



Poland Daily

HEADLINES:

POL: PM Morawiecki announced a freeze in natural gas prices for bakeries and pastry shops at PLN200.17 per MWh what is 2-3 times less than current market prices. Estimated cost of this programme in Q2-Q4 2023 is PLN300 million. The aid will be directed to small family businesses and chain stores will not be entitled to it.

USA: The Fed hiked by 25bps, as expected. Communique after the meeting signalled that further hikes would be appropriate, and that inflation, despite slowing down, remained elevated. FOMC Chairman Powell said that Fed had more work to do, labour market was extremely tight. He underlined that nominal wages fell slightly but labour market remained unbalanced. He added that the Fed needed more evidence that inflation was falling. In the opinion of Fed, monetary policy wasn't yet sufficiently restrictive.

THE DAY AHEAD...

UK: Bank of England decision

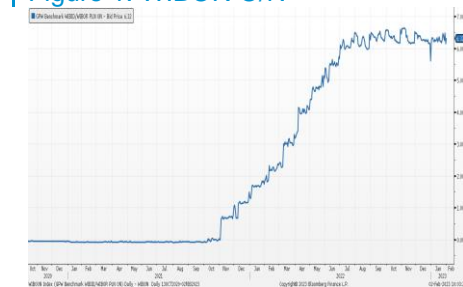
EMU: ECB decision

USA: initial jobless claims, factory orders (Dec)

TODAY'S FOCUS:

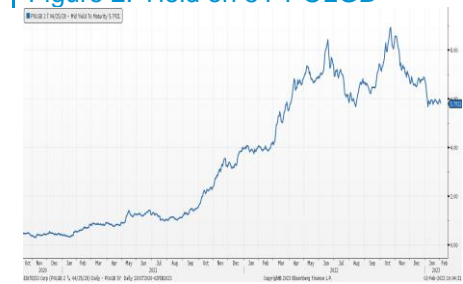
Today market participants will be focusing on ECB and Bank of England's monetary policy decisions. Both central banks should hike interest rates by 50bps today. Economic calendar contains also US initial jobless claims and factory orders.

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
UK	12:00	Bank of England Bank rate	4.00%		4.00%
EMU	13:15	ECB refinancing rate	3.00%		3.00%
EMU	13:15	ECB deposit rate	2.50%		2.50%
USA	13:30	Initial jobless claims			195k
USA	15:00	Factory orders (Dec)	5.5%		2.3%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 1.1% firmer versus the USD, remained unchanged versus the EUR and was 0.4% firmer versus the CHF compared to the previous NBP fixing. The zloty was 0.7% firmer versus the GBP.

The USD weakened by 1.1% versus the EUR after FOMC 25bps hike and relatively dovish post-meeting comments.

Fixed Income

The yields on Poland's government bonds were 6bps down in 2-year sector and fell by 9-10bps in 5-year and 10-year ones.

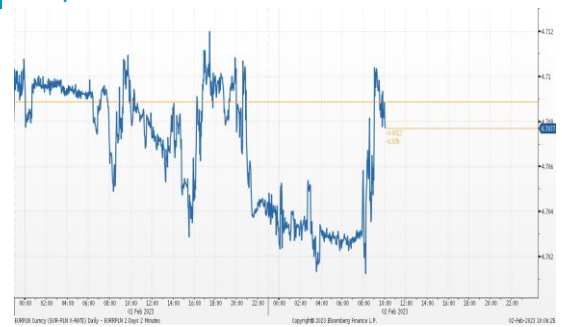
Interest Rates

PLN swap rates were 7-9bps down in all tenors.

Equities

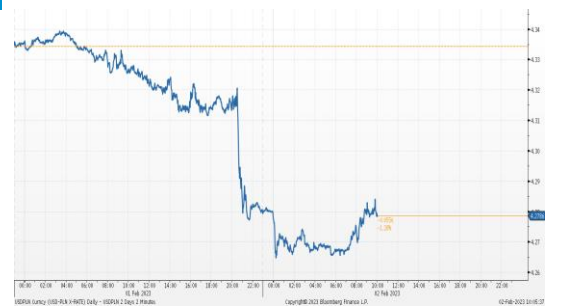
Yesterday the Dow Jones index closed 0,02% up and the S&P 500 index closed 1.05% up. Today in the morning the FTSE 100 index rose by 0.51%, the CAC 40 index was 1.01% up and the DAX index was 1.59% up. The Nikkei index closed 0.20% up. Today in the morning the WIG index rose by 0.79% and the WIG20 index was 0.95% up.

EUR/PLN



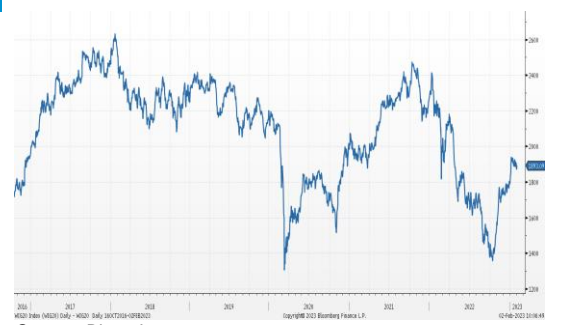
Source: Bloomberg

USD/PLN



Source: Bloomberg

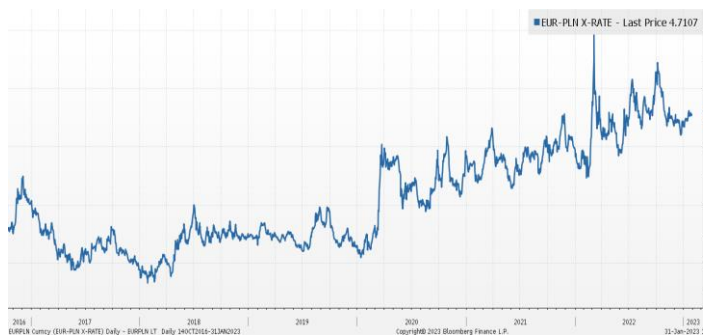
WIG20



Source: Bloomberg

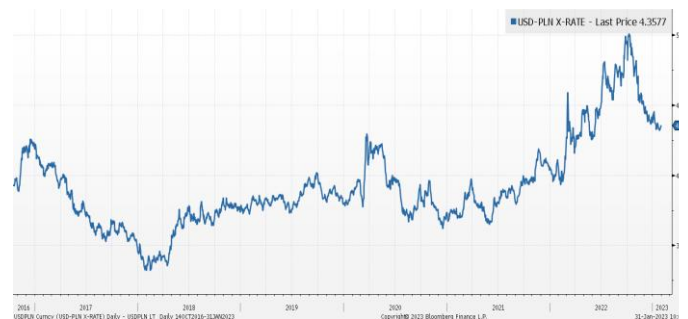
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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