



Poland Daily

HEADLINES:

POL: At press conference NBP President Adam Glapiński said that the MPC hadn't formally ended tightening cycle but underlined that the current level of interest rates was appropriate concerning macro-economic situation in Poland. In his view inflation has reached plateau and rising trend in inflation stopped. According to NBP President inflation will increase in January-February 2023 due to rise in regulated prices and cessation of anti-inflation shield. According to NBP president average CPI in 2023 will be still high at 13.1% and will decline to single digit level (6-9%) in the end of 2023. In the view of the MPC fiscal policy in 2023 will have neutral impact on inflation. NBP President underlined that the end of anti-inflation shield and the end of mortgage holidays would be two important factors tightening monetary conditions in 2023. He expressed a view that there would be no recession in Poland in coming quarters (defined as rise in unemployment and accelerated bankruptcies of enterprises) but GDP growth will decelerate towards zero (to 0.7% in 2023). NBP President stressed that Poland's economy was balanced in macro-economic terms, robust to shocks and Poland's potential product grew quickly albeit output gap would close in coming quarters due to weaker demand.

THE DAY AHEAD...

POL: Minutes from MPC meeting

USA: PPI (Nov), Univ. of Michigan Consumer Sentiment (Dec, prel.)

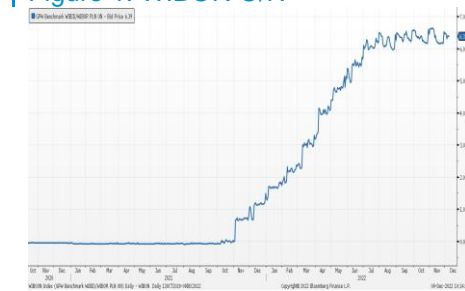
TODAY'S FOCUS:

Today economic calendar contains publication of minutes from MPC meeting and PPI for November and Univ. of Michigan Consumer Sentiment for December from the U.S.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	13:00	Minutes from MPC meeting			
USA	13:30	PPI (Nov)	0.2%		0.2% (7.2%)
USA	15:00	Consumer Sentiment (Dec, prel.)	56.0		57.0

Figure 1: WIBOR O/N



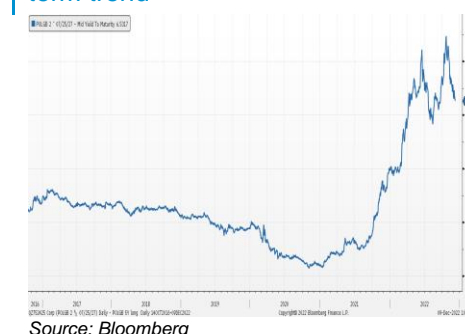
Source: Bloomberg

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 1.0% firmer versus the USD, firmed by 0.4% versus the EUR and was 0.2% firmer versus the CHF compared to the previous NBP fixing. The zloty was 0.4% firmer versus the GBP. The zloty firmed as risk appetite rose.

The USD weakened by 0.6% versus the EUR compared to the previous NBP fixing as Asian stocks gained on easing zero-covid policy in China and yields on core markets fell.

Fixed Income

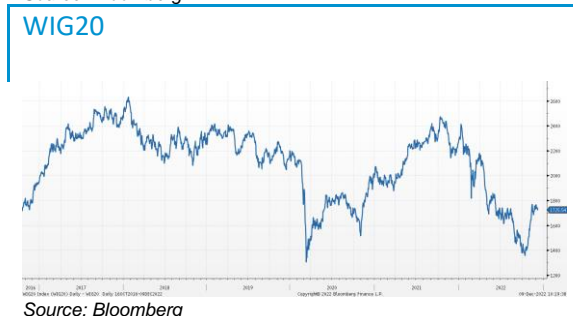
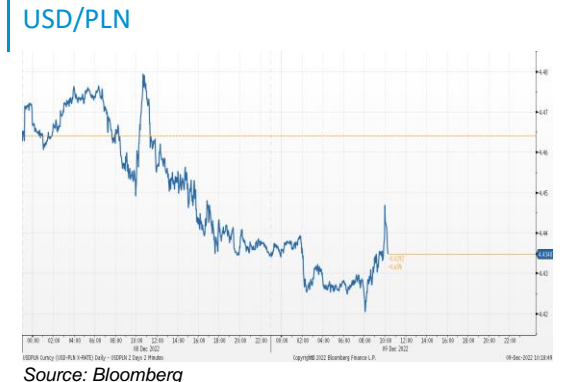
The yields on Poland's government bonds were 3bps down in 2-year sector and fell by 7-8bps in 5-year and 10-year sectors. PM Mateusz Morawiecki informed that state Bank BGK obtained USD4bn of financing from consortium led by large international bank. The funds will be used for defense spending.

Interest Rates

PLN swap rates were 7bps down in 2-year sector, fell by 10bps in 5-year and 10-year ones.

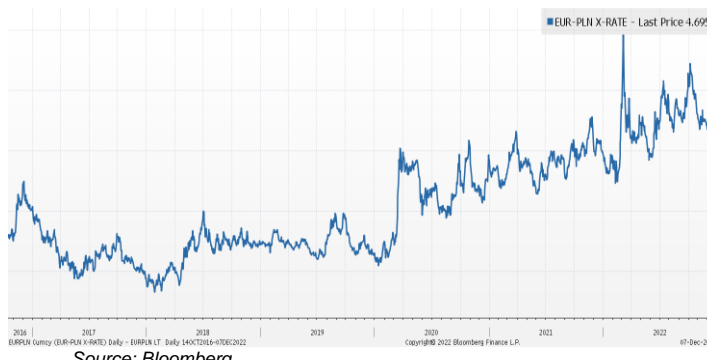
Equities

Yesterday the Dow Jones index closed 0.55% up and the S&P 500 index closed 0.75% up. Today in the morning the FTSE 100 index rose by 0.26%, the CAC 40 index was 0.08% up and the DAX index was 0.26% up. The Nikkei index closed 1.18% up and the Hang Seng index closed 2.32% up. Today in the morning the WIG index rose by 0.22% and the WIG20 index was 0.29% up.

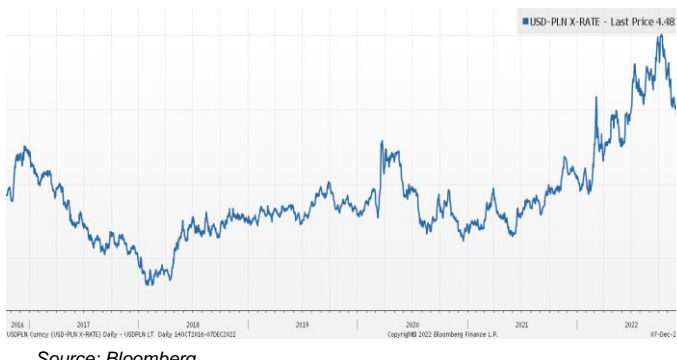


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

Important Disclosures

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., al. Armii Ludowej 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 1.744.449.384 paid up in full.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krzeńskiak