



Poland Daily

HEADLINES...

POL: On Wednesday evening leaders of ruling Law and Justice met to discuss replacements in ministerial posts as several ministers won seats in the European Parliament. Changes in the government will embrace not only five ministers that won seat in the PE (agriculture minister Krzysztof Jurgiel, internal affairs minister Joahim Brudziński, deputy MP Beata Szydło, labour minister Elżbieta Rafalska and education minister Anna Zalewska) but changes in the posts of finance minister, energy minister and infrastructure minister are very likely. Reconstruction of government should take place in two-week time as elected deputies has to take their seats in the European Parliament.

POL: Government proposed to increase minimal monthly gross wage to PLN2450 in 2020 from PLN2250 in 2019 and PLN2100 in 2018. Government also proposed to hike minimal hourly wage to PLN16.00 in 2020 from PLN14.70 in 2019 and PLN13.70 in 2018.

THE DAY AHEAD...

POL: Minutes from MPC meeting

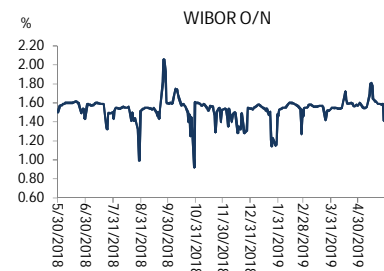
HUN: average wage (Mar)

USA: GDP (Q1, annualized), initial jobless claims, trade balance (Apr)

TODAY'S FOCUS:

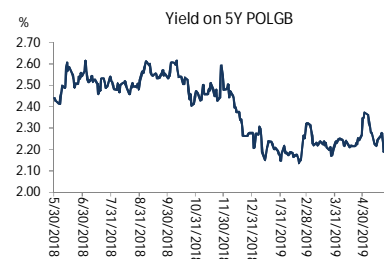
Today economic calendar contains on a foreign side US GDP and trade balance data and on domestic side minutes from MPC meeting.

Figure 1: WIBOR O/N



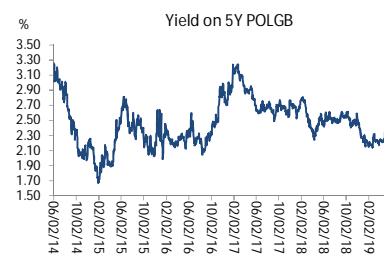
Source: Bloomberg

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
HUN	7:00	Average wage (Mar)		(10.2%)	(11.6%)
POL	12:00	Minutes from MPC meeting			
USA	12:30	GDP (Q1, ann.)	3.2%		3.0%
USA	12:30	Initial jobless claims	214k		214k
USA	12:30	Trade balance (Apr)	-USD73.2bn		-USD72.7bn

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.3% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2750-4.3050 per EUR today.

The USD firmed by 0.2% versus the EUR as risk aversion rose due to escalating trade tensions between the US and China.

Fixed Income

The yields on Poland's government bonds were 1bp up in 2-year and 5-year sectors.

Interest Rates

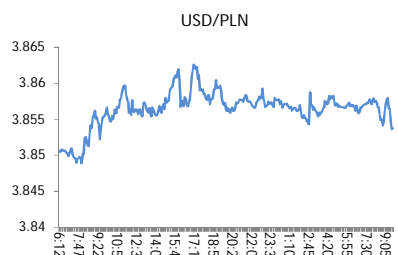
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were unchanged in all tenors.

Equities

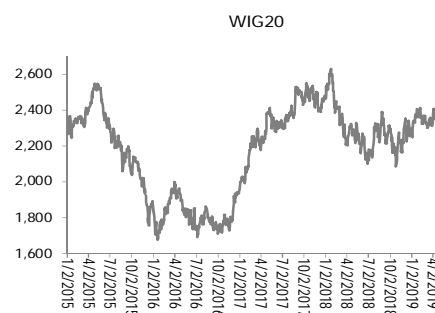
Yesterday the Dow Jones index fell by 0.87% and the S&P 500 index was 0.69% down. Today in the morning the FTSE index was 0.31% up, the CAC 40 index was 0.41% up and the DAX index was 0.52% up. Today the Nikkei index decreased by 0.29%. Today in the morning the WIG20 index rose by 0.87% and the WIG index was 0.66% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

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

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8540	3.8554	0.0%	SPOT	3.8535	3.8544	SPOT	4.2903	4.2911
EUR/PLN	4.2907	4.3007	-0.2%	S/N	3.8534	3.8543	S/N	4.2905	4.2913
GBP/PLN	4.8673	4.8744	-0.1%	1W	3.8527	3.8537	1W	4.2919	4.2928
CHF/PLN	3.8183	3.8329	-0.4%	1M	3.8502	3.8512	1M	4.2976	4.2986
SEK/PLN	0.4034	0.4011	0.6%	2M	3.8467	3.8478	2M	4.3054	4.3065
NOK/PLN	0.4403	0.4407	-0.1%	3M	3.8435	3.8448	3M	4.3121	4.3134
DKK/PLN	0.5745	0.5758	-0.2%	6M	3.8349	3.8368	6M	4.3338	4.3359
CAD/PLN	2.8543	2.8543	0.0%	12M	3.8224	3.8253	12M	4.3808	4.3845
CZK/PLN	0.1660	0.1663	-0.2%						
				WIBOR			T-bills (mid)		
				O/N	Last fixing	1-day change		Today's opening	1-day change
EUR/USD	1.1133	1.1155	-0.2%		1.41 %	-18 bp			
USD/JPY	109.74	109.25	0.4%	1W	1.57 %	-1 bp	1M		
GBP/USD	1.2632	1.2643	-0.1%	1M	1.64 %	0 bp	3M	%	bp
USD/CHF	1.0093	1.0059	0.3%	3M	1.72 %	0 bp	6M	%	bp
EUR/JPY	122.18	121.87	0.2%	6M	1.79 %	0 bp	9M	%	bp
EUR/GBP	0.8814	0.8823	-0.1%	9M	1.81 %	0 bp	12M	%	bp
USD/CAD	1.3504	1.3507	0.0%	12M	1.86 %	0 bp			
				FRAs (mid)			T-Bonds (mid)		
					Last closing	1-day change		Today's opening	1-day change
1X2	1.64	1X7	1.79	2Y	1.80 %	0 bp	2Y	1.65 %	1 bp
2X3	1.64	3X9	1.79	5Y	1.99 %	0 bp	5Y	2.15 %	1 bp
1X4	1.72	6X12	1.79	10Y	2.31 %	0 bp	10Y	2.74 %	0 bp
3X6	1.72			5Y-2Y	19 bp	1 bp			
6X9	1.73			10Y-5Y	32 bp	0 bp			
9X12	1.73			10Y-2Y	51 bp	0 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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