



Poland Daily

HEADLINES:

POL: At press conference yesterday NBP President Adam Glapinski said that according to NBP forecasts inflation would peak in December this year and would be decreasing in 2022 due to government's Anti-Inflation Shield curbing inflation in short term and due to rate hikes by the NBP that would reduce inflation in medium term. NBP President said that central bank's goal was stabilising of CPI within inflation target by Q4 2023. In his opinion inflation would remain elevated in 2022 with average inflation next year above 5%. He added that if current trends continued there was a room for further rate hikes. NBP President reiterated that the MPC would be acting on basis of incoming data, taking into account economic growth, and situation in labour market in particular. He said that Poland's economy was operating at full employment. NBP President stressed that the central bank didn't defend particular level of exchange rate but it had a right to intervene in case of rapid changes in exchange rate. President Glapinski said that current level of PLN exchange rate was appropriate. He added that the zloty should have tendency to appreciate in long term.

THE DAY AHEAD...

POL: Minutes from MPC meeting

DEU: CPI (Nov)

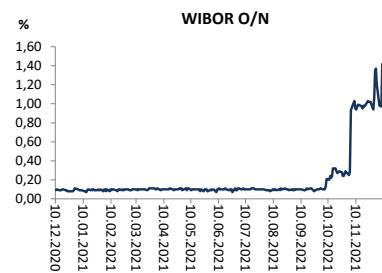
CZK: CPI (Nov)

USA: CPI (Nov), consumer sentiment (Dec)

TODAY'S FOCUS:

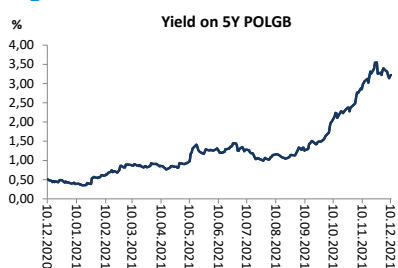
Today economic calendar contains minutes from MPC meeting, CPI for November from Germany, Czech Republic and US CPI for November and consumer sentiment for December.

Figure 1: WIBOR O/N



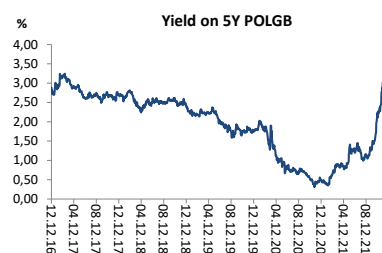
Source: Bloomberg

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 | CPI (Nov) | -0.2% (5.2%) | -0.2% (5.2%) | -0.2% (5.2%) |
| CZK | 8:00 | CPI (Nov) | | 0.2% (6.0%) | 0.3% (6.0%) |
| POL | 13:00 | Minutes from MPC meeting | | | |
| USA | 13:30 | CPI (Nov) | 0.8% | | 0.7% (6.8%) |
| USA | 15:00 | Consumer sentymnt (Dec) | 69.0 | | 68.0 |

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.1% weaker versus the USD and was 0.2% firmer versus the EUR compared to previous NBP fixing. The zloty should be moving within a range of 4.6000-4.6300 PLN per EUR today.

The USD firmed by 0.3% versus the EUR ahead of release of US CPI today in the afternoon.

Fixed Income

The yields on Poland's government bonds rose by 12-15bps all tenors as NBP President said there was a room for further rate hikes.

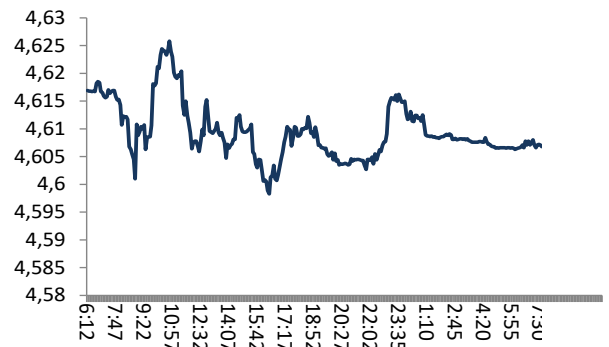
Interest Rates

Today the O/N bid rate should be within a range of 1.00% - 1.25%. Swap rates were 13-15bps up in all tenors.

Equities

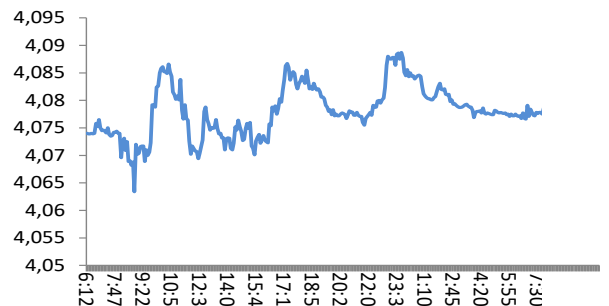
Yesterday the Dow Jones index closed unchanged and the S&P 500 index fell by 0.72%. Today in the morning the FTSE 100 index was 0.10% down, the CAC 40 index was 0.40% down and the DAX index was 0.22% down. The Nikkei index closed 1.00% down. Today in the morning the WIG index was 0.21% up and the WIG20 index was 0.06% up.

EUR/PLN



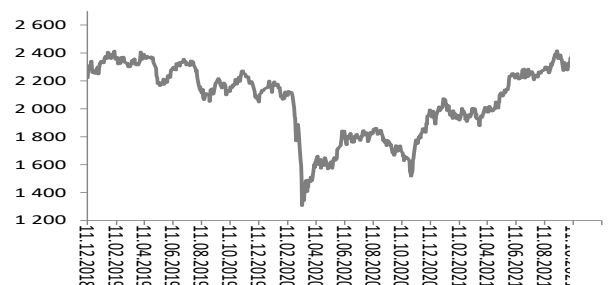
Source: Bloomberg

USD/PLN



Source: Bloomberg

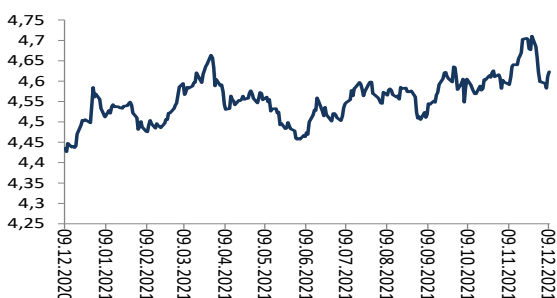
WIG20



Source: Bloomberg

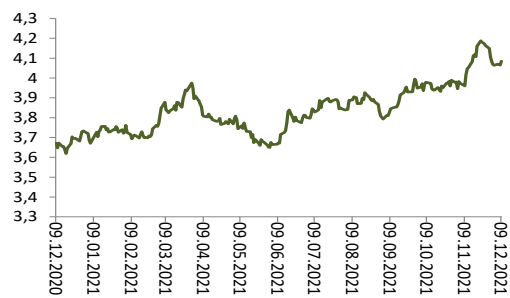
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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 Krześniak