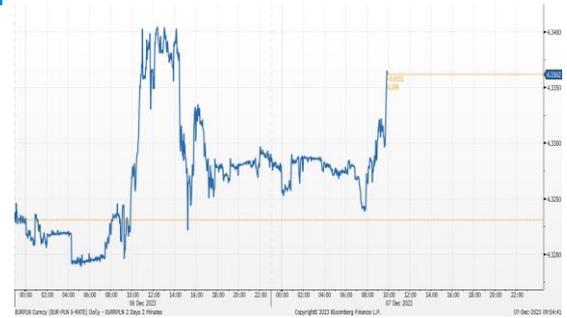
### Interest Rates

PLN swap rates were 1-2bps down across the curve.

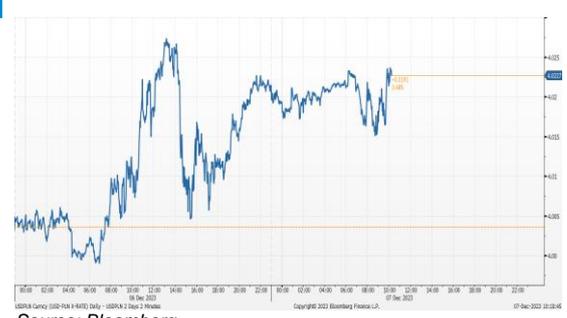
### Equities

Yesterday the Dow Jones index closed 0.19% down and the S&P 500 index closed 0.39% down. Today in the morning the FTSE 100 index fell by 0.28%, the CAC 40 index was 0.18% down and the DAX index was 0.26% down. The Nikkei index closed 1.76% down. Today in the morning the WIG index fell by 1.24% and the WIG20 index was 1.36% down. Stock markets were under the pressure on expectations that the Bank of Japan may end its policy of negative interest rates soon.

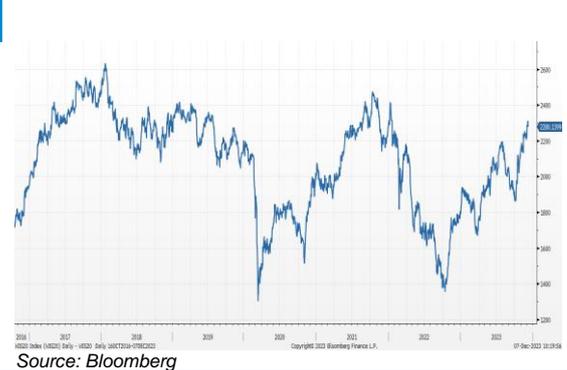
#### EUR/PLN



#### USD/PLN

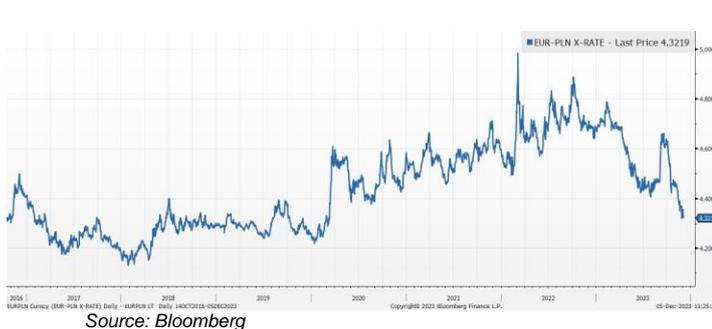


#### WIG20

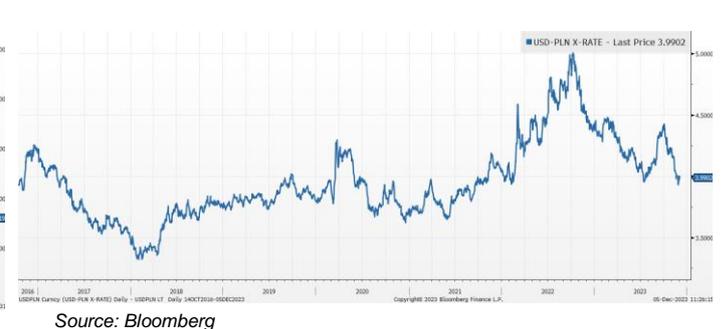


### Medium term FX trends:

#### EUR/PLN



#### USD/PLN





# Appendix 1

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