



# Poland Daily

## HEADLINES:

POL: NBP President Adam Glapinski said that the NBP would increase a share of green bonds in FX reserves. NBP President informed that value of green bonds and ESG bonds in NBP FX reserves is almost EUR600mn or 0.5 per cent of total FX reserves.

POL: In November the current account gap was -EUR1112mn and trade gap was -EUR632mn. In November exports rose by 14.2% y/y to EUR26.9bn while imports rose by 29.0% y/y to EUR27.5bn. In November there was EUR1.7bn surplus in services account, -EUR2.7bn deficit in primary income account and an -EUR609mn gap in secondary income account.

POL: In December CPI rose by 0.9% m/m and was 8.6% up y/y, in line with flash estimate. In December the biggest impact on consumer inflation had food prices (up 8.6% y/y, added 0.57 p.p. to monthly CPI), housing and energy prices (up 11.2% y/y, added 0.13 p.p. to monthly CPI) and transport prices (up 22.7% y/y and added 0.09 p.p. to monthly CPI). Prices in recreation and culture rose 6.2% y/y and added 0.05 p.p. to monthly CPI while prices in hotels and restaurants rose by 8.4% y/y and added 0.04 p.p. to monthly CPI. In 2021 average inflation was 5.1%. In December goods inflation was still higher than services inflation (1.0% m/m vs 0.7% m/m respectively). Inflation is driven by goods and services for which demand is inelastic (food, housing, transport). In services the highest inflation was reported in branches most affected by lock-downs (hotels and restaurants, recreation and culture).

## THE DAY AHEAD...

POL: CPI (Dec)

HUN: CPI (Dec)

USA: Retail sales (Dec), industrial production (Dec), Univ. of Michigan Consumer Sentiment (Jan)

## TODAY'S FOCUS:

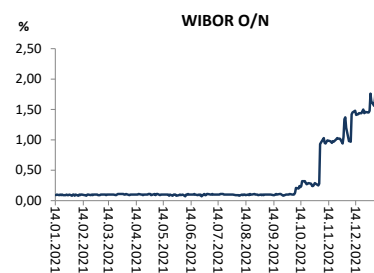
Today economic calendar contains CPI for December from Poland and Hungary and US retail sales and industrial production for December and consumer sentiment for January.

## DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
HUN	8:00	CPI (Dec)		0.3% (7.4%)	0.1% (7.2%)
POL	9:00	CPI (Dec)	0.9% (8.6%)	0.9% (8.6%)	0.9% (8.6%)
USA	13:30	Retail sales (Dec)	0.6%		-0.1%
USA	14:15	Industrial production (Dec)	0.3%		0.2%
USA	15:00	Consumer sentiment (Dec)	72.1		70.2

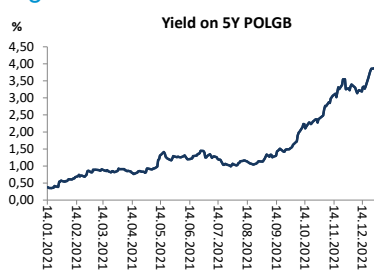
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



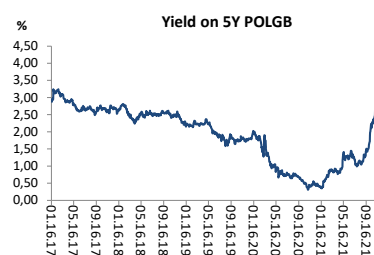
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg



### Foreign Exchange

Today in the morning the zloty was 0.3% weaker versus the USD and was 0.2% weaker versus the EUR compared to previous NBP fixing. The zloty should be moving within a range of 4.5250-4.5500 PLN per EUR today.

The USD was almost unchanged versus the EUR as US PPI for December came lower than expected and but more Fed officials signalled possibility of rate hike in March.

### Fixed Income

The yields on Poland's government bonds rose by 5bps in 5-year and 10-year sectors.

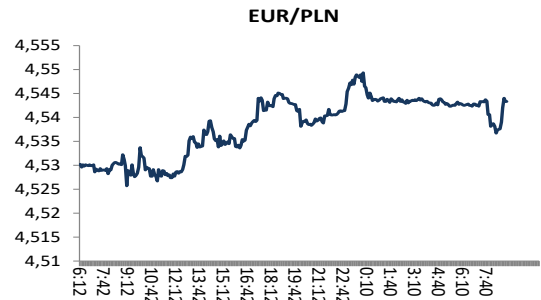
### Interest Rates

Today the O/N bid rate should be within a range of 1.00% - 1.30%. Swap rates were 3-4bps up in all tenors.

### Equities

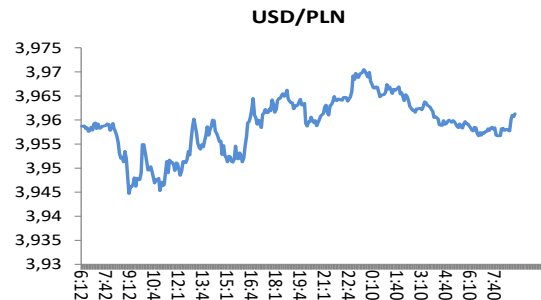
Yesterday the Dow Jones index closed 0.49% down and the S&P 500 index fell by 1.42%. Today in the morning the FTSE 100 index was 0.11% down, the CAC 40 index was 0.72% down and the DAX index was 0.60% down. The Nikkei index closed 1.28% down. Today in the morning the WIG index was 0.53% down and the WIG20 index was 0.49% down. Stock markets were negatively impacted by expectations of Fed lift-off in March.

### EUR/PLN



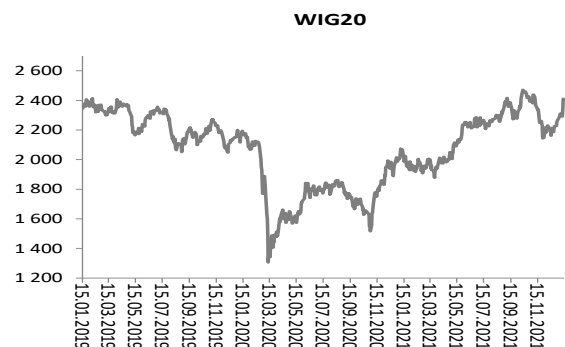
Source: Bloomberg

### USD/PLN



Source: Bloomberg

### WIG20



Source: Bloomberg

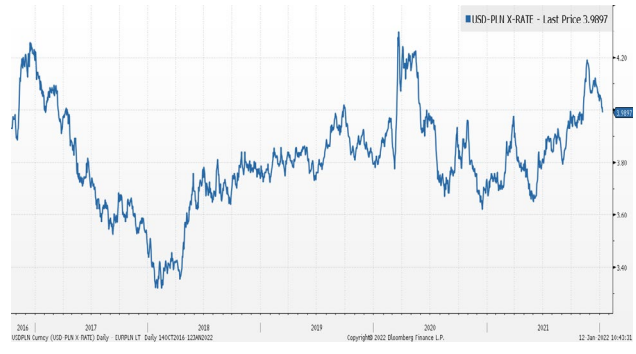
### Medium term FX trends:

#### EUR/PLN



Source: Bloomberg

#### USD/PLN



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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