



Poland Daily

HEADLINES...

POL: According to MPC member Kamil Zubelewicz, single interest rates hike was needed to curb risks of excessive inflationary pressure. In the opinion of Zubelewicz such a hike in interest rates would have no negative impact on Poland's economy but would reduce the risk of further rise in inflation. In his view rate hike would help to reduce local inflationary pressure, would help firming the zloty that in his opinion was too weak and would reduce households' propensity to borrow.

POL: Central budget deficit narrowed to –PLN75mn in the period of January-April from –PLN4.48bn in the period of January-March.

DEU: GfK consumer confidence fell to 10.1 pts in May from 10.4 pts in April.

EMU: Money supply rose by 4.7% y/y in May versus 4.5% y/y growth in April.

USA: Consumer confidence rose to 134.1 pts in May from 129.2 pts in April.

THE DAY AHEAD...

FRA: GDP(Q1), inflation(Apr)

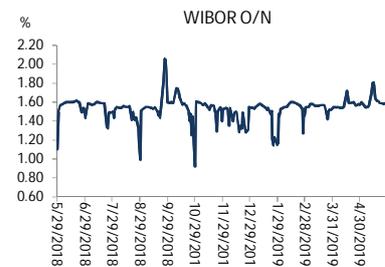
HUN: unemployment rate (Apr)

DEU: Unemployment rate (May)

TODAY'S FOCUS:

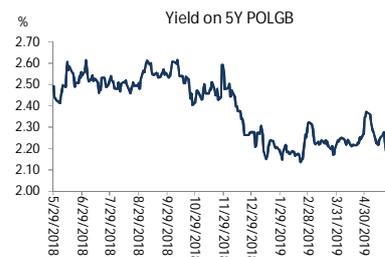
Today economic calendar contains data on GDP and inflation from France and unemployment rates from Hungary and Germany.

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
FRA	6:45	Inflation (May)		0.2% (1.0%)	0.3% (1.1%)
FRA	6:45	GDP (Q1)		0.3% (1.2%)	0.3% (1.1%)
HUN	7:00	Unemployment rate (Apr)		3.5%	3.6%
DEU	7:55	Unemployment rate (May)	4.9%	5.0%	4.9%



Foreign Exchange

Today in the morning the zloty was 0.4% weaker versus the USD and was 0.1% weaker versus the EUR compared to the last NBP fixing. The zloty weakened on news that a change in the post of Finance Minister is likely as soon as this week. The zloty should be moving within a range of PLN4.2900-4.3150 per EUR today.

The USD firmed by 0.3% versus the EUR after much better than expected US consumer confidence for May.

Fixed Income

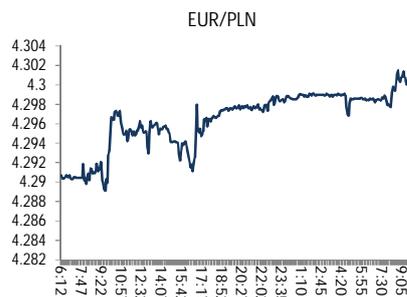
The yields on Poland's government bonds were 3bps down in 5-year sector and declined by 5 bps in 10-year sector.

Interest Rates

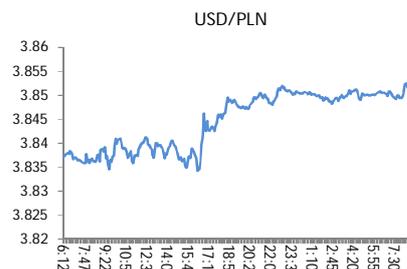
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 2bps down in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index fell by 0.93% and the S&P 500 index was 0.84% down. Today in the morning the FTSE index was 1.04% down, the CAC 40 index was 1.50% down and the DAX index was 1.13% down. Today the Nikkei index decreased by 1.21%. Today in the morning the WIG20 index fell by 0.94% and the WIG index was 0.51% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

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

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.8550	3.8386	0.4%	SPOT	3.8545	3.8554	SPOT	4.3007	4.3015
EUR/PLN	4.3011	4.2967	0.1%	S/N	3.8541	3.8551	S/N	4.3014	4.3023
GBP/PLN	4.8717	4.8641	0.2%	1W	3.8537	3.8547	1W	4.3023	4.3032
CHF/PLN	3.8312	3.8249	0.2%	1M	3.8515	3.8525	1M	4.3073	4.3083
SEK/PLN	0.4015	0.4014	0.0%	2M	3.8478	3.8489	2M	4.3154	4.3165
NOK/PLN	0.4409	0.4413	-0.1%	3M	3.8446	3.8458	3M	4.3223	4.3236
DKK/PLN	0.5760	0.5753	0.1%	6M	3.8357	3.8376	6M	4.3437	4.3459
CAD/PLN	2.8528	2.8520	0.0%	12M	3.8233	3.8262	12M	4.3886	4.3934
CZK/PLN	0.1664	0.1663	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1157	1.1193	-0.3%	O/N	1.59 %	1 bp			
USD/JPY	109.28	109.22	0.1%	1W	1.58 %	0 bp			
GBP/USD	1.2637	1.2672	-0.3%	1M	1.64 %	0 bp	1M		
USD/CHF	1.0061	1.0036	0.2%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	121.93	122.25	-0.3%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8830	0.8833	0.0%	9M	1.81 %	0 bp	9M	%	bp
USD/CAD	1.3513	1.3459	0.4%	12M	1.86 %	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	1.65	1X7	1.79	2Y	1.80 %	-1 bp	2Y	1.64 %	-1 bp
2X3	1.64	3X9	1.79	5Y	1.98 %	-2 bp	5Y	2.14 %	-3 bp
1X4	1.72	6X12	1.79	10Y	2.31 %	-2 bp	10Y	2.74 %	-5 bp
3X6	1.72			5Y-2Y	18 bp	-1 bp			
6X9	1.73			10Y-5Y	33 bp	0 bp			
9X12	1.73			10Y-2Y	51 bp	-1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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