



Poland Daily

HEADLINES...

POL: Today Fitch Ratings will review Poland's rating (A-, stable outlook). Fitch's assessment of fiscal stimulus package that was announced by ruling Law and Justice party on February 23 point to moderate risk of widening fiscal gap in 2019 and increased likelihood of reaching 3% GDP threshold by fiscal gap in 2020 and following years when GDP growth in Poland is expected to slow. We expect Fitch Ratings to confirm Poland's rating at A-, with most likely stable outlook. However, there is significant risk of downgrading outlook to negative if Fitch expects balance of fiscal risks and risks to growth to accumulate in the next years.

POL: According to flash estimate by the GUS, inflation in March amounted to 0.3% m/m and 1.7% y/y and was above market consensus forecast of 1.6% y/y. Inflation accelerates faster than expected in the beginning of 2019.

THE DAY AHEAD...

POL: Inflation (Mar, flash)

DEU: Retail sales (Feb), unemployment rate (Mar)

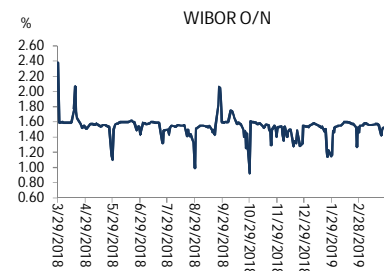
HUN: Average wage (Jan), PPI (Feb)

USA: New Home Sales (Feb), Univ. Michigan Consumer Confidence (Mar)

TODAY'S FOCUS:

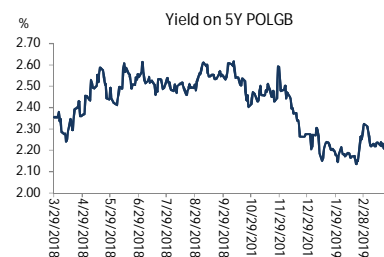
Today market participants will be focusing on domestic flash CPI and Poland's rating review by Fitch. On a foreign side economic calendar contains retail sales from Germany and new home sales and consumer sentiment from the US.

Figure 1: WIBOR O/N



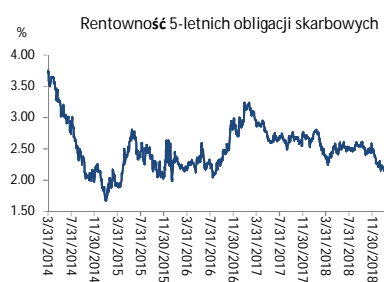
Source: Bloomberg

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	7:00	Retail sales (Feb)	(2.1%)	0.9% (4.7%)	0.4% (1.7%)
HUN	8:00	Average wage (Jan)		(10.6%)	(9.9%)
HUN	8:00	PPI (Feb)		-0.3% (2.7%)	
DEU	8:55	Unemployment rate (Mar)	4.9%	4.9%	4.9%
POL	9:00	Inflation (Mar, flash)	0.2% (1.6%)	0.3% (1.7%)	0.2% (1.6%)
USA	14:00	New Home Sales (Mar)	5.4%		2.1%
USA	14:00	Consumer sentiment (Mar)	97.8		97.8

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.2% weaker versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2850-4.3100 per EUR today.

THE GBP weakened by 0.8% versus the USD as today's deadline for ratifying Brexit agreement between the UK and the EU approaches with no Brexit variant gaining political support in the UK.

Fixed Income

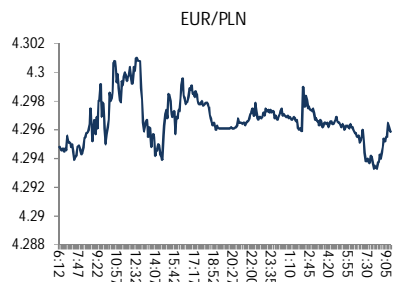
The yields on Poland's government bonds rose by 3 and 5bps respectively in 5-year and 10-year sectors.

Interest Rates

Today the O/N bid rate should be within a range of 1.15%-1.30%. Swap rates were 3-4bps up in 5-year and 10-year sectors.

Equities

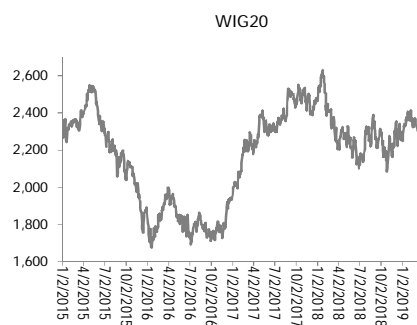
Yesterday the Dow Jones index rose by 0.36% and the S&P 500 index increased by 0.36%. Today in the morning the FTSE index was 0.44% up, the CAC 40 index was 0.54% up and the DAX index was 0.29% up. Today the Nikkei index rose by 0.82%. Today in the morning the WIG20 index rose by 0.11% and the WIG index was 0.08% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 29 March 2019 (7:30 GMT)

waluta (mid)	Dziś	Ostatni fixing		Zmiana	forwardy USD/PLN			forwardy EUR/PLN		
					bid	offer	bid	offer		
USD/PLN	3.8285	3.8202		0.2%	SPOT	3.8280	3.8290	SPOT	4.2972	4.2981
EUR/PLN	4.2977	4.2998		-0.1%	S/N	3.8279	3.8289	S/N	4.2974	4.2983
GBP/PLN	4.9877	5.0187		-0.6%	1W	3.8271	3.8282	1W	4.2987	4.2997
CHF/PLN	3.8462	3.8376		0.2%	1M	3.8243	3.8255	1M	4.3039	4.3051
SEK/PLN	0.4124	0.4100		0.6%	2M	3.8204	3.8217	2M	4.3109	4.3122
NOK/PLN	0.4431	0.4420		0.2%	3M	3.8170	3.8183	3M	4.3176	4.3190
DKK/PLN	0.5758	0.5759		0.0%	6M	3.8067	3.8087	6M	4.3384	4.3407
CAD/PLN	2.8521	2.8461		0.2%	12M	3.7893	3.7918	12M	4.3808	4.3856
CZK/PLN	0.1664	0.1666		-0.2%	Bony					
					WIBOR	Ostatni fixing	Zmiana 1-dzień	skarbowe (mid)	Dzisiejsze otwarcie	Zmiana 1-dzień
EUR/USD	1.1225	1.1255		-0.3%	O/N	1.52 %	0 bp			
USD/JPY	110.78	110.31		0.4%	1W	1.54 %	0 bp			
GBP/USD	1.3028	1.3137		-0.8%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9954	0.9955		0.0%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	124.35	124.16		0.1%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8617	0.8568		0.6%	9M	1.82 %	0 bp	9M		bp
USD/CAD	1.3425	1.3423		0.0%	12M	1.87 %	0 bp	12M		bp
Ostatnie FRAs (mid) zamknięcie					IRS (mid) Dzisiejsze otwarcie Zmiana 1-dzień			Obligacje skarbowe (mid) Dzisiejsze otwarcie Zmiana 1-dzień		
1X2	1.67	1X7	1.79		2L	1.79 %	2 bp	2L	1.69 %	0 bp
2X3	1.65	3X9	1.78		5L	1.94 %	3 bp	5L	2.20 %	3 bp
1X4	1.72	6X12	1.77		10L	2.25 %	4 bp	10L	2.86 %	5 bp
3X6	1.71				5L-2L	15 bp	2 bp			
6X9	1.72				10L-5L	31 bp	0 bp			
9X12	1.70				10L-2L	46 bp	2 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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