



# Poland Daily

## HEADLINES...

POL: The MPC, as expected, kept interest rates unchanged with the main reference rate at 1.50% and maintained its guidance for no change in interest rates in the coming quarters. The MPC underlined that in Poland, despite weaker economic growth abroad, business conditions were still favourable what was a result of strong consumption. The MPC added that data flow suggested that investments and exports would continue to grow. In line with the July projection based on the NECMOD model, there is a 50-percent probability that the annual price growth will be in the range of 1.7-2.3% in 2019 (against 1.2-2.2% in the March 2019 projection), 1.9-3.7% in 2020 (compared to 1.7-3.6%) and 1.3-3.5% in 2021 (compared to 1.3-3.5%). At the same time, the annual GDP growth – according to this projection – will be with a 50-percent probability in the range of 3.9-5.1% in 2019 (against 3.3-4.7% in the March 2019 projection), 3.0-4.8% in 2020 (compared to 2.7-4.6%) and 2.4- 4.3% in 2021 (compared to 2.4-4.3%). The MPC stated that the outlook for economic conditions in Poland remained favourable and GDP growth would continue at a relatively high level in the coming years. At the same time inflation will remain moderate near inflation target. At the press conference NBP President Adam Glapinski said that recent growth in inflation to slightly above the centre of inflation target was not worrying and in the opinion of the MPC would be transitory. NBP President pointed that recent PLN firming would have stabilizing effect on inflation.

## THE DAY AHEAD...

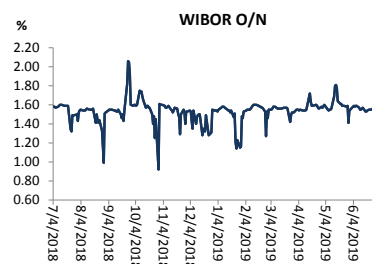
HUB: Retail sales (May)

EMU: Retail sales (May)

## TODAY'S FOCUS:

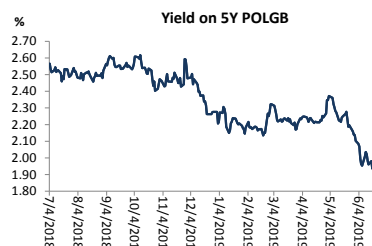
Today economic calendar contains only retail sales from euro zone and Hungary for May.

Figure 1: WIBOR O/N



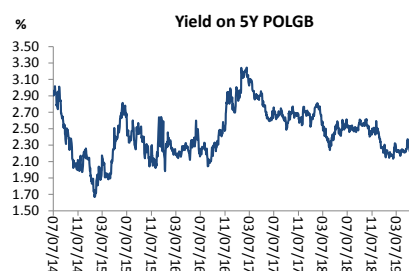
Source: Bloomberg

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	Retail sales (May)			(6.2%)
EMU	9:00	Retail sales (May)	(1.6%)		0.3% (1.6%)



## Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2300-4.2500 per EUR today.

The EUR was unchanged versus the USD as better than expected euro-zone services PMIs were market neutral.

## Fixed Income

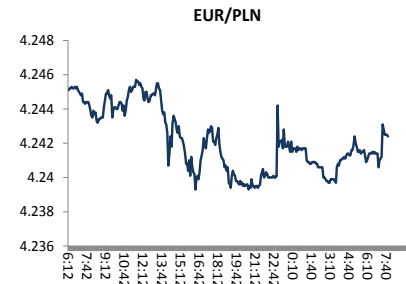
The yields on Poland's government bonds were unchanged across the curve.

## Interest Rates

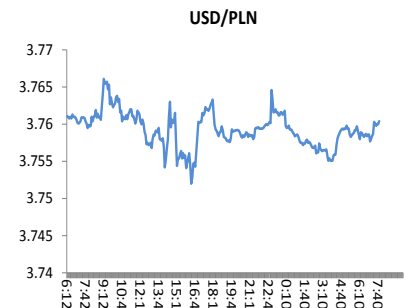
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 1bp up in 2-year and 5-year sectors.

## Equities

Yesterday the Dow Jones index closed 0.67% up and the S&P 500 index at closing was 0.77% up. Yesterday at closing the FTSE 100 index was 0.66% up, the CAC 40 index was 0.75% up and the DAX index was 0.71% up. Today the Nikkei index increased by 0.27%. Yesterday at closing the WIG20 index rose by 0.19% and the WIG index was 0.22% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 4 July 2019 (6:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7586	3.7596	0.0%	SPOT	3.7572	3.7600	SPOT	4.2397	4.2425
EUR/PLN	4.2411	4.2442	-0.1%	S/N	3.7576	3.7604	S/N	4.2401	4.2429
GBP/PLN	4.7289	4.7294	0.0%	1W	3.7576	3.7604	1W	4.2401	4.2429
CHF/PLN	3.8107	3.8152	-0.1%	1M	3.7576	3.7604	1M	4.2401	4.2429
SEK/PLN	0.4038	0.4032	0.1%	2M	3.7576	3.7604	2M	4.2401	4.2429
NOK/PLN	0.4406	0.4385	0.5%	3M	3.7576	3.7604	3M	4.2401	4.2429
DKK/PLN	0.5683	0.5686	-0.1%	6M	3.7576	3.7604	6M	4.2401	4.2429
CAD/PLN	2.8763	2.8693	0.2%	12M	3.7576	3.7604	12M	4.2401	4.2429
CZK/PLN	0.1667	0.1668	-0.1%						
				<b>WIBOR</b>			<b>T-bills (mid)</b>		
				O/N	Last fixing	1-day change			
EUR/USD	1.1284	1.1289	0.0%	O/N	1.54 %	0 bp			
USD/JPY	107.83	107.69	0.1%	1W	1.57 %	0 bp			
GBP/USD	1.2582	1.2580	0.0%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9864	0.9854	0.1%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	121.67	121.57	0.1%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8968	0.8974	-0.1%	9M	1.81 %	0 bp	9M	%	bp
USD/CAD	1.3068	1.3103	-0.3%	12M	1.86 %	0 bp	12M	%	bp
<b>FRAs (mid)</b>				<b>IRS (mid)</b>			<b>T-Bonds (mid)</b>		
	Last closing				Today's opening	1-day change		Today's opening	1-day change
1X2	1.64	1X7	1.79	2Y	1.74 %	1 bp	2Y	1.58 %	0 bp
2X3	1.64	3X9	1.79	5Y	1.81 %	1 bp	5Y	1.90 %	0 bp
1X4	1.72	6X12	1.78	10Y	2.02 %	0 bp	10Y	2.31 %	0 bp
3X6	1.72			5Y-2Y	7 bp	0 bp			
6X9	1.71			10Y-5Y	22 bp	-1 bp			
9X12	1.70			10Y-2Y	29 bp	-1 bp			



# Appendix 1

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### Additional information available upon request

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