



# Poland Daily

## HEADLINES:

POL: Yesterday the MPC hiked interest rates by 50bps, raising the main reference rate to 1.75%. The MPC decided to hike by 50bps instead of hiking by 75bps what would mean reaching terminal rate in this tightening cycle faster. The decision to hike by 50bps means that the MPC is uncertain about appropriate level of end-cycle interest rate. Taking into account the fact that data on inflation in recent months were consistently significantly above expectations of the central bank, one can expect that this tightening cycle will take longer and final level of interest rates will be higher. In the communique the Council underlined that they would aim at stabilising inflation in medium term at the same time supporting economic growth in Poland, after global pandemic shock. The MPC while assessing total scale of rate hikes necessary to stabilize inflation will be taking into account incoming data on inflation and economic growth including situation in the labour market. The MPC reiterated that the central bank might intervene in FX market and might use other instruments envisaged in Monetary Policy Guidelines.

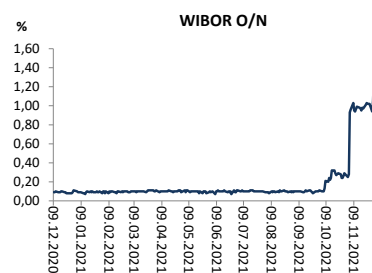
## THE DAY AHEAD...

USA: Initial jobless claims, wholesale inventories (Oct)

## TODAY'S FOCUS:

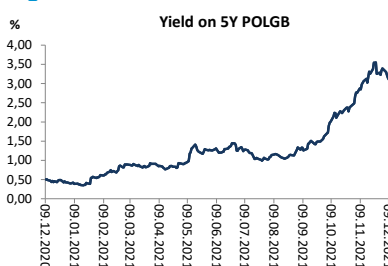
Today economic calendar contains US initial jobless claims and wholesale inventories for October. Market participants will be focusing on press conference of NBP President.

Figure 1: WIBOR O/N



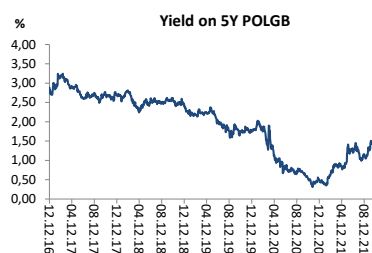
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg

## DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
USA	13:30	Initial jobless claims	210k		220k
USA	15:00	Wholesale inventories (Oct)	2,2%		2,2%



### Foreign Exchange

Today in the morning the zloty was 0.3% weaker versus the USD and was 0.6% weaker versus the EUR compared to previous NBP fixing. The zloty weakened as market participants regarded rate hike by 50bps as insufficient to stabilise inflation. The zloty should be moving within a range of 4.6000-4.6400 PLN per EUR today.

The USD weakened by 0.3% versus the EUR.

### Fixed Income

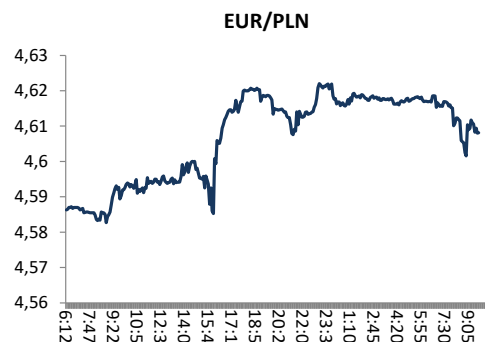
The yields on Poland's government bonds fell by 3-4bps in 2-year and 5-year sectors and fell by 2bps in 10-year one as market participants started to expect slower pace of interest rate hikes in Poland.

### Interest Rates

Today the O/N bid rate should be within a range of 0.75% - 1.00%. Swap rates were 2-3bps down in all tenors.

### Equities

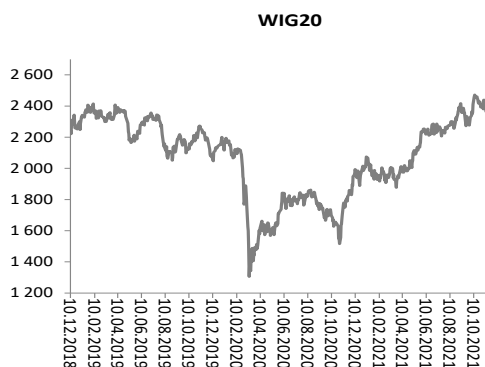
Yesterday the Dow Jones index closed 0.10% up and the S&P 500 index rose by 0.31%. Today in the morning the FTSE 100 index was 0.01% down, the CAC 40 index was 0.22% up and the DAX index was 0.01% down. The Nikkei index closed 0.47% down. Today in the morning the WIG index was 0.33% up and the WIG20 index was 0.59% up.



Source: Bloomberg

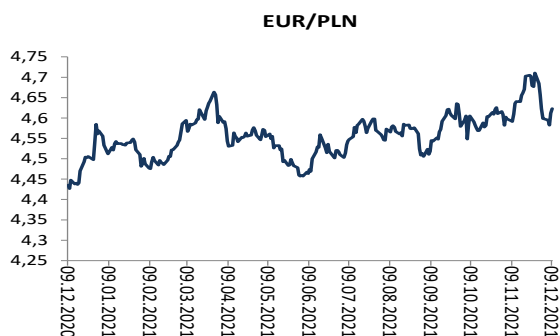


Source: Bloomberg

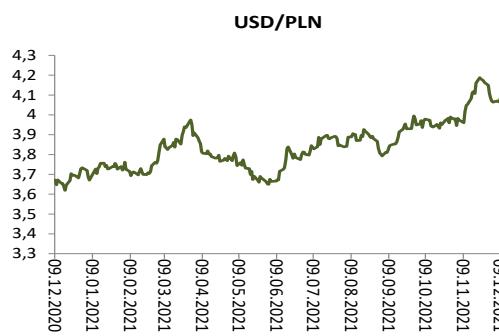


Source: Bloomberg

### Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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