



# Poland Daily

## HEADLINES:

POL: Today the MPC holds policy meeting. We expect the MPC to keep settings of monetary policy unchanged. Market participants will focus on two issues: (1) what is the NBP tolerance for firming the zloty and (2) whether there is any shift within the MPC towards easier monetary policy, in particular, whether the MPC is more prone to accept a scenario of rate cut. We think that the NBP has no particular level of exchange rate to trigger interventions to weaken the PLN but rather reacts to momentum in PLN firming. The zloty clearly has been firming for a week, supported by good macro data from Poland and euro-zone. The NBP, to maintain its influence on the level of PLN exchange rate, has to occasionally intervene, also verbally. NBP President Glapinski will have good opportunity to intervene verbally at press conference on Friday.

## THE DAY AHEAD...

POL: MPC decision

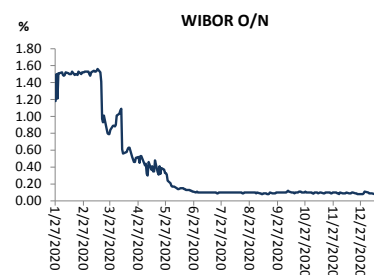
EMU: PMI services (Jan), inflation (Jan)

USA: ADP employment (Jan), ISM services (Jan)

## TODAY'S FOCUS:

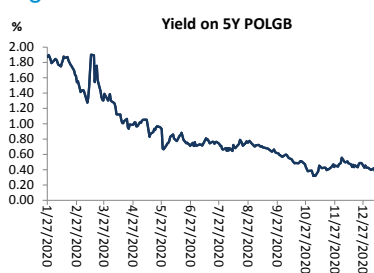
Today economic calendar contains MPC decision, PMI services for January from euro-zone and the US, inflation for January from euro-zone and US ADP employment for January.

Figure 1: WIBOR O/N



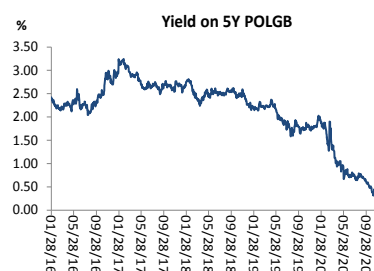
Source: Bloomberg

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	8:55	PMI services (Jan)		46.7	46.8
EMU	9:00	PMI services (Jan)		45.4	45.0
EMU	10:00	Inflation (Jan)			-0.1%(0.6%)
POL		MPC decision	0.10%		0.10%
USA	13:15	Change in employment ADP (Jan)	50k		50k
USA	15:00	ISM services (Jan)	56.7		57.4

Source: Deutsche Bank Estimates and Bloomberg Finance LP



### Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.3% firmer versus the EUR compared to the previous NBP fixing. The zloty should be moving in a range of 4.4700-4.5100 PLN per EUR today.

The EUR weakened by 0.3% versus the USD despite better than expected data on Q4 GDP from euro-zone.

### Fixed Income

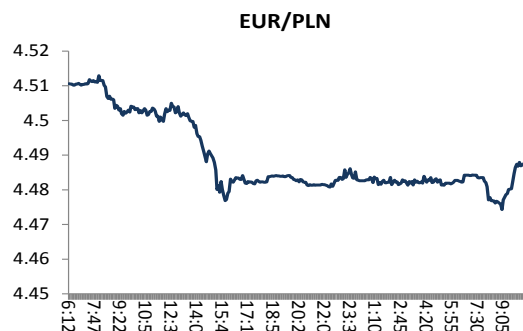
The yields on Poland's government bonds were 6bps up in 10-year sector.

### Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 3bps up in 5-year and 10-year sectors.

### Equities

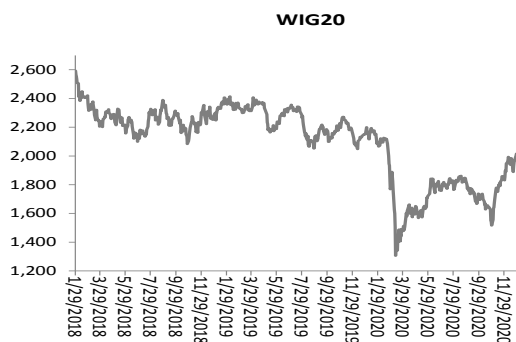
Yesterday the Dow Jones index closed 1.57% up and the S&P 500 index rose by 1.39%. Today in the morning the FTSE 100 index was 0.10% up, the CAC 40 index was 0.28% up and the DAX index was 0.50% up. The Nikkei index closed 1.00% up. Today in the morning the WIG index was 0.10% down and the WIG20 index was 0.14% down.



Source: Bloomberg

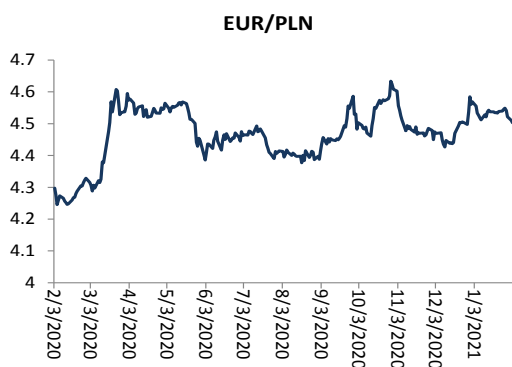


Source: Bloomberg



Source: Bloomberg

### Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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