



# Poland Daily

## HEADLINES:

POL: In October the current account gap narrowed to -EUR549mn from -EUR1.561bn in September. In October trade gap was -EUR2.0bn, exports rose by 23.7% y/y to EUR28.7bn, imports rose by 24.6% y/y to EUR31.0bn. Surplus in services' account amounted to EUR3.1bn, export of services rose by 21.7% y/t to EUR7.9bn and import of services rose by 17.2% y/y to EUR4.8bn. In October deficit in primary income was -EUR1.3bn while deficit in secondary income was -EUR71mn. The current account deficit narrowed due to higher surplus in services' account and lower gap in primary income account.

POL: In November CPI was 0.7% m/m and 17.5% y/y. In November food prices rose by 1.6% m/m and were 22.3% up y/y (adding 0.43 p.p. to monthly CPI). Prices of housing appliance rose by 1.2% m/m and 13.6% y/y and prices of other goods and services rose by 1.3% m/m and 12.8% y/y (adding 0.07 p.p.). Prices of communication rose by 1.3% m/m and 5.0% y/y, prices in hotels and restaurants rose by 1.2% m/m and 18,6% y/y (adding 0.06 p.p.). Transport prices were down 0,8% m/m and rose by 14.4% y/y. In November food prices were the main factor driving inflation up as energy prices stabilized and fuel prices fell. In energy-intensive services impact of higher energy prices is clearly visible.

## THE DAY AHEAD...

POL: CPI (Nov)

UK: Bank of England decision

EMU: ECB decision

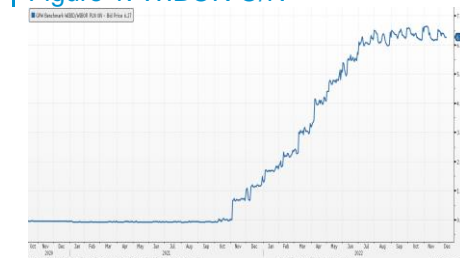
USA: Industrial production (Nov), initial jobless claims

## TODAY'S FOCUS:

Today both ECB and Bank of England should hike interest rates by 50bps. Economic calendar contains Poland's CPI and US initial jobless claims and industrial production.

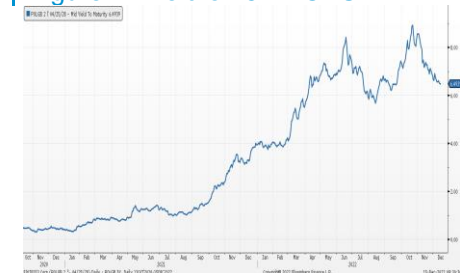
## DIARY (Today)

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

Country	GMT	Release	DB Expected	Actual	Consensus
POL	9:00	CPI (Nov)	0.7% (17.4%)	0.7% (17.5%)	0.7% (17.4%)
UK	12:00	Bank of England decision	3.50%		3.50%
EMU	13:15	EBC refi	2.50%		2.50%
EMU	13:15	EBC depo	2.00%		2.00%
USA	13:30	Initial jobless claims	220k		232k
USA	14:15	Industrial production (Nov)	0.0%		-0.4%



### Foreign Exchange

Today in the morning the zloty was 0.3% weaker versus the USD, firmed by 0.1% versus the EUR and was unchanged versus the CHF compared to the previous NBP fixing. The zloty was 0.2% firmer versus the GBP.

The USD firmed by 0.4% versus the EUR compared to the previous NBP fixing as Fed hiked interest rates by 50bps.

### Fixed Income

The yields on Poland's government bonds were practically unchanged in all tenors.

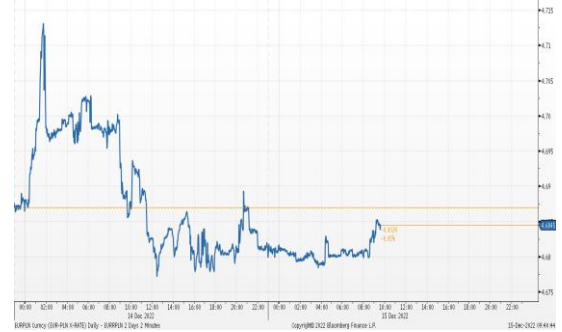
### Interest Rates

PLN swap rates were 8bps up in 2-year sector and rose by 10-11bps in 5-year and 10-year sectors.

### Equities

Yesterday the Dow Jones index closed 0.42% down and the S&P 500 index closed 0.61% down. Today in the morning the FTSE 100 index fell by 0.63%, the CAC 40 index was 1.34% down and the DAX index was 1.31% down. The Nikkei index closed 0.37% down. Today in the morning the WIG index fell by 1.40% and the WIG20 index was 1.47% down.

#### EUR/PLN



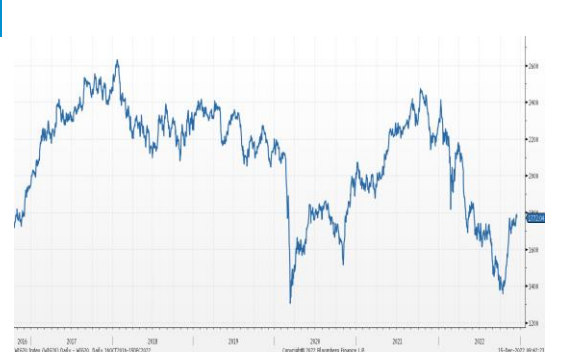
Source: Bloomberg

#### USD/PLN



Source: Bloomberg

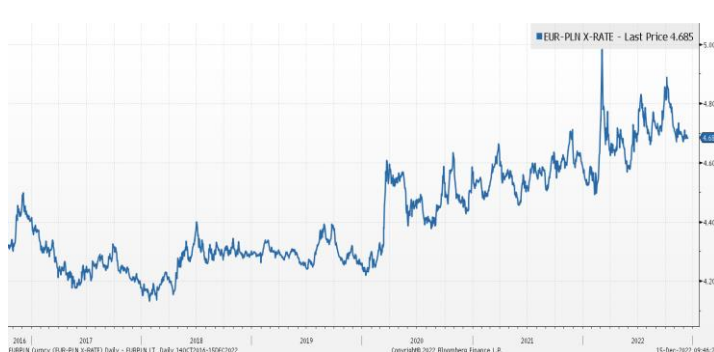
#### WIG20



Source: Bloomberg

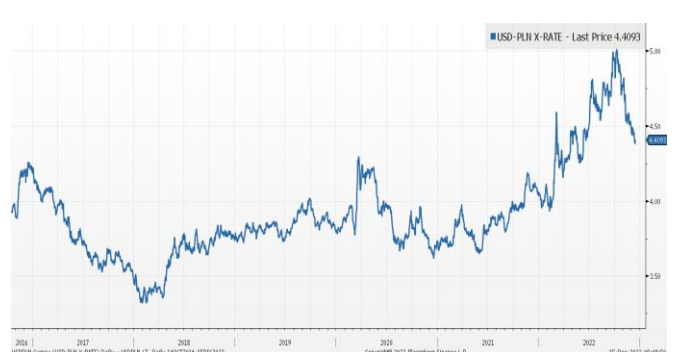
### Medium term FX trends:

#### EUR/PLN



Source: Bloomberg

#### USD/PLN



Source: Bloomberg



# Appendix 1

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