



Poland Daily

HEADLINES:

POL: MPC member Ireneusz Dąbrowski said that the current level of interest rates was well calibrated to reduce both consumer inflation and core inflation. In his view decelerating money supply, rising long-term deposits of households and weakening demand point to alleviating price pressure. He added that financial markets were right in assuming first rate cut next year. In his opinion reference rate will fall to about 6% next year from the current 6.75%. He underlined that the MPC would be fighting inflation but not at the expense of rapid decline in GDP. He added that frantic rate hikes might be counter-productive and might lead to strang decline in economic growth.

THE DAY AHEAD...

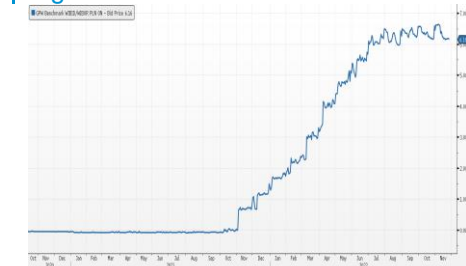
DEU: CPI (Nov)

USA: Conference Board consumer confidence (Nov)

TODAY'S FOCUS:

Today economic calendar contains CPI for November from Germany and Conference Board consumer confidence 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	13:00	CPI (Nov)	(10.3%)		-0.2% (10.4%)
USA	15:00	Consumer confidence (Nov)	100		103.0



Foreign Exchange

Today in the morning the zloty was 0.7% weaker versus the USD, firmed by 0.1% versus the EUR and firmed by 0.1% versus the CHF compared to the previous NBP fixing. The zloty weakened by 0.1% versus GBP.

The USD firmed by 0.7% versus the EUR compared to the previous NBP fixing after hawkish comments from Fed members.

Fixed Income

The yields on Poland's government bonds were 14-16bps down in all tenors. At an auction on November 30, state BGK Bank will offer at least PLN250mln of FPC fund bonds series FPC0328, FPC0631, FPC0733 and FPC1140.

Interest Rates

PLN swap rates were 8-9 bps down in all tenors.

Equities

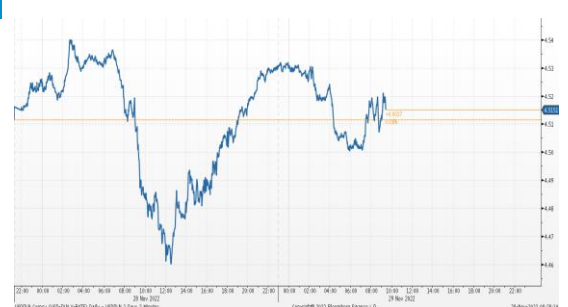
Yesterday the Dow Jones index closed 1.45% down and the S&P 500 index closed 1.54% down. Today in the morning the FTSE 100 index rose by 0.83%, the CAC 40 index was 0.43% up and the DAX index was 0.32% up. The Nikkei index closed 0.48% down. Today in the morning the WIG index rose by 0.28% and the WIG20 index was 0.47% up.

EUR/PLN



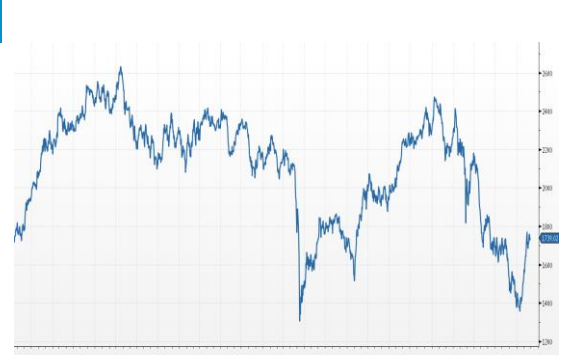
Source: Bloomberg

USD/PLN



Source: Bloomberg

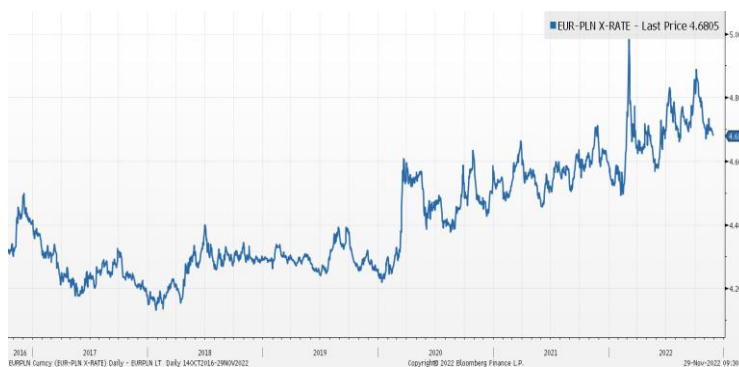
WIG20



Source: Bloomberg

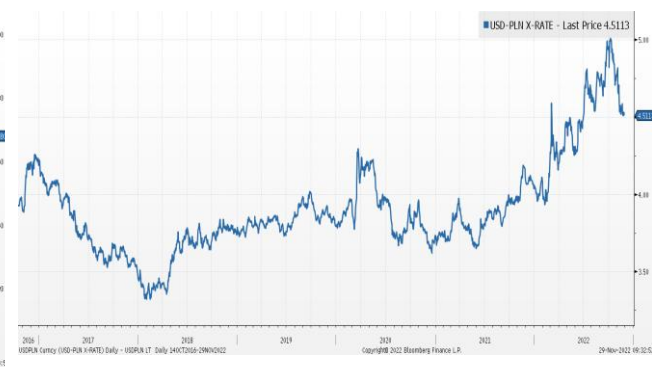
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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