



Poland Daily

HEADLINES:

POL: In December core CPI (ex food and energy) amounted to 0.4% m/m and 5.3% y/y after 4.7% y/y in November. Rising core inflation shows impact of high fuel and energy prices on other goods and services. Due to the fact that inflation mainly pertains to necessities, households are unable to accommodate it by changing structure of consumption. It is also a reason why there are no signs of demand-driven inflation.

POL: On a customs basis in the period of January-November 2021 exports rose by 18.9% y/y to EUR260.9bn while imports rose by 24.2% y/y to EUR259.9bn what resulted in EUR1.0bn trade surplus. In the period of January-November 2021 main trading partners of Poland in exports were Germany (28.7% of total exports), Czechia (5.9%) and France (5.7%) while in imports Germany (20.9% of total imports), China (14.7%) and Russia (5.8%).

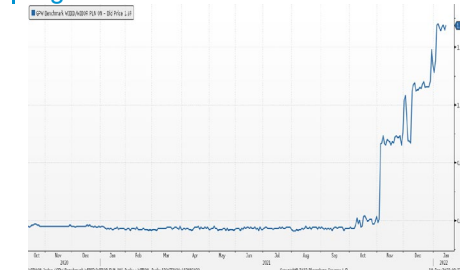
THE DAY AHEAD...

DEU: ZEW (Jan)

TODAY'S FOCUS:

Today economic calendar contains German ZEW expectations index for January.

Figure 1: WIBOR O/N



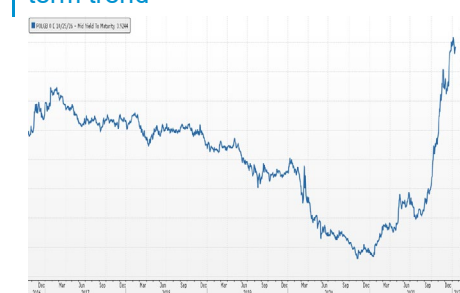
Source: Bloomberg

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	10:00	ZEW (expectations, Jan)		51.7	32.0



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 previous NBP fixing. The zloty should be moving within a range of 4.5150-4.5450 PLN per EUR today.

The USD was 0.3% firmer versus the EUR as yield on US 10-year Treasuries rose above 1.8%.

Fixed Income

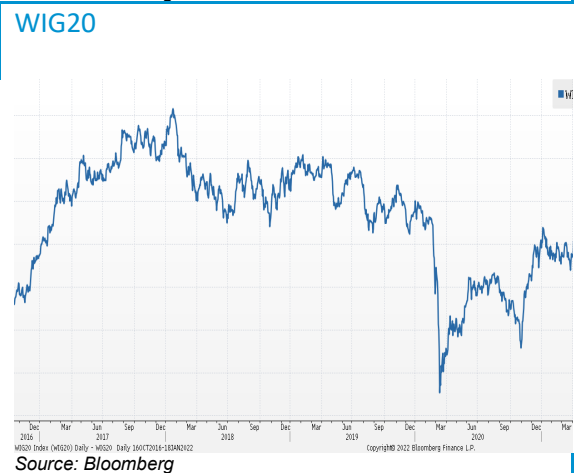
The yields on Poland's government bonds rose by 4-5bps in 5-year and 10-year sectors.

Interest Rates

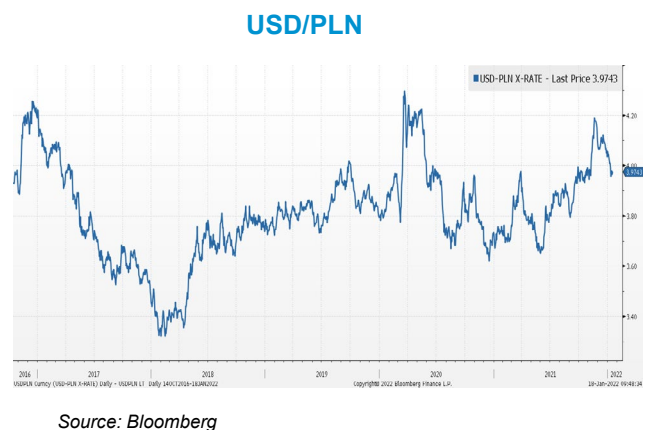
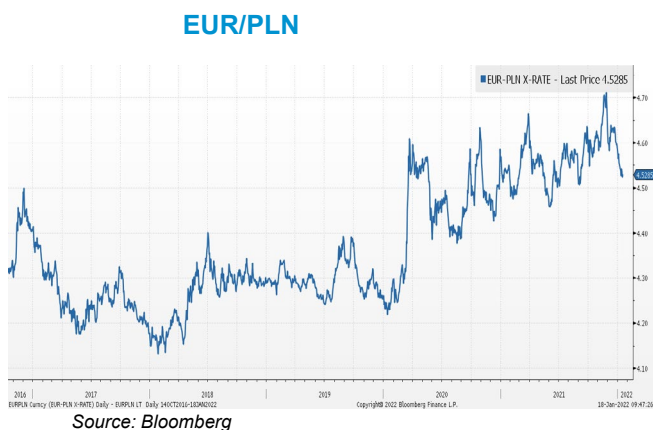
Today the O/N bid rate should be within a range of 1.00% - 1.30%. Swap rates were 4-5bps up in all tenors.

Equities

Yesterday the Dow Jones index closed 0.56% down and the S&P 500 index rose by 0.91%. Today in the morning the FTSE 100 index was 0.91% down, the CAC 40 index was 1.27% down and the DAX index was 1.35% down. The Nikkei index closed 0.27% down. Today in the morning the WIG index was 0.81% down and the WIG20 index was 0.90% down. Stock markets were negatively impacted by rise in yields on US Treasuries.



Medium term FX trends:





Appendix 1

Important Disclosures

Additional information available upon request

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