



Poland Daily

HEADLINES:

POL: Manufacturing PMI rose to 43.4 in November from 42.0 in October. An increase in PMI stemmed mainly from increased business optimism on future production as cost pressure alleviated and disturbances in supply chains eased. In November sub-indices of output and new orders have been sharply declining albeit at slower pace than in October. A decline in new orders were particularly visible in key European markets. Manufacturers pointed to high inflation, war in Ukraine and general uncertainty as a reasons for weaker demand in Poland and abroad. In November companies continued to reduce employment via lay-offs and the non-replacement of leavers. Despite of reduction of employment, backlogs of work fell in November. Cost inflation declined to the lowest level in 2 years but high prices of electricity and gas resulted in still strong rise in output prices.

THE DAY AHEAD...

POL: PMI manufacturing (Nov),

HUN: GDP (Q3), PMI manufacturing (Nov),

CZK: PMI manufacturing (Nov),

USA: PMI manufacturing (Nov), ISM manufacturing (Nov), initial jobless claims

TODAY'S FOCUS:

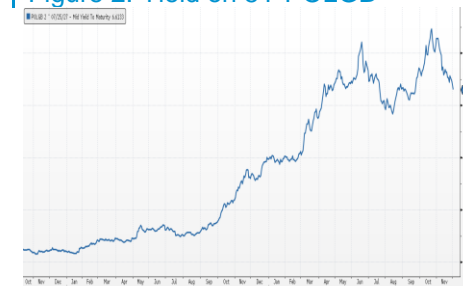
Today economic calendar contains manufacturing PMI for November from Poland, Czech Republic, Hungary and the U.S, Hungary's Q3 GDP and initial jobless claims from the U.S..

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
POL	8:00	PMI manufacturing (Nov)	42.6	43.4	43.0
HUN	8:00	PMI manufacturing (Nov)		54.7	49.9
HUN	8:00	GDP (Q3)		-0.4% (4.0%)	-0.4% (4.0%)
CZK	8:30	PMI manufacturing (Nov)		41.6	42.6
USA	13:30	Initial jobless claims	230k		235k
USA	14:45	PMI manufacturing (Nov)			47.6
USA	15:00	ISM manufacturing (Nov)	49.6		49.7



Foreign Exchange

Today in the morning the zloty was 0.4% firmer versus the USD, weakened by 0.4% versus the EUR and weakened by 0.3% versus the CHF compared to the previous NBP fixing. The zloty weakened by 0.6% versus the GBP.

The USD weakened by 0.8% versus the EUR compared to the previous NBP fixing after dovish remarks from FOMC Chairman Powell that the Fed would decelerate the pace of interest rate hikes (what suggests 50bps rate hike at the meeting on December 14).

Fixed Income

The yields on Poland's government bonds were 18bps down in 2-year 5-year sectors and fell by 15bps in 10-year one after much lower than expected CPI for November. In December Finance Ministry won't hold T-bond auctions but will offer bonds series OK1025, PS0728, DS1033, WZ1127 and WZ0533 at switching auction on December 16. At auction yesterday Bank BGK sold covid-relief bonds worth PLN810mln.

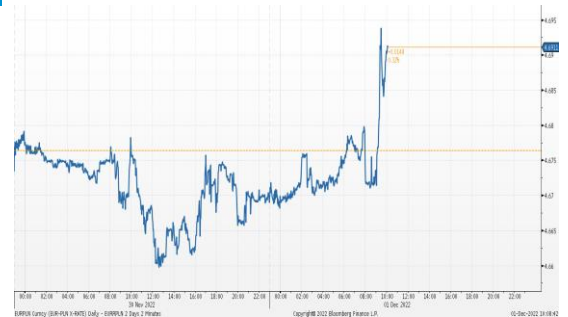
Interest Rates

PLN swap rates were 8bps down in 2-year sector and fell by 10bps in 5-year and 10-year ones.

Equities

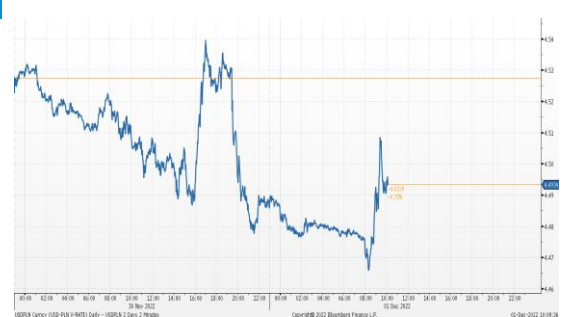
Yesterday the Dow Jones index closed 2.18% up and the S&P 500 index closed 3.09% up after dovish comments from FOMC Chairman Powell. Today in the morning the FTSE 100 index rose by 0.02%, the CAC 40 index was 0.03% up and the DAX index was 0.42% up. The Nikkei index closed 0.92% up. Today in the morning the WIG index rose by 0.79% and the WIG20 index was 0.83% up.

EUR/PLN



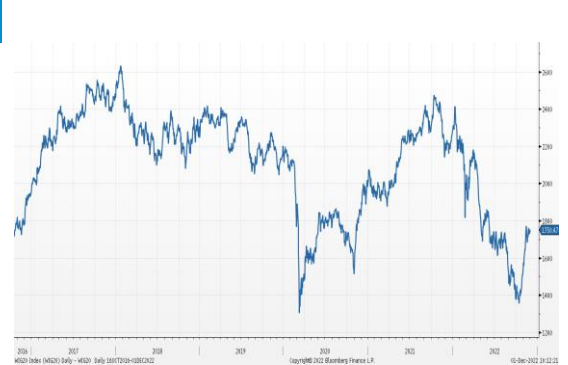
Source: Bloomberg

USD/PLN



Source: Bloomberg

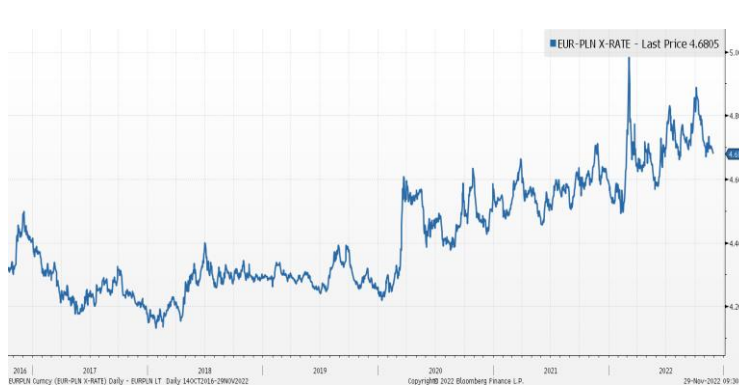
WIG20



Source: Bloomberg

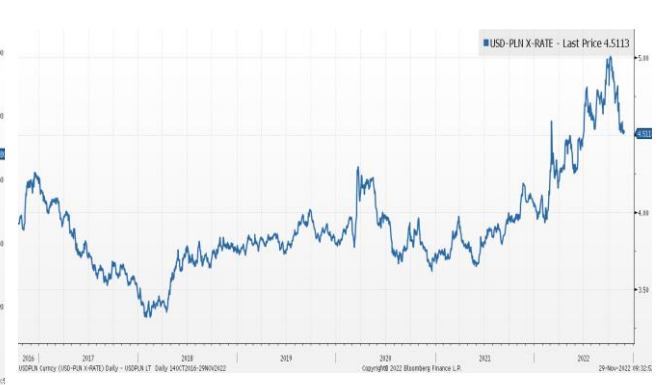
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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