



## Poland Daily

### HEADLINES...

POL: Yesterday PM Mateusz Morawiecki and NBP President Adam Glapinski announced rescue programme for economy aimed at alleviating negative impact on restrictions on economic activity related to preventing coronavirus epidemic. The programme totals to PLN212bn (or 9.0% of GDP) of which cash component is worth PLN66bn (or 2.9% of GDP). Cash component that will improve liquidity of households and micro-enterprises and measures aimed at improving liquidity of companies (deferring payments of social insurance fees and some other liabilities) are crucial for stabilizing confidence and for preventing sharper rise in unemployment rate. Close co-operation of the central bank and central government in providing liquidity is a very good signal – NBP provides liquidity to commercial banks via purchases of government bonds in secondary market (first such auction is scheduled for today) and via repo operations while government will provide liquidity for companies and households via subsidies and liquidity benefits. The programme assumes transfer of about PLN70bn from central budget, about PLN70bn will comprise guarantees, loans and subsidies and remaining 1/3 of the programme will consist of liquidity measures. The Parliament is expected to end work on necessary legislation next week.

### THE DAY AHEAD...

POL: Industrial output (Feb), PPI (Feb)

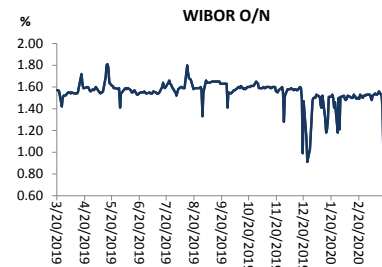
DEU: IFO (Mar)

USA: Initial jobless claims

### TODAY'S FOCUS:

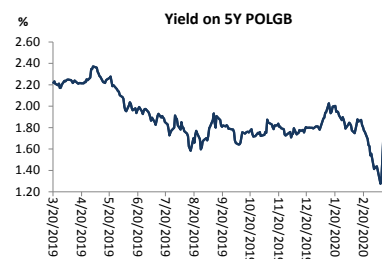
Today economic calendar contains industrial output and PPI for February from Poland and IFO index for March from Germany and US initial jobless claims.

Figure 1: WIBOR O/N



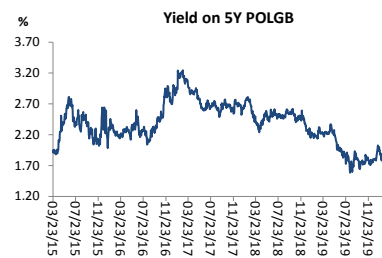
Source: Bloomberg

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	9:00	Industrial output (Feb)	(3.0%)	2.2% (4.9%)	-0.2% (2.0%)
POL	9:00	PPI (Feb)	(0.4%)	-0.2% (0.1%)	0.0% (0.3%)
DEU	9:00	IFO (Mar)		87.7	
USA	12:30	Initial jobless claims			220k



### Foreign Exchange

Today in the morning the zloty was 3.2% weaker versus the USD and was 1.8% weaker versus the EUR compared to the yesterday's NBP fixing. The zloty was 1.7% weaker versus the CHF and firmed by 0.9% versus the GBP. The zloty should be moving today within a wide range of PLN4.5000-4.6300 per EUR.

The USD firmed by 1.3% versus the EUR due to ongoing demand for USD liquidity.

### Fixed Income

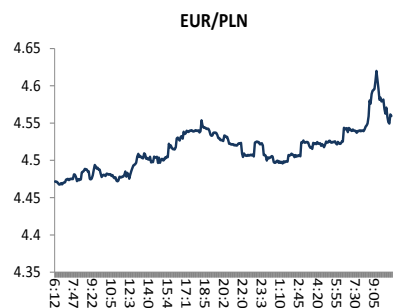
The yields on Poland's government bonds were 10bps up in 2-year sector and rose by 6bps and 9bps respectively in 5-year and 10-year.

### Interest Rates

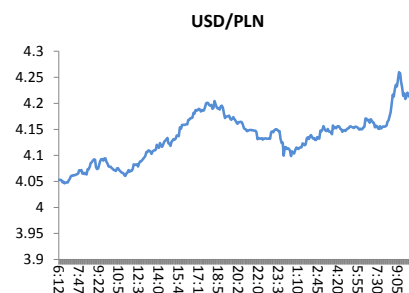
Today the O/N bid rate should be within a range of 0.65%-0.80%. Swap rates were 8bps down in 2-year sector and fell by 5bps in 5-year and 10-year ones..

### Equities

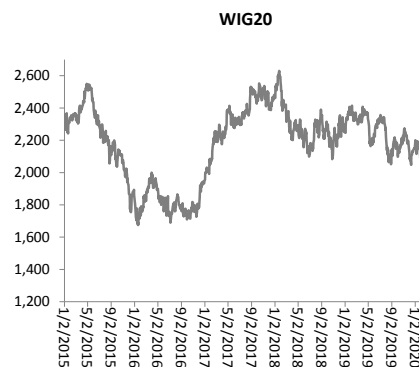
Yesterday the Dow Jones index closed 6.30% down and the S&P 500 index was 5.18% down. Today in the morning the FTSE 100 index was 0.02% up, the CAC 40 index was 2.31% up and the DAX index was 0.34% up. The Nikkei index closed 1.04% down. Today in the morning the WIG index was 1.81% up and the WIG20 index was 2.02% up.



Source: Bloomberg

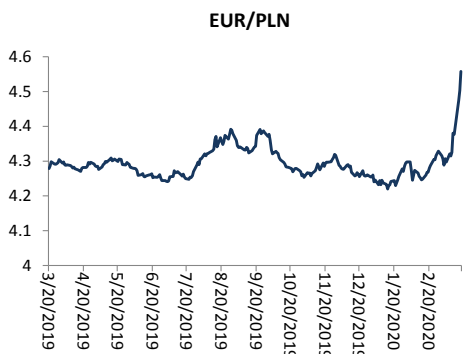


Source: Bloomberg

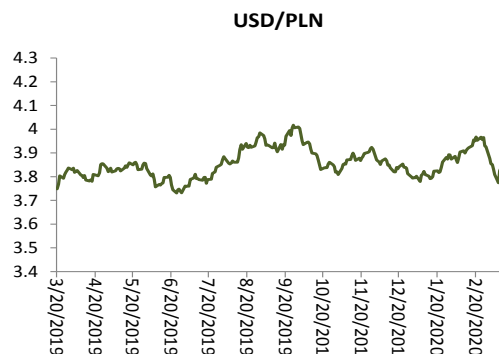


Source: Bloomberg

### Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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