



## Poland Daily

### HEADLINES...

POL: Today at 12.00 CET the MPC starts one-day working meeting. Yesterday the NBP conducted 4-day repo operation, providing banks PLN7.3bn of liquidity in exchange for POLGBs and other debt instruments in PLN. NBP announced it will be providing banks with long-term liquidity via open market operations in order to counteract rise of interest rates in interbank market and in order to support liquidity in government bond market. Yesterday the NBP also announced it will introduce bills of exchange credit for banks that similarly to TLTRO conducted by the ECB will allow to re-finance loans granted by banks to non-financial corporations. The NBP also recommended the MPC to significantly reduce mandatory reserve rate and to hike interest paid on mandatory reserves from 0.5% to reference rate and to cut reference rate. We expect the MPC to cut reference rate by 50bps, to reduce mandatory reserve rate and to increase interest paid on mandatory reserves to the level of reference rate.

POL: The Finance Ministry announced removal of systemic risk buffer what will free part of banks' capital allowing for more lending and absorption of higher losses.

POL: Today government will announce details of fiscal package aimed at alleviating economic impact of corona-virus epidemic.

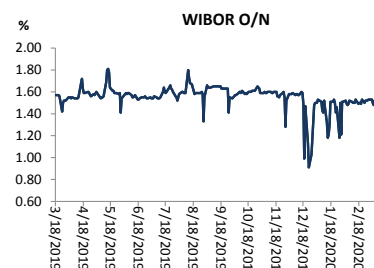
### THE DAY AHEAD...

POL: MPC meeting, government fiscal package

### TODAY'S FOCUS:

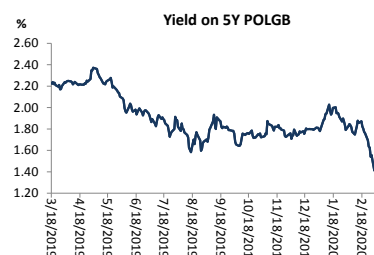
Today market participants will be focusing on performance of stock indices, actions of central banks and fiscal packages aimed at limiting impact of corona-virus epidemic.

Figure 1: WIBOR O/N



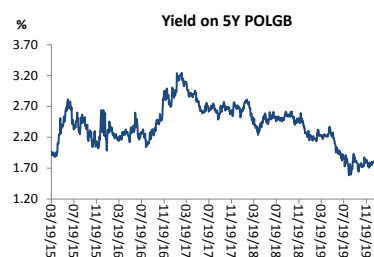
Source: Bloomberg

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
POL	11:00	MPC meeting	1.00%		
USA	12:30	Retail sales (Feb)	0.3%		0.2%
USA	13:15	Industrial production (Feb)	0.7%		0.4%



### Foreign Exchange

Today in the morning the zloty was 2.8% weaker versus the USD and was 2.0% weaker versus the EUR compared to the yesterday's NBP fixing. The zloty was 1.8% weaker versus the CHF and weakened by 1.9% versus the GBP. Weakening of the zloty stemmed from a rise in risk aversion and flight to safe haven currencies, in particular there was a strong demand for the USD. The zloty should be moving today within a wide range of PLN4.4000-4.5000 per EUR.

The USD firmed by 0.7% versus the EUR as demand for the USD increased globally.

### Fixed Income

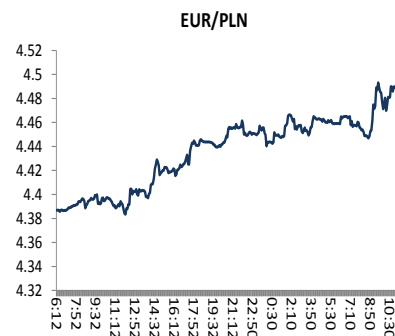
The yields on Poland's government bonds were 5bps down in 2-year sector and fell by 15bps and 19bps respectively in 5-year and 10-year segments due to expectations of rate cut, a decline in inflation and liquidity injections announced by the NBP.

### Interest Rates

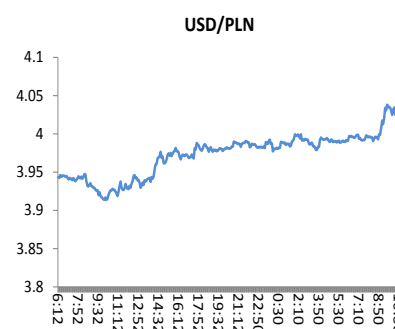
Today the O/N bid rate should be within a range of 0.90%-1.40%. Swap rates were 5-15bps down across the curve.

### Equities

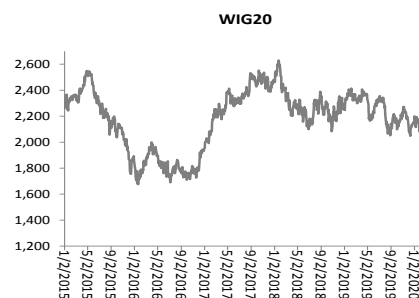
Yesterday the Dow Jones index closed 12.93% down and the S&P 500 index was 11.98% down. Today in the morning the FTSE 100 index was 3.30% down, the CAC 40 index was 2.92% down and the DAX index was 3.32% down. The Nikkei index closed 0.06% up. Today in the morning the WIG20 index was 1.33% up and the WIG index was 1.26% up.



Source: Bloomberg

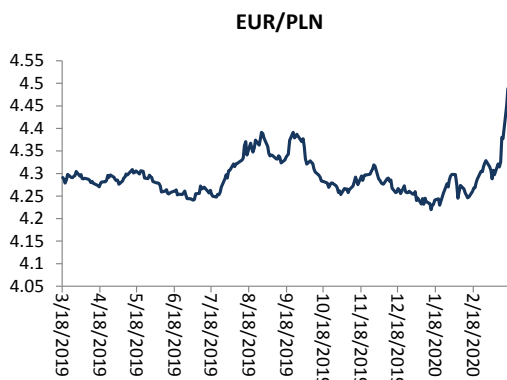


Source: Bloomberg

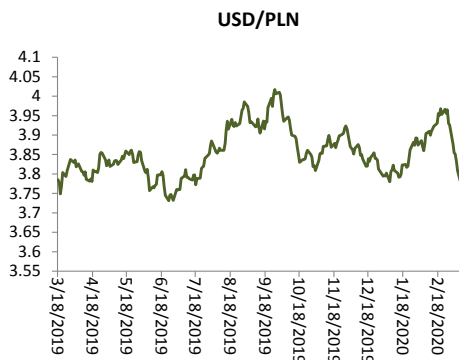


Source: Bloomberg

### Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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