

# EYEOPENER

24 December 2015

## Merry Christmas!

- **Markets in holiday moods**
- **Unemployment rate in November at 9.6%, below expectations**
- **We would like to wish Merry Christmas and a Happy New Year to all our readers!**
- **Next Eyeopener will be published on 4 January 2016**

The global financial markets are already in Christmas moods. On Wednesday the main stock market indices in Europe and in the USA were rising, and so were the prices of commodities. Changes in currency and fixed income markets were limited, and investors' activity was muted.

EURUSD continued a correction of Tuesday's rise, falling temporarily below 1.09. Overnight it has rebounded and today in the morning it is near 1.094. EURPLN was hovering in horizontal trend slightly below 4.25, and USDPLN soared yesterday to c. 3.90, however today in the morning it has returned to 3.88. In the Polish fixed income market a slight

increase of yields took place (below 2bp for 10Y bond), triggered by a similar move in the euro zone core debt market.

The registered unemployment rate remained at 9.6% in November, below market forecasts and Labour Ministry's estimate. In monthly terms, unemployment climbed by 13.7k, which has been the lowest increase in November since 2007. Number of job offers remain high. 12-month indicator of number of job offers per 1000 unemployed increased to 46, i.e. the highest level ever. We are expecting further decline of unemployment, yet it may decelerate in a couple of quarters' time, given shrinking labour supply and potentially negative impact of 500+ programme on employment.

Head of the Sejm's public finance commission Andrzej Jaworski said on Wednesday that the MPC candidates will be interviewed at the first committee's meeting in 2016. Earlier it was suggested that it may take place even before the end of December.



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**FX market**

**Today's opening**

EURPLN	4.2457	CZKPLN	0.1571
USDPLN	3.8803	HUFPLN*	1.3494
EURUSD	1.0940	RUBPLN	0.0559
CHFPLN	3.9291	NOKPLN	0.4466
GBPPLN	5.7795	DKKPLN	0.5688
USDCNY	6.4787	SEKPLN	0.4609

\*for 100HUF

**Last session in the FX market 23/12/2015**

	min	max	open	close	fixing
EURPLN	4.237	4.258	4.257	4.242	4.246
USDPLN	3.877	3.903	3.880	3.898	3.8872
EURUSD	1.087	1.097	1.097	1.088	-

**Interest rate market 23/12/2015**

**T-bonds on the interbank market\*\***

Bond (term)	%	Change (bps)	Last auction	Paper offered	Average yield
DS1017 (2L)	1.80	0	29.10.2015	OK0717	1.56
DS1020 (5L)	2.31	-1	29.10.2015	PS0421	2.185
DS0725 (10L)	2.94	2	29.10.2015	DS0726	2.781

**IRS on the interbank market\*\***

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	1.58	0	0.83	1	-0.05	0
2L	1.64	1	1.12	2	-0.03	1
3L	1.74	1	1.37	3	0.06	1
4L	1.86	0	1.55	3	0.19	1
5L	1.99	0	1.71	3	0.34	2
8L	2.29	0	2.04	2	0.75	2
10L	2.44	1	2.19	3	0.99	3

**WIBOR rates**

Term	%	Change (bps)
O/N	1.14	-32
T/N	1.42	-9
SW	1.60	-2
2W	1.64	-1
1M	1.66	0
3M	1.72	0
6M	1.77	0
9M	1.78	0
1Y	1.79	0

**FRA rates on the interbank market\*\***

Term	%	Change (bps)
1x4	1.69	0
3x6	1.56	0
6x9	1.48	0
9x12	1.49	1
3x9	1.60	0
6x12	1.52	-1

**Measures of fiscal risk**

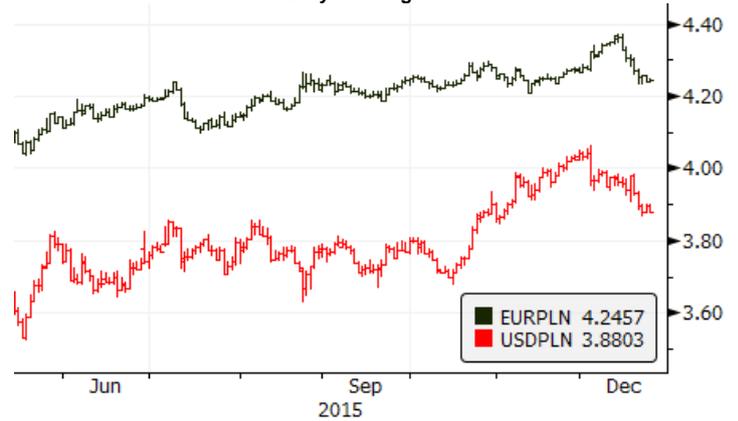
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	74	1	2.29	4
Czech Rep.	0	0	-0.15	1
Hungary	163	-2	2.68	-5
Spain	92	0	1.16	0
Italy	98	0	1.03	-1
Portugal	170	-1	1.90	0
Ireland	40	0	0.51	2
Germany	12	0	-	-

