



Poland Daily

HEADLINES...

POL: In April retail sales in constant prices rose by 3.5% m/m and increased by 11.9% y/y. In the current prices retail sales rose by 4.4% m/m and 13.6% y/y in April. Comparing to April 2018 retail prices in constant prices rose the strongest in supermarkets (up 20.7% y/y), furniture, consumer electronics and white goods (up 19.5% y/y) and food (up 18.2% y/y). In April strong growth was reported in retail sales of automobiles and parts (up 13.3% y/y) and pharmaceuticals and cosmetics (up 9.9% y/y). Low growth was reported in retail sales in specialized shops (up 3.3% y/y), fuels (up 3.0% y/y) and sales via Internet (up 2.2% y/y). The structure of retail sales in April was strongly impacted by Easter (food, supermarkets) but also shows robust household's demand for durable consumer goods.

POL: In April construction output in constant prices rose by 7.1% m/m and increased by 17.4% y/y. In April growth in construction of infrastructural objects was 32.7% y/y and growth in specialized construction was 18.2% y/y what shows that the main engine in construction remain infrastructure investments. In April construction of buildings grew only by 3.9% y/y.

THE DAY AHEAD...

POL: Money supply M3 (Apr),

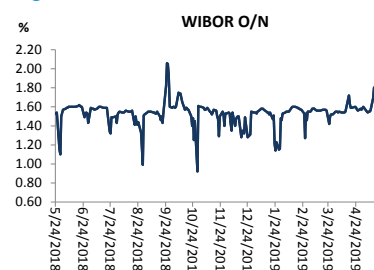
UK: Retail sales (Apr)

USA: Durable goods orders (Apr)

TODAY'S FOCUS:

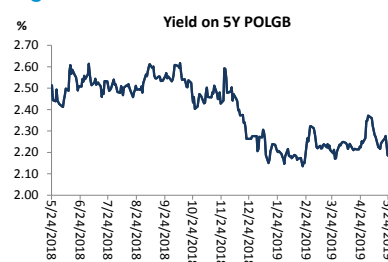
Today market participants will be focusing on US durable goods orders for April. On a domestic side the NBP will release money supply for April.

Figure 1: WIBOR O/N



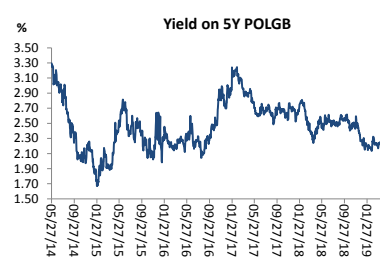
Source: Bloomberg

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	7:00	Consumer confidence (May)		2.8	
UK	8:30	Retail sales (Apr)	(4.5%)		-0.3% (4.5%)
POL	12:00	Money supply M3 (Apr)	0.4% (10.1%)		0.4% (10.1%)
USA	12:30	Durable goods orders (Apr)	-1.3%		-2.0%



Foreign Exchange

Today in the morning the zloty was 0.7% firmer versus the USD and was 0.3% firmer versus the EUR compared to the last NBP fixing. The zloty firmed after weak PMI data from Eurozone, weak Germany IFO and much weaker than expected US PMI. The zloty should be moving within a range of PLN4.2850-4.3100 per EUR today.

The USD weakened versus major currencies as US PMI came much weaker than expected showing that US economy started to feel impact of trade war.

Fixed Income

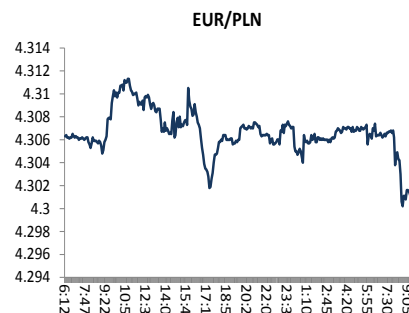
The yields on Poland's government bonds were 2bps down in 2-year sector and declined by 4 bps in 5-year and 10-year sectors. At switching auction on May 23 the Finance Ministry sold government bonds series OK0521, PS1024, DS1029, WZ0525 and WZ0528 worth total PLN4.1bn. Government bonds series PS1024 worth PLN1.56bn were sold with the yield of 2.30%.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were unchanged in all tenors.

Equities

Yesterday the Dow Jones index fell by 1.11% and the S&P 500 index was 1.19% down. Today in the morning the FTSE index was 0.57% up, the CAC 40 index was 0.61% up and the DAX index was 0.73% up. Today the Nikkei index decreased by 0.16%. Today in the morning the WIG20 index rose by 0.50% and the WIG index was 0.51% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 24 May 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.8424	3.8696	-0.7%	SPOT	3.8419	3.8428	SPOT	4.2991	4.2999
EUR/PLN	4.2995	4.3107	-0.3%	S/N	3.8418	3.8427	S/N	4.2993	4.3002
GBP/PLN	4.8694	4.8852	-0.3%	1W	3.8411	3.8421	1W	4.3008	4.3017
CHF/PLN	3.8335	3.8343	0.0%	1M	3.8386	3.8397	1M	4.3064	4.3075
SEK/PLN	0.4003	0.4014	-0.3%	2M	3.8352	3.8363	2M	4.3140	4.3152
NOK/PLN	0.4401	0.4419	-0.4%	3M	3.8319	3.8331	3M	4.3209	4.3221
DKK/PLN	0.5758	0.5772	-0.3%	6M	3.8228	3.8248	6M	4.3429	4.3451
CAD/PLN	2.8548	2.8752	-0.7%	12M	3.8089	3.8118	12M	4.3874	4.3920
CZK/PLN	0.1664	0.1669	-0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1190	1.1140	0.4%	O/N	1.59 %	0 bp			
USD/JPY	109.51	110.13	-0.6%	1W	1.58 %	0 bp			
GBP/USD	1.2674	1.2625	0.4%	1M	1.64 %	0 bp	1M		
USD/CHF	1.0024	1.0092	-0.7%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	122.54	122.69	-0.1%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8830	0.8824	0.1%	9M	1.81 %	0 bp	9M	%	bp
USD/CAD	1.3460	1.3459	0.0%	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	1.81 %	0 bp	2Y	1.66 %	-2 bp
2X3	1.67	3X9	1.79	5Y	2.00 %	0 bp	5Y	2.18 %	-4 bp
1X4	1.72	6X12	1.79	10Y	2.33 %	0 bp	10Y	2.81 %	-4 bp
3X6	1.72			5Y-2Y	19 bp	1 bp			
6X9	1.73			10Y-5Y	33 bp	0 bp			
9X12	1.73			10Y-2Y	52 bp	1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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