



Poland Daily

HEADLINES...

POL: The S&P kept long-term foreign currency rating of Poland at A- with a stable outlook. Stable outlook stemmed from balance between macro-economic risks from covid-19 and solid external balance and solid fiscal balance. The S&P estimates Poland's GDP to decline by -2.0% in 2020 and to grow by 4.8% in 2021. Poland's general government deficit is estimated at -6.1% of GDP in 2020 and -3.1% of GDP in 2021.

POL: MPC member Grazyna Ancyparowicz said that if the actions taken so far by the National Bank of Poland and the Monetary Policy Council were not sufficient, further policy loosening would be possible, but the effects of the steps taken so far must first be assessed. She added that theoretically, if necessary, interest rates in Poland could be negative in nominal terms, or at least at zero. She ruled out rate hikes by the end of the term of the current MPC. She also added that the scale of the central bank's asset purchase program won't be higher than the costs of government stimulus package. She mentioned that the NBP was seriously considering starting to buy corporate bonds with investment rating or state guarantee. She indicated that the NBP might buy floaters but not soon and chances for that were not big.

POL: Government is considering gradual easing in some restrictions related to covid-19 starting from April 19. The plan of gradual removal of restrictions will be announced within two days.

THE DAY AHEAD...

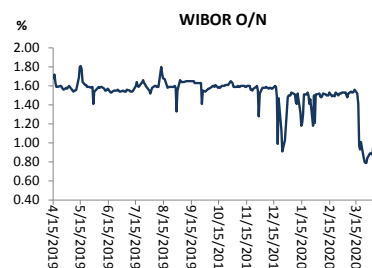
POL: Balance of payments (Feb)

CZK: Inflation (Mar)

TODAY'S FOCUS:

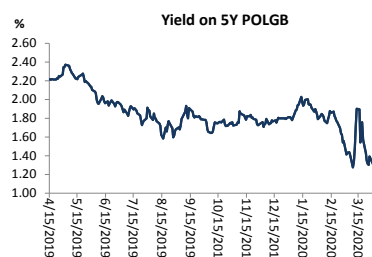
Today macro-economic calendar contains Poland's balance of payments for February. Market participants will be focusing on plans of gradual removal of activity restrictions to the economy.

Figure 1: WIBOR O/N



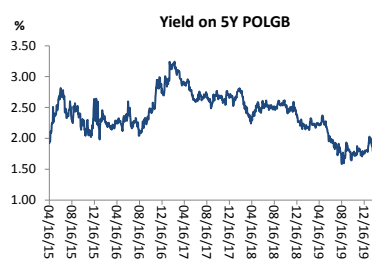
Source: Bloomberg

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
CZK	7:00	Inflation (Mar)		-0.1% (3.4%)	0.1% (3.5%)
POL	12:00	Current account (Feb)	EUR750mn		EUR722mn

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.3% weaker versus the USD and was 0.1% weaker versus the EUR compared to the previous NBP fixing. The zloty was 1.0% weaker versus the GBP and weakened by 0.3% versus the CHF. Today the zloty should be moving within a wide range of PLN4.5300-4.5750 per EUR.

The USD firmed by 0.3% versus the EUR.

Fixed Income

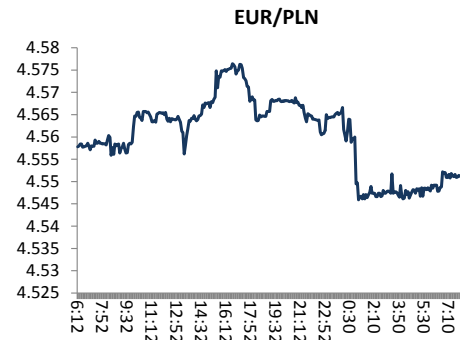
The yields on Poland's government bonds were practically unchanged in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of 0.30%-0.40%. Swap rates were steady across the curve.

Equities

