



Poland Daily

HEADLINES:

POL: In November the current account gap was EUR1725mn and trade surplus amounted to EUR1756mn. In November exports rose by 9.5% y/y to EUR23.0bn while imports increased by 5.3% y/y to EUR21.2bn. Exports' growth was very robust in November what suggests that demand for Poland's exports rose due to PLN weakening and relatively good situation in industry in Europe. An increase in imports suggests good business conditions in Poland's industrial sector as well.

POL: The MPC kept interest rates unchanged, as expected and reiterated the central bank would continue purchases on bonds in the secondary market. The MPC also commented on the current level of PLN exchange rate saying that FX level had not adjusted to rate cuts and economic slowdown. At the same time, the MPC signaled the NBP might intervene to weaken the zloty, depending on market conditions.

THE DAY AHEAD...

HUN: Inflation (Dec)

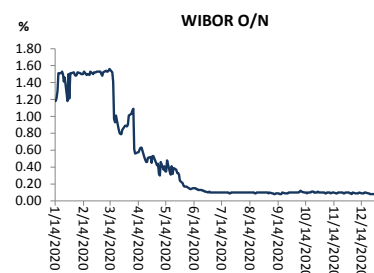
DEU: GDP (2020)

USA: Initial jobless claims

TODAY'S FOCUS:

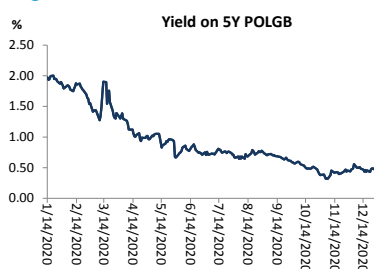
Today economic calendar contains GDP for 2020 from Germany and US initial jobless claims.

Figure 1: WIBOR O/N



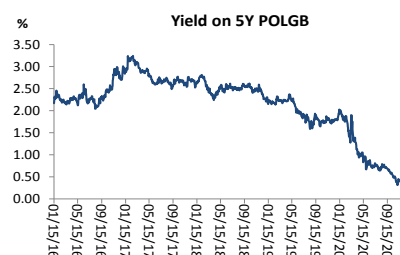
Source: Bloomberg

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
HUN	8:00	Inflation (Dec)		0.3% (2.7%)	0.4% (2.8%)
DEU	9:00	GDP (2020)		(-5.0%)	(-5.2%)
USA	13:30	Initial jobless claims	775k		789k



Foreign Exchange

Today in the morning the zloty was 0.4% weaker versus the USD and was 0.2% weaker versus the EUR compared to the previous NBP fixing. The zloty weakened as the MPC in the communique said the central bank might intervene to weaken the zloty. The zloty should be moving in a range of 4.5200-4.5500 PLN per EUR.

The USD firmed by 0.2% versus the EUR as US Congress voted for impeachment of President Trump while US Senate refrained from voting until President-elect Joe Biden takes office.

Fixed Income

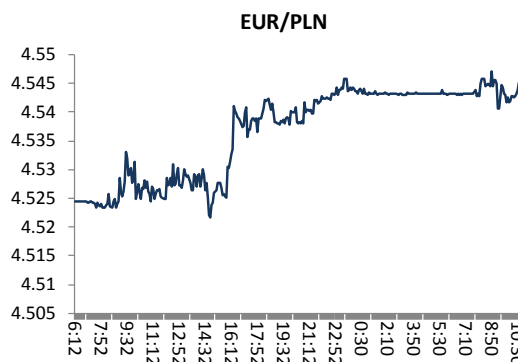
The yields on Poland's government bonds were 2bps down in 5-year and 10-year sectors.

Interest Rates

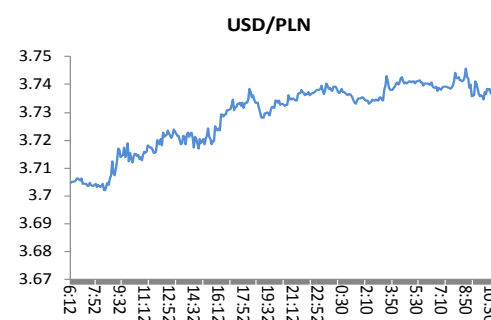
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 1-2bps down in 5-year and 10-year sectors.

Equities

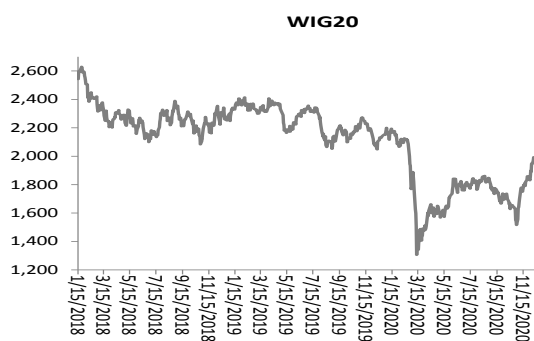
Yesterday the Dow Jones index closed 0.03% down and the S&P 500 index rose by 0.23%. Today in the morning the FTSE 100 index was 0.60% up, the CAC 40 index was 0.35% up and the DAX index was 0.50% up. The Nikkei index closed 0.85% up. Today in the morning the WIG index was 0.52% up and the WIG20 index was 0.34% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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