\* 10Y treasury bonds over 10Y Bunds

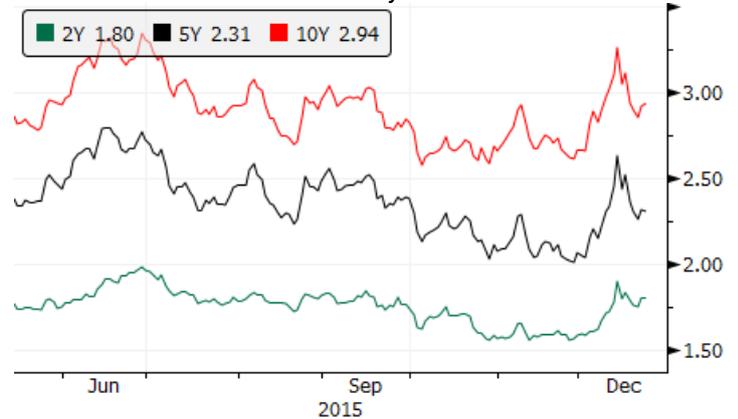
\*\*Information shows bid levels on the interbank market at the end of the trading day

Source: Bloomberg

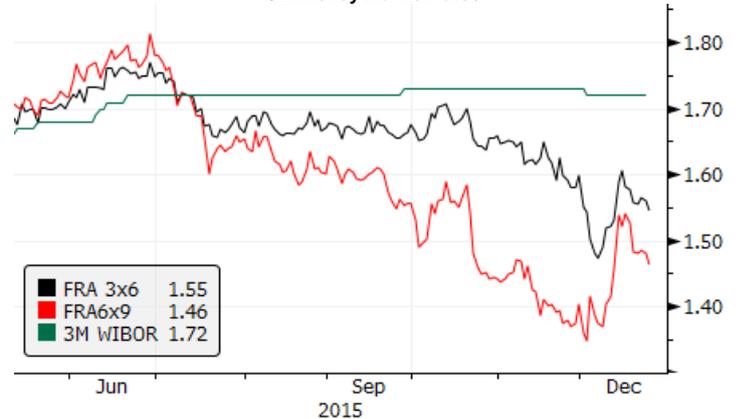
**Zloty exchange rate**



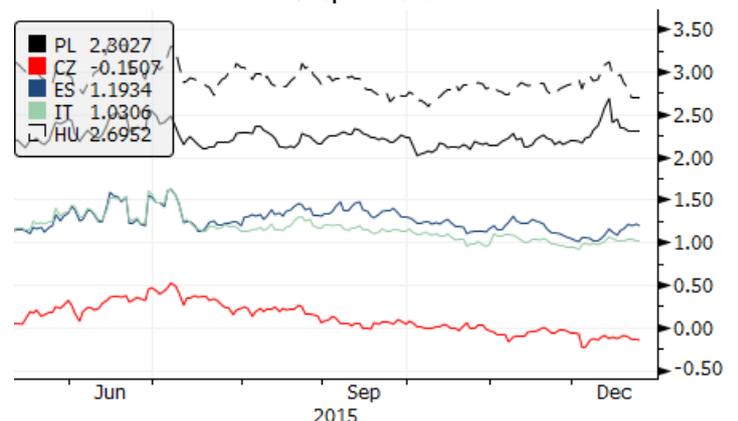
**T-bonds yields**



**3M money market rates**



**10Y spread vs. Bund**



## Economic calendar

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		ACTUAL VALUE	LAST VALUE*	
				MARKET	BZWBK			
<b>FRIDAY (18 December)</b>								
No important data releases								
<b>MONDAY (21 December)</b>								
No important data releases								
<b>TUESDAY (22 December)</b>								
14:30	US	GDP	Q3	%	1.9	-	2.0	3.9
16:00	US	Home sales	Nov	mn	5.34	-	4.76	5.32
<b>WEDNESDAY (23 December)</b>								
<b>10:00</b>	<b>PL</b>	<b>Unemployment rate</b>	<b>Nov</b>	<b>%</b>	<b>9.7</b>	<b>9.7</b>	<b>9.6</b>	<b>9.6</b>
14:30	US	Personal income	Nov	%MoM	0.2	-	0.3	0.4
14:30	US	Consumer spending	Nov	%MoM	0.3	-	0.3	0.1
14:30	US	Core durable goods orders	Nov	%MoM	-0.2	-	0.0	2.9
16:00	US	New home sales	Nov	k	505	-	490	495
16:00	US	Michigan index	Dec	pts	92.0	-	92.6	91.3
<b>THURSDAY (24 December)</b>								
14:30	US	Initial jobless claims	week	k	270	-		271

Source: BZ WBK, Reuters, Bloomberg

\* in case of the revision, the data is updated

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