



# Poland Daily

## HEADLINES:

EMU: At the meeting yesterday the ECB, as expected, didn't change policy settings. The ECB incorporated into its guidance symmetric inflation target of 2% and commitment to forceful or persistent policy easing near effective lower bound of interest rates (which is the case now). The ECB also signaled that interest rate hike would be possible only when forecasts show inflation reaching target well before the end of the horizon of monetary policy and point to durable inflation for the rest of the horizon.

POL: In June money supply M3 rose by 0.2% m/m and increased by 7.4% y/y, coming below market consensus forecasts of 7.8% y/y growth.

POL: Registered unemployment rate in June fell to 5.9% from 6.1% in May. Stronger than expected decline in unemployment rate was a result of opening of services sector, including hotels and restaurant and stronger demand for labour in industry, due to strong recovery in exports.

## THE DAY AHEAD...

POL: Unemployment rate (Jun)

EMU: PMI manufacturing (Jul, P)

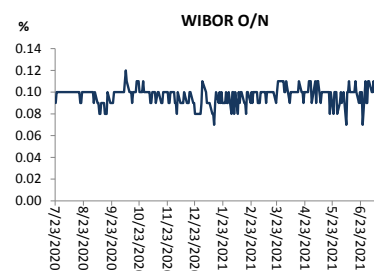
DEU: PMI manufacturing (Jul, P)

USA: PMI manufacturing (Jul, P)

## TODAY'S FOCUS:

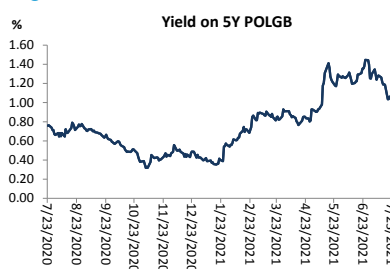
Today market participants will be focusing on series of preliminary PMIs from Europe and US for July. On a domestic side registered unemployment rate for June is due today.

Figure 1: WIBOR O/N



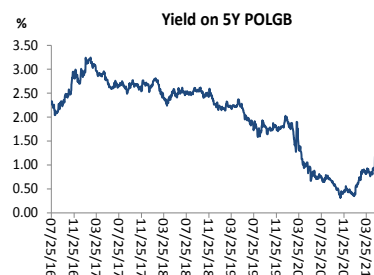
Source: Bloomberg

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 |
|---------|-------|----------------------------|-------------|--------|-----------|
| DEU     | 7:30  | PMI manufacturing (Jul, P) |             | 65.6   | 64.1      |
| EMU     | 8:00  | PMI manufacturing (Jul, P) |             | 62.6   | 62.5      |
| POL     | 8:00  | Unemployment rate (Jun)    | 6.0%        | 5.9%   | 6.0%      |
| USA     | 13:45 | PMI manufacturing (Jul, P) |             |        | 62.0      |

Source: Deutsche Bank Estimates and Bloomberg Finance LP



### Foreign Exchange

Today in the morning the zloty was 0.1% weaker versus the USD and was 0.1% firmer versus the EUR compared to the previous NBP fixing. The zloty should be moving within a range of 4.5600-4.5900 PLN per EUR today.

The USD was 0.2% firmer versus the EUR as the tone of communique at ECB meeting was dovish.

### Fixed Income

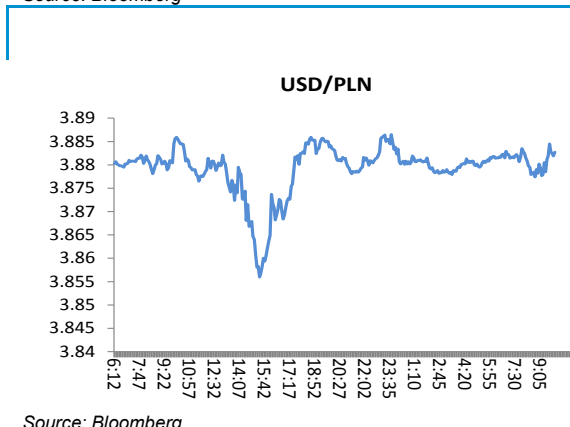
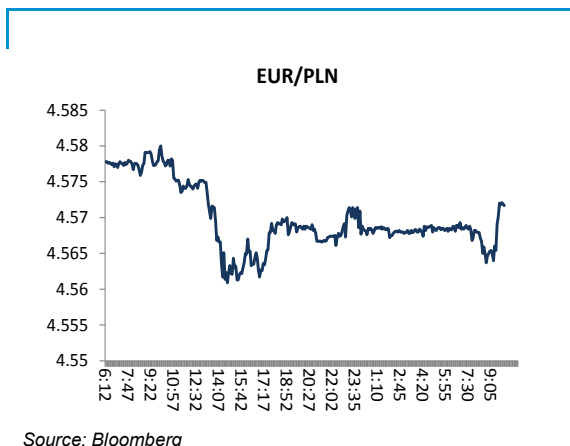
The yields on Poland's government bonds were 3bps down in 5-year sector and 10-year sector. Today at auction the Finance Ministry offers government bonds series OK0423, PS1026, DS0432, WZ1126 and WZ1131 worth total PLN4.0-6.5bn.

### Interest Rates

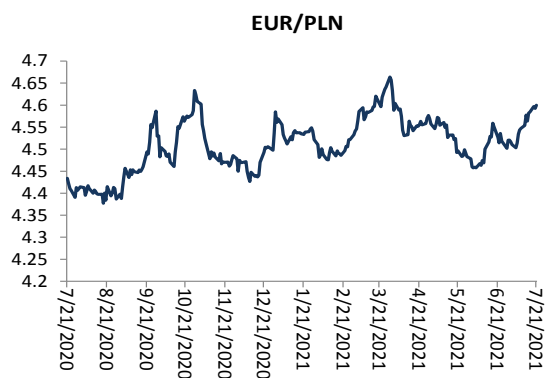
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 2-3bps down across the curve.

### Equities

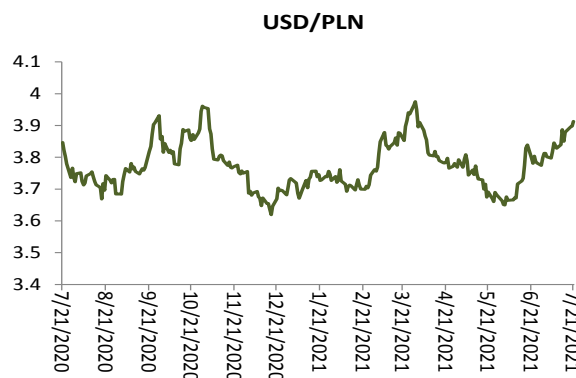
Yesterday the Dow Jones index closed 0.07% up and the S&P 500 index rose by 0.20%. Today in the morning the FTSE 100 index was 0.74% up, the CAC 40 index was 0.64% up and the DAX index was 0.60% up. Today in the morning the WIG index was 0.27% up and the WIG20 index was 0.31% up.



### Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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