



Poland Daily

HEADLINES...

POL: In April industrial output fell by 3.6% m/m and rose by 9.2% y/y. In April seasonally adjusted industrial output rose by 0.1% m/m and increased by 6.5% y/y. In constant prices industrial output growth was reported in 28 sectors of industry (out of 43), among others in production of electrical machinery and appliances (up 26.6% y/y), other transport equipment (up 22.3% y/y), food (up 13.4% y/y), beverages (up 12.1% y/y), products of rubber and plastics (up 10.6% y/y), products of metals (up 9.6% y/y), products of other non-metal raw materials (up 9.2% y/y) and automobiles (up 8.0% y/y). In April producer prices rose by 0.4% m/m and increased by 2.5% y/y.

USA: According to the minutes from FOMC meeting, many FOMC members viewed the recent dip in PCE inflation as likely to be transitory, and participants generally anticipated that a patient approach to policy adjustments was likely to be consistent with the Fed's symmetric 2 percent objective. The FOMC minutes, however, lacked any meaningful discussion on the inflation conditions that might trigger rate cut.

THE DAY AHEAD...

POL: construction output (Apr), retail sales (Apr),

DEU: GDP (Q1), PMI (May), IFO (May)

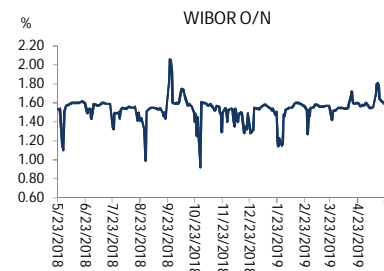
EMU: PMI (May)

USA: new home sales (Apr), PMI (May).

TODAY'S FOCUS:

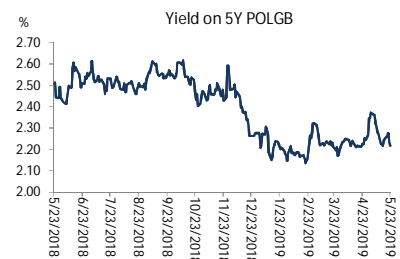
Today market participants will be focusing on a series of PMIs from Europe and the US for May and on German IFO for May. On a domestic side data on retail sales and construction output will be released.

Figure 1: WIBOR O/N



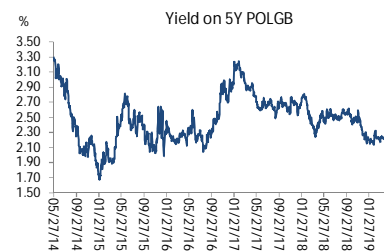
Source: Bloomberg

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	6:00	GDP (Q1)	0.4% (0.7%)	0.4% (0.7%)	0.4% (0.7%)
DEU	7:30	PMI manufacturing (May)	44.7	44.3	44.8
POL	8:00	Construction output (Apr)	(17.5%)	(17.4%)	(17.9%)
POL	8:00	Retail sales (Apr)	-3.5% (5.1%)	4.4% (13.6%)	0.7% (10.0%)
DEU	8:00	IFO (May)	99.0	97.9	99.1
EMU	8:00	PMI manufacturing (May)	48.0	47.7	48.1
USA	13:45	PMI manufacturing (May)	52.7		52.7



Foreign Exchange

Today in the morning the zloty was 0.2% weaker versus the USD and was unchanged versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2950-4.3200 per EUR today.

Today in the morning the EUR weakened after weaker than expected euro-zone PMIs and weaker than market consensus view German IFO index for May.

Fixed Income

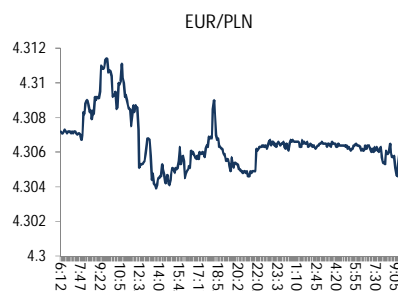
The yields on Poland's government bonds were 4 and 6 bps down respectively in 5-year and 10-year sectors.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates fell by 5 bps in 5-year sector and declined by 6 bps in 10-year one.

Equities

Yesterday the Dow Jones index fell by 0.39% and the S&P 500 index was 0.28% down. Today in the morning the FTSE index was 0.81% down, the CAC 40 index was 1.39% down and the DAX index was 1.55% down. Today the Nikkei index decreased by 0.62%. Today in the morning the WIG20 index fell by 0.88% and the WIG index was 0.69% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 23 May 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.8704	3.8620	0.2%	SPOT	3.8699	3.8709	SPOT	4.3094	4.3102
EUR/PLN	4.3098	4.3098	0.0%	S/N	3.8698	3.8708	S/N	4.3096	4.3105
GBP/PLN	4.8805	4.8906	-0.2%	1W	3.8691	3.8702	1W	4.3111	4.3120
CHF/PLN	3.8338	3.8209	0.3%	1M	3.8667	3.8678	1M	4.3169	4.3179
SEK/PLN	0.4015	0.4004	0.3%	2M	3.8633	3.8645	2M	4.3246	4.3257
NOK/PLN	0.4418	0.4413	0.1%	3M	3.8601	3.8614	3M	4.3316	4.3328
DKK/PLN	0.5771	0.5771	0.0%	6M	3.8511	3.8537	6M	4.3541	4.3566
CAD/PLN	2.8753	2.8829	-0.3%	12M	3.8369	3.8399	12M	4.4000	4.4046
CZK/PLN	0.1669	0.1672	-0.2%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1135	1.1160	-0.2%	O/N	1.59 %	-2 bp			
USD/JPY	110.23	110.42	-0.2%	1W	1.58 %	-1 bp			
GBP/USD	1.2612	1.2663	-0.4%	1M	1.64 %	0 bp	1M		
USD/CHF	1.0096	1.0108	-0.1%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	122.75	123.23	-0.4%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8830	0.8812	0.2%	9M	1.81 %	0 bp	9M	%	bp
USD/CAD	1.3462	1.3396	0.5%	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	1.66	1X7	1.79	2Y	1.82 %	-2 bp	2Y	1.68 %	0 bp
2X3	1.67	3X9	1.79	5Y	2.00 %	-5 bp	5Y	2.22 %	-4 bp
1X4	1.72	6X12	1.79	10Y	2.33 %	-6 bp	10Y	2.85 %	-5 bp
3X6	1.72			5Y-2Y	19 bp	-3 bp			
6X9	1.73			10Y-5Y	33 bp	-1 bp			
9X12	1.74			10Y-2Y	52 bp	-4 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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