

# EYEOPENER

9 August 2017

## More positive data from the USA

- No big changes on the global market, sentiment slightly negative
- PLN a tad weaker vs the euro and the US dollar, EURUSD below 1.18
- Debt market still stable
- Czech inflation followed the pattern in the region

Tuesday was similar to Monday as far as moves on the global markets are concerned. Indices of the main stock exchanges declined as they met with a decrease of demand for risky assets. This may have been caused by German data coming below forecasts of late (on Monday industrial output, exports on Tuesday). Minor fluctuations were seen on bond and foreign exchange market. It was only at the end of the day that the dollar started to strengthen. Perhaps amid no major data releases yesterday investors focused on less important readings: in the USA index of business sentiment among SMEs (the NFIB index) was better than expected as well as the number of vacancies in the economy (the JOLTs statistics, describing the uncovered demand for labour).

EURUSD hesitated for a long time near 1.18 and it was only at the end of the session that it went down to 1.174 which may have been a reaction to the US data. In general, there are limited fluctuations as investors' activity is limited and there are no major data releases. The calendar is very light this week so we do not expect any major changes. In a longer perspective, we are of the opinion that it will be difficult to maintain the same EURUSD pace of increase as in the recent weeks. We think there is room for a correction in the long term.

Yesterday EURPLN climbed to 4.26 from 4.25 due to some weakening of mood on the global stock market. USDPLN broke the Friday's peak and reached 3.63 due to falling EURUSD.

Other CEE currencies did not move much as well – USDRUB fell below 60, EURCZK was close to 26.15 and EURHUF remained above 304. Data on Hungarian CPI surprised to the upside, but did not affect the forint. Today's data on Czech CPI copied the pattern seen in Polish flash inflation release and the Hungarian CPI: it beat market expectations and the previous outcome. This release led to a positive, but timid instant reaction of the koruna. Yesterday EURPLN approached the upper limit of 4.23-4.28 trading range. If weak market sentiment stays in the upcoming days, then the zloty depreciation may gather pace, in our view. Exchange of aggressive comments between North Korea and the USA triggered a considerable rise in risk aversion, which resulted in stronger Japanese yen and Swiss franc. As a result, today in the night CHFPLN was even by PLN0.06 higher than on yesterday's opening, but this move is already being corrected.

The domestic interest rate market: IRS and yields were by the end of the day around the Monday close. Core market bonds slightly lost, but it had no clear impact on the Polish debt. On the periphery changes were not significant and indistinct. No important data is due today so Polish and foreign interest rate market should be stable. In general, we expect that in the following weeks yields and IRS rate will be following a horizontal trend with some upside tendency. The acceleration of this tendency could come after holidays. One of the consequences of an increase in risk aversion at night is a slight strengthening of core markets from the beginning of the day and Tokyo bourse losing more than 1%.

Deputy PM and minister of finance Mateusz Morawiecki sustained the Ministry's forecast for Poland's GDP growth at 3.6% this year. He added that there are chances for a positive surprise. We forecast that domestic economy will grow 3.8% this year.

### ECONOMIC ANALYSIS DEPARTMENT:

al. Jana Pawła II 17, 00-854 Warsaw fax +48 22 586 83 40  
 email: [ekonomia@bzwbk.pl](mailto:ekonomia@bzwbk.pl) Web site: [skarb.bzwbk.pl](http://skarb.bzwbk.pl)  
 Piotr Bielski +48 22 534 18 87  
 Marcin Luziński +48 22 534 18 85  
 Grzegorz Ogonek +48 22 534 19 23  
 Konrad Soszyński +48 22 534 18 86  
 Marcin Sulewski +48 22 534 18 84

### TREASURY SERVICES:

Poznań +48 61 856 5814/30  
 Warszawa +48 22 586 8320/38  
 Wrocław +48 71 369 9400

## FX market

## Today's opening

EURPLN	4.2657	CZKPLN	0.1630
USDPLN	3.6325	HUFPLN*	1.4008
EURUSD	1.1743	RUBPLN	0.0606
CHFPLN	3.7501	NOKPLN	0.4558
GBPPLN	4.7252	DKKPLN	0.5734
USDCNY	6.6846	SEKPLN	0.4439

\*for 100HUF

## Last session in the FX market

08/08/2017

	min	max	open	close	fixing
EURPLN	4.250	4.265	4.252	4.263	4.2541
USDPLN	3.597	3.636	3.607	3.627	3.6027
EURUSD	1.172	1.182	1.179	1.175	-

## Interest rate market

08/08/2017

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

Bond (term)	%	Change (bps)	Last auction	Paper offered	Average yield
OK0419 (2Y)	1.77	-2	23.03.2017	OK0419	2.049
PS0422 (5Y)	2.67	0	23.03.2017	PS0422	2.945
DS0727 (10Y)	3.35	0	23.03.2017	DS0727	3.568

## IRS on the interbank market\*\*

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	1.79	1	1.47	0	-0.25	0
2L	1.97	1	1.62	1	-0.16	0
3L	2.10	-1	1.73	1	-0.04	1
4L	2.25	-1	1.82	1	0.10	0
5L	2.38	-1	1.90	1	0.24	1
8L	2.69	-1	2.12	2	0.65	0
10L	2.85	-1	2.23	1	0.89	1

