



Poland Daily

HEADLINES:

POL: Today the Monetary Policy Council will take decision on interest rates. We expect the MPC to keep interest rates unchanged today with the main reference rate at 5.75%. The communique after the meeting will likely signal that the Council will be acting on a basis of incoming data on inflation, demand and fiscal policy settings. Room for rate cut will likely open in March, when the MPC will have new NBP projection of CPI and growth and inflation is likely to decelerate further.

POL: According to flash estimate of Labour Ministry registered unemployment rate rose to 5.1% in December 2023 from 5.0% in November 2023. In December 2023 number of unemployed rose by 16 thousand persons m/m to 789.4 thousand persons.

THE DAY AHEAD...

POL: MPC decision

DEU: Industrial production (Dec)

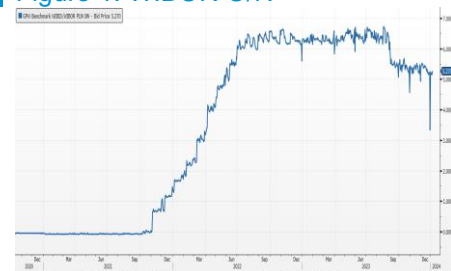
HUN: Industrial production (Dec)

USA: Trade balance (Nov)

TODAY'S FOCUS:

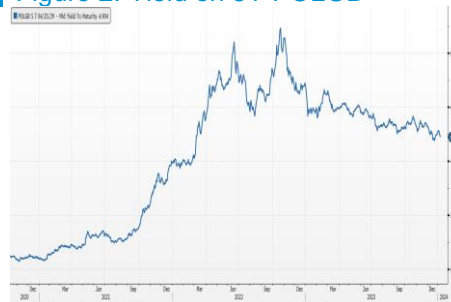
Today the MPC ends policy meeting – we expect no change in interest rates. Economic calendar contains industrial production for December from Germany and Hungary and trade balance for November from the U.S.

Figure 1: WIBOR O/N



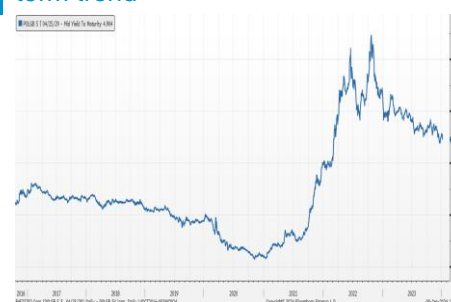
Source: Bloomberg

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	7:00	Industrial production (Dec)		-0.7% (-4.8%)	0.3% (-4.0%)
HUN	7:30	Industrial production (Dec)		-2.3% (-5.6%)	(-1.2%)
USA	13:30	Trade balance (Nov)	-USD63.3bn		-USD64.9bn
POL		MPC decision	5.75%		5.75%



Foreign Exchange

Today in the morning the zloty was firmer by 0.5% versus the USD, firmed by 0.5% versus the EUR and was 0.4% firmer versus the CHF compared to the previous NBP fixing. The zloty was 0.2% firmer versus the GBP compared to the previous NBP fixing. The zloty was firming yesterday ahead of today's MPC decision.

The USD was unchanged versus the EUR compared to the previous NBP fixing.

Fixed Income

The yields on Poland's government bonds were 3bps down in 2-year sector and fell by 5bps and 4bps respectively in 5-year and 10-year sectors.

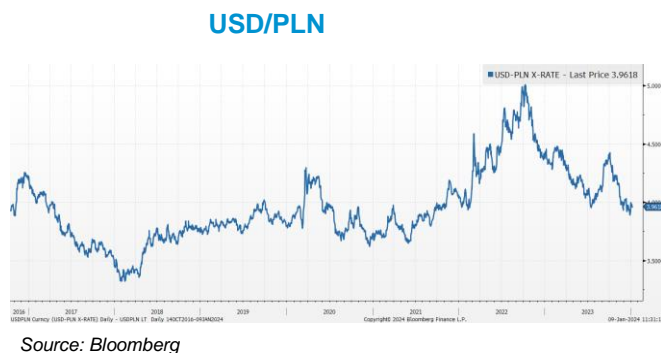
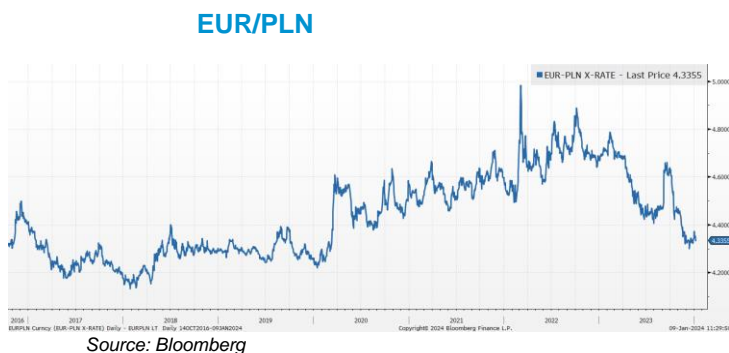
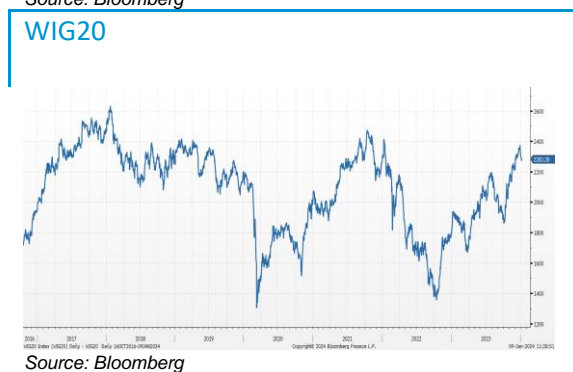
Interest Rates

PLN swap rates were 11bps down in 2-year sector and fell by 5-6bps in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index closed 0.58% up and the S&P 500 index closed 1.41% up. Today the FTSE 100 index rose by 0.04%, the CAC 40 index was 0.14% down and the DAX index was 0.17% down. The Nikkei index rose by 1.16%. Today in the morning the WIG index rose by 0.35% and the WIG20 index was 0.71% up.

Medium term FX trends:





Appendix 1

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