



Poland Daily

HEADLINES...

POL: MPC member Jerzy Kropiwnicki expressed a view that rate cut might prove ineffective due to low demand for credit in the period of lockdown related to coronavirus pandemic. In his view weaker PLN may help the economy to return to its growth path but its impact will be visible after the pandemic ends. He added that impact of the weaker PLN on FX borrowers, in particular on household's with CHF-denominated debt should be considered. In his view one should expect significant widening of budget gap due to emergency fiscal programmes and added that rigid limits to public debt were unnecessary restrictions to fiscal policy. Jerzy Kropiwnicki reiterated that one should consider granting the central bank a right to buy government debt in primary market.

USA: Initial jobless claims were 6 million 606 thousand in the week ending on April 4 versus revised up 6 million 867 thousand initial jobless claims in the previous week.

THE DAY AHEAD...

POL: rating review by the S&P

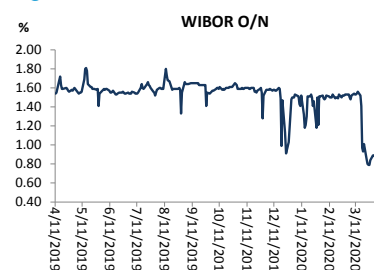
USA: Inflation (Mar), core inflation (Mar)

FRA: Industrial production (Feb)

TODAY'S FOCUS:

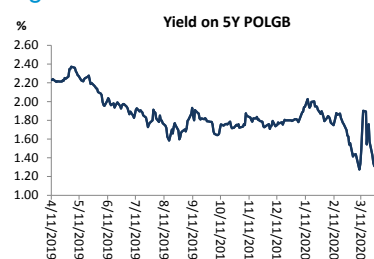
Today S&P will review Poland's sovereign rating. We expect Poland's rating to be maintained at A- but the outlook is likely to be downgraded to negative.

Figure 1: WIBOR O/N



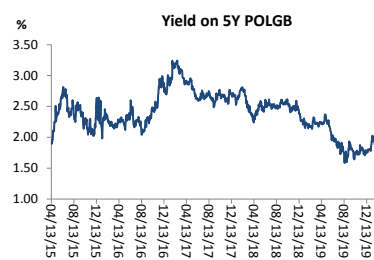
Source: Bloomberg

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	Industrial production (Feb)		0.9% (-1.4%)	0.0% (-2.5%)
USA	12:30	Inflation (Mar)	0.0%		-0.3% (1.6%)
USA	12:30	Core inflation (Mar)	0.0%		0.1% (2.3%)

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.5% firmer versus the USD and was 0.1% weaker versus the EUR compared to the yesterday's NBP fixing. The zloty was unchanged versus the GBP and weakened by 0.1% versus the CHF. Today the zloty should be moving within a wide range of PLN4.5150-4.5650 per EUR.

The EUR firmed by 0.6% versus the USD as growth in covid-19 cases in major economies seemed to stabilise.

Fixed Income

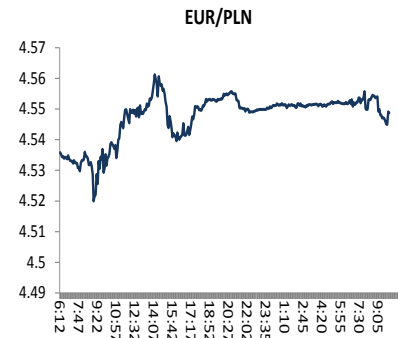
The yields on Poland's government bonds were 6bps down in 2-year sector and fell by 8-9bps in 5-year and 10-year ones.

Interest Rates

Today the O/N bid rate should be within a range of 0.30%-0.40%. Swap rates were 12bps down in 2-year sector, declined by 6bps in 5-year one and fell by 4bps in 10-year one.

Equities

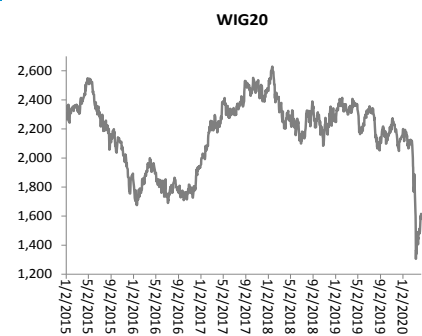
Yesterday the Dow Jones index closed 1.22% up and the S&P 500 index was 1.45% up. Yesterday at closing the FTSE 100 index was 2.90% up, the CAC 40 index was 1.44% up and the DAX index was 2.24% up. The Nikkei index was 0.79% up. Yesterday the WIG index closed 2.13% up and the WIG20 index was 2.31% up.



Source: Bloomberg

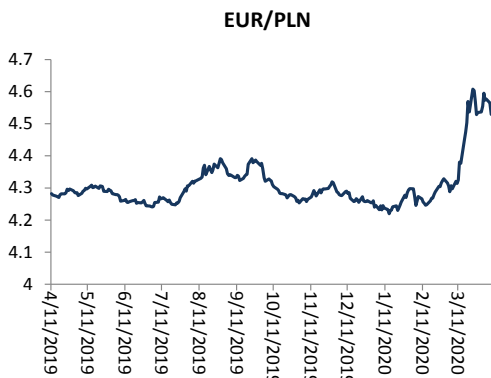


Source: Bloomberg

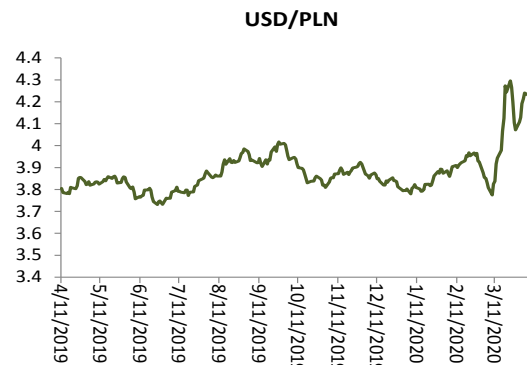


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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