## WIBOR rates

Term	%	Change (bps)
O/N	1.58	-1
T/N	1.58	-1
SW	1.59	-1
2W	1.62	0
1M	1.66	0
3M	1.73	0
6M	1.81	0
9M	1.83	0
1Y	1.85	0

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

Term	%	Change (bps)
1x4	1.74	0
3x6	1.75	-1
6x9	1.78	0
9x12	1.83	-1
3x9	1.83	-1
6x12	1.87	0

## Measures of fiscal risk

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	71	-1	2.89	1
France	18	0	0.28	0
Hungary	116	1	2.61	1
Spain	65	0	0.97	0
Italy	133	0	1.53	0
Portugal	157	0	2.36	0
Ireland	32	-1	0.30	3
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

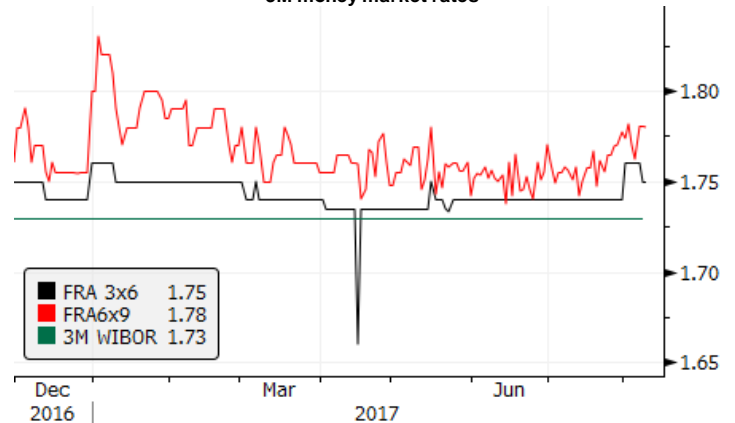
## Zloty exchange rate



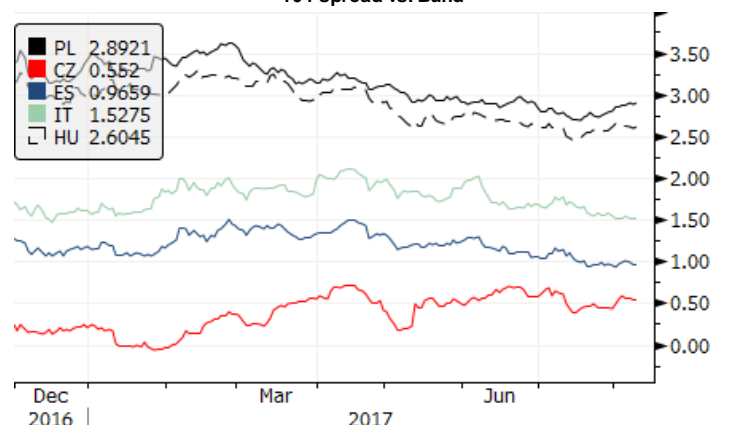
## T-bonds yields



## 3M money market rates



## 10Y spread vs. Bund



## Economic calendar

Economic calendar								
TIME CET	COUNTRY	INDICATOR	PERIO D		FORECAST		ACTUAL VALUE	LAST VALUE*
					MARKET	BZWBK		
FRIDAY (4 August)								
08:00	DE	Factory orders	Jun	% m/m	0.5	-	1.0	1.1
14:30	US	Change in nonfarm payrolls	Jul	k	183	-		222
14:30	US	Unemployment rate	Jul	%	4.3	-		4.4
MONDAY (7 August)								
8:00	GE	Industrial output	Jun	% m/m	0.2	-	-1.1	1.2
9:00	CZ	Industrial output	Jun	% y/y	7.0	-	2.2	8.1
TUESDAY (8 August)								
8:00	GE	Exports	Jun	% m/m	0.2	-	-2.8	1.5
9:00	HU	CPI	Jul	% y/y	2.0	-	2.1	1.9
WEDNESDAY (9 August)								
9:00	CZ	CPI	Jul	% y/y	2.3	-	2.5	2.3
THURSDAY (10 August)								
14:30	US	Initial jobless claims	week	k	-	-		240
FRIDAY (11 August)								
14:00	PL	CPI	Jul	% y/y	1.7	1.7		1.5
14:00	PL	Current account	Jun	€m	-750	-		-179
14:00	PL	Exports	Jun	€m	16 577	-		16257
14:00	PL	Imports	Jun	€m	16 457	-		16457
14:30	US	CPI	Jul	% m/m	0.2	-		0.0

Source: BZ WBK, Reuters, Bloomberg

\* in case of the revision the data is updated

This publication has been prepared by Bank Zachodni WBK S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Bank Zachodni WBK S.A., its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Bank Zachodni WBK S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Bank Zachodni WBK S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication.

Additional information is available on request. Please contact Bank Zachodni WBK S.A. Financial Management Division, Economic Analysis Department, al. Jana Pawła II 17, 00-854 Warsaw, Poland, phone +48 22 534 18 87, email ekonomia@bzwbk.pl, http://www.bzwbk.pl.