



# Poland Daily

## HEADLINES...

POL: In March manufacturing PMI index rose to 48.7pts from 47.6pts in February, remaining below neutral threshold of 50pts for a fifth month in a row and pointing to deterioration in business conditions in Poland's manufacturing sector. Sub-indices of output, new orders (new export orders in particular) and employment fell in March. An improvement in PMI in March stemmed from improvement in domestic orders. In March business sentiment improved – 41% of companies expect their output to rise by March 2020.

POL: General government deficit narrowed to -0.4% of GDP in 2018 from -1.5% of GDP in 2017 and -2.2% of GDP in 2016. General government debt to GDP ratio fell to 48.9% in 2018 from 50.6% in 2017 and 54.2% in 2016.

POL: Today the MPC starts two-day policy meeting. On Wednesday, most likely, the MPC will not change interest rates and will retain its informal neutral stance in monetary policy. Very low general government deficit in 2018 shows that in fiscal expansion in 2019 will not endanger EU fiscal threshold of 3% of GDP, but will result in approaching the thresholds in 2020 and the following years. Inflation moderately accelerates but slower GDP growth in euro-zone and in Germany in particular will increase risks to growth and will reduce risks to inflation in Poland.

## THE DAY AHEAD...

CZK: GDP (Q4)

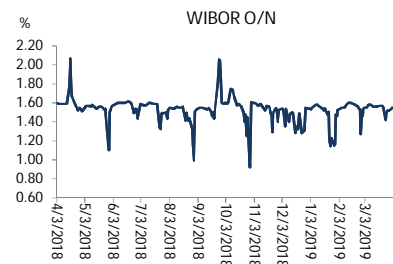
EMU: PPI (Feb)

USA: Durable goods orders (Feb)

## TODAY'S FOCUS:

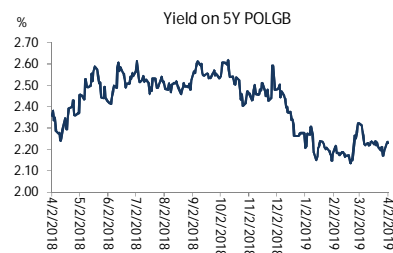
Today economic calendar contains US durable goods orders for February and producer prices from euro-zone for February.

Figure 1: WIBOR O/N



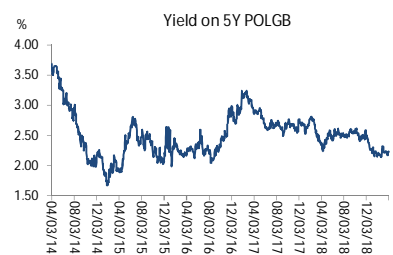
Source: Bloomberg

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
CZK	8:00	GDP (Q4)		0.8% (2.6%)	0.9% (2.9%)
EMU	10:00	PPI (Feb)	(3.1%)		0.2% (3.1%)
USA	13:30	Durable goods orders (Feb)	-1.7%		-1.8%



## Foreign Exchange

Today in the morning the zloty was 0.4% 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.

USD firmed by 0.4% versus euro and GBP weakened by 0.3% versus the USD as yesterday's votes in British Parliament failed to build political support for particular variant of Brexit.

## Fixed Income

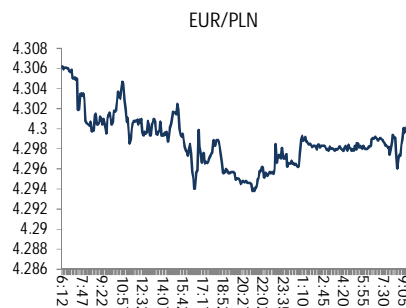
The yields on Poland's government bonds fell by 1bp in 5-year and 10-year sectors and remained unchanged in the short end of the curve.

## Interest Rates

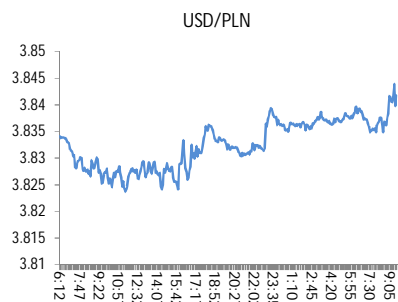
Today the O/N bid rate should be within a range of 1.15%-1.30%. Swap rates were 1bp down in 5-year and 10-year sectors.

## Equities

Yesterday the Dow Jones index rose by 1.27% and the S&P 500 index increased by 1.16%. Today in the morning the FTSE index was 0.40% up, the CAC 40 index was 0.09% up and the DAX index was 0.16% up. Today the Nikkei index fell by 0.02%. Today in the morning the WIG20 index rose by 0.58% and the WIG index was 0.55% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 2 April 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8409	3.8267	0.4%	SPOT	3.8403	3.8414	SPOT	4.2996	4.3006
EUR/PLN	4.3001	4.3035	-0.1%	S/N	3.8402	3.8413	S/N	4.2998	4.3009
GBP/PLN	5.0101	5.0090	0.0%	1W	3.8394	3.8406	1W	4.3011	4.3023
CHF/PLN	3.8430	3.8495	-0.2%	1M	3.8363	3.8376	1M	4.3067	4.3080
SEK/PLN	0.4122	0.4142	-0.5%	2M	3.8329	3.8342	2M	4.3132	4.3146
NOK/PLN	0.4459	0.4465	-0.1%	3M	3.8293	3.8307	3M	4.3205	4.3221
DKK/PLN	0.5761	0.5765	-0.1%	6M	3.8190	3.8212	6M	4.3412	4.3436
CAD/PLN	2.8805	2.8668	0.5%	12M	3.8002	3.8042	12M	4.3843	4.3893
CZK/PLN	0.1669	0.1669	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1196	1.1246	-0.4%	O/N	1.55 %	bp			
USD/JPY	111.39	111.02	0.3%	1W	1.55 %	bp			
GBP/USD	1.3045	1.3090	-0.3%	1M	1.64 %	bp	1M		
USD/CHF	0.9995	0.9941	0.5%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	124.70	124.85	-0.1%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8583	0.8592	-0.1%	9M	1.82 %	bp	9M	%	bp
USD/CAD	1.3335	1.3348	-0.1%	12M	1.87 %	bp	12M	%	bp
FRAs (mid)	Last closing			IRS (mid)	Today's opening	1-day change	T-Bonds (mid)	Today's opening	1-day change
1X2	1.67	1X7	1.79	2Y	1.79 %	0 bp	2Y	1.70 %	0 bp
2X3	1.66	3X9	1.78	5Y	1.98 %	-1 bp	5Y	2.23 %	-1 bp
1X4	1.72	6X12	1.78	10Y	2.31 %	-1 bp	10Y	2.87 %	-1 bp
3X6	1.72			5Y-2Y	20 bp	bp			
6X9	1.71			10Y-5Y	33 bp	bp			
9X12	1.72			10Y-2Y	53 bp	bp			



# Appendix 1

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### Additional information available upon request

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