



Poland Daily

HEADLINES...

POL: Head of Polish Development Fund (PFR) Pawel Borys informed that government seriously considered transferring all assets from OFE pension funds (PLN162bn, mainly Polish stocks) to individual pension accounts. Earlier government considered transferring 25% of pension funds' assets to Demographic Reserve Fund. In the opinion of Pawel Borys, the transfer of all assets of pension funds to individual accounts would be the best solution from the point of view of interests of future pensioners. Pawel Borys hopes that government will take final decision in July the latest. Transfer of assets would take place in the beginning of 2020.

THE DAY AHEAD...

POL: MPC decision

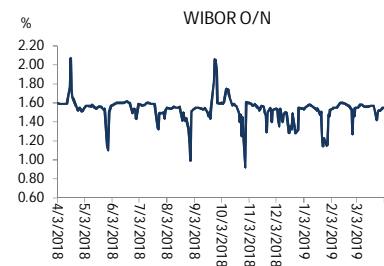
EMU: Retail sales (Feb), PMI services (Mar)

USA: ADP employment change (Mar), PMI services (Mar), ISM services (Mar)

TODAY'S FOCUS:

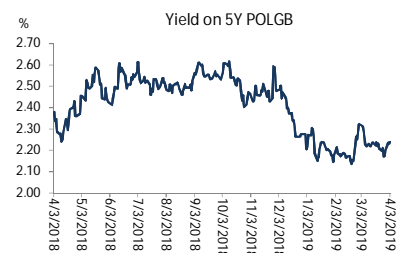
At today's policy meeting we expect the MPC to keep interest rates unchanged and to retain guidance for steady interest rates in the coming quarters. On a foreign side economic calendar contains services PMIs from euro zone and the US for March and ADP employment from the US for March.

Figure 1: WIBOR O/N



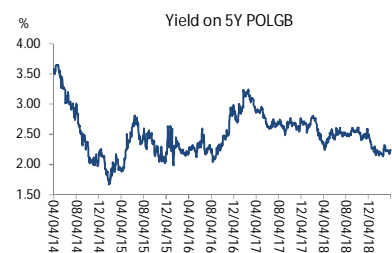
Source: Bloomberg

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	8:55	PMI services (Mar)		55.4	54.9
EMU	9:00	PMI services (Mar)		53.3	52.7
EMU	10:00	Retail sales (Feb)	(2.3%)		0.3% (2.3%)
POL		MPC decision	1.50%		1.50%
USA	13:15	ADP employment change (Mar)	160k		175k
USA	15:00	ISM services (Mar)	58.0		58.0

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.6% firmer versus the USD and was 0.2% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2800-4.3050 per EUR today.

EUR firmed by 0.4% versus USD after rise of Italian composite PMI to 51.1pts and as German and euro-zone's Services PMIs proved stronger than envisaged.

Fixed Income

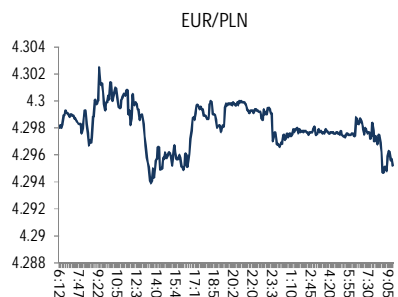
The yields on Poland's government bonds rose by 1bp in 5-year sector and increased by 3bps in 10-year sector. At switching auction on Thursday the Finance Ministry will offer bonds series OK0521, PS0424, WZ0524, WZ0528 and DS1029. The Ministry will buy back bonds series OK0419, PS0719, DS1019 and WZ0120.

Interest Rates

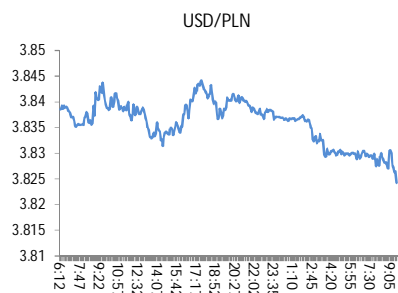
Today the O/N bid rate should be within a range of 1.15%-1.30%. Swap rates were 2-5bp up across the curve.

Equities

Yesterday the Dow Jones index fell by 0.30% and the S&P 500 index was unchanged. Today in the morning the FTSE index was 0.07% up, the CAC 40 index was 0.88% up and the DAX index was 1.35% up. Today the Nikkei index increased by 0.97%. Today in the morning the WIG20 index rose by 0.87% and the WIG index was 0.85% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 3 April 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards			EUR/PLN forwards		
				bid	offer	SPOT	bid	offer	
USD/PLN	3.8171	3.8403	-0.6%	SPOT	3.8166	3.8176	SPOT	4.2909	4.2918
EUR/PLN	4.2914	4.3004	-0.2%	S/N	3.8162	3.8173	S/N	4.2916	4.2925
GBP/PLN	5.0370	5.0086	0.6%	1W	3.8157	3.8168	1W	4.2924	4.2935
CHF/PLN	3.8297	3.8412	-0.3%	1M	3.8128	3.8140	1M	4.2978	4.2990
SEK/PLN	0.4119	0.4121	-0.1%	2M	3.8093	3.8106	2M	4.3045	4.3058
NOK/PLN	0.4463	0.4459	0.1%	3M	3.8058	3.8071	3M	4.3115	4.3129
DKK/PLN	0.5749	0.5760	-0.2%	6M	3.7952	3.7972	6M	4.3329	4.3351
CAD/PLN	2.8688	2.8799	-0.4%	12M	3.7760	3.7801	12M	4.3751	4.3799
CZK/PLN	0.1671	0.1671	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1242	1.1198	0.4%	O/N	1.55 %	0 bp			
USD/JPY	111.53	111.39	0.1%	1W	1.55 %	0 bp			
GBP/USD	1.3196	1.3042	1.2%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9968	0.9998	-0.3%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	125.39	124.74	0.5%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8520	0.8586	-0.8%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3309	1.3335	-0.2%	12M	1.87 %	0 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	1.80 %	2 bp	2Y	1.70 %	0 bp
2X3	1.66	3X9	1.79	5Y	2.02 %	3 bp	5Y	2.24 %	1 bp
1X4	1.72	6X12	1.78	10Y	2.36 %	5 bp	10Y	2.90 %	3 bp
3X6	1.72			5Y-2Y	21 bp	2 bp			
6X9	1.72			10Y-5Y	34 bp	1 bp			
9X12	1.72			10Y-2Y	56 bp	3 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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