



# Poland Daily

## HEADLINES:

POL: In November consumer prices rose by 1.0% m/m and were 7.8% up y/y. In November prices of consumer goods rose by 1.2% m/m and were 8.1% up y/y while prices of services were 0.4% up m/m and 6.6% up y/y. Much lower growth in services' prices show that inflationary shock is mainly of supply-side origin. Sanitary restrictions that are effective from today create new supply-demand shock and will likely redirect part of excess demand towards consumer goods. In November inflation was generated mainly by rise in food prices (up 6.4% y/y, added 0.36 percentage point to monthly inflation), rise in housing and energy prices (up 10.7% y/y, added 0.35 p.p. to monthly inflation) and rise in transport prices (up 24.1% y/y, added 0.17 p.p. to monthly inflation).

POL: The current account gap widened to -EUR1.791bn in October from -EUR1.3bn in September what was a result of widening trade deficit to -EUR822mn in October from -EUR111mn in September. Widening of trade deficit in October, in turn, was caused by decline in growth of exports to 6.6% y/y (as exports of automobiles and parts declined) while growth in imports remained robust at 20.4% y/y due to higher prices of fuels, metals and chemical products.

## THE DAY AHEAD...

POL: CPI (Nov)

USA: FOMC meeting, retail sales (Nov)

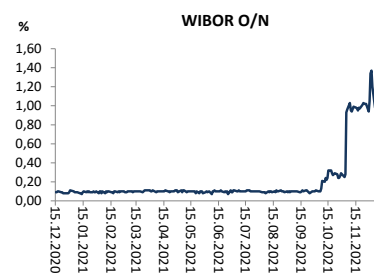
## TODAY'S FOCUS:

Today market participants will be focusing on FOMC meeting. DB expects the Fed to announce a doubling in tapering pace. The dot plot should show median expectations of two rate hikes in 2022

## DIARY (Today)

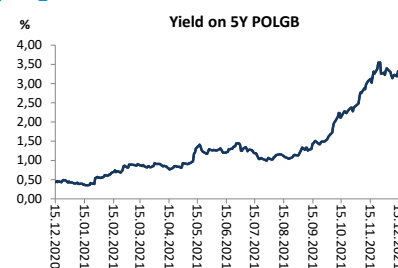
Country	GMT	Release	DB Expected	Actual	Consensus
POL	9:00	Inflation (Nov)	1.0% (7.7%)	1.0% (7.8%)	1.0% (7.7%)
USA	13:30	Retail sales (Nov)	1.0%		0.8%
USA	19:00	FOMC decision	0.00%-0.25%		0.00%-0.25%

Figure 1: WIBOR O/N



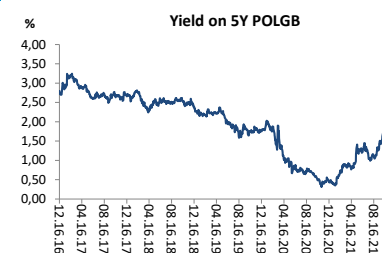
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



### Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD and was 0.4% firmer versus the EUR compared to previous NBP fixing. The zloty should be moving within a range of 4.6100-4.6400 PLN per EUR today.

The USD firmed by 0.2% versus the EUR ahead of FOMC meeting.

### Fixed Income

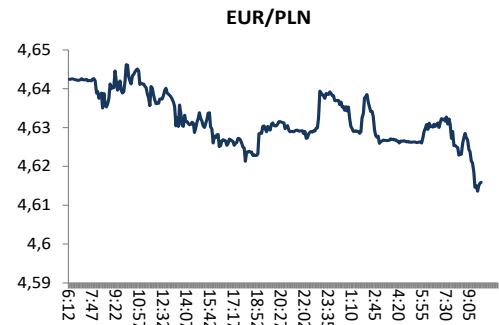
The yields on Poland's government bonds rose by 2bps in 2-year and 5-year sectors.

### Interest Rates

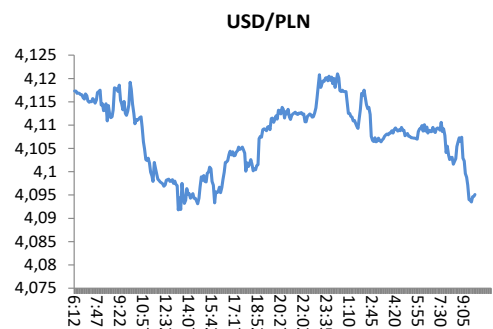
Today the O/N bid rate should be within a range of 0.90% - 1.20%. Swap rates were unchanged in all tenors.

### Equities

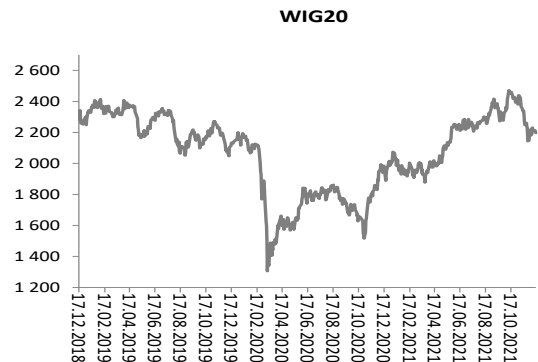
Yesterday the Dow Jones index closed 0.30% down and the S&P 500 index fell by 0.75%. Today in the morning the FTSE 100 index was 0.43% down, the CAC 40 index was 0.56% up and the DAX index was 0.29% up. The Nikkei index closed 0.10% up. Today in the morning the WIG index was 1.16% down and the WIG20 index was 1.43% down.



Source: Bloomberg

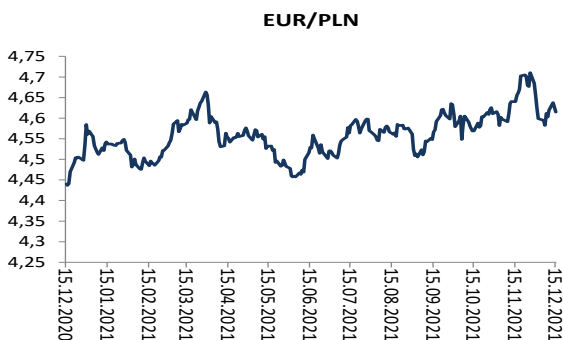


Source: Bloomberg

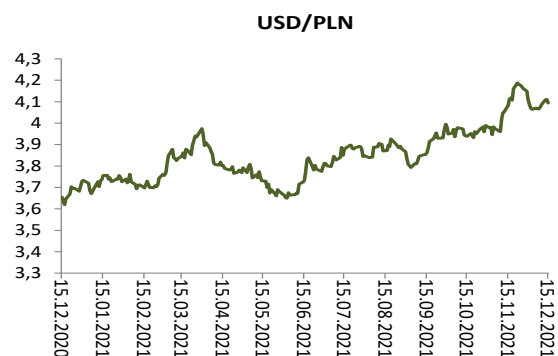


Source: Bloomberg

### Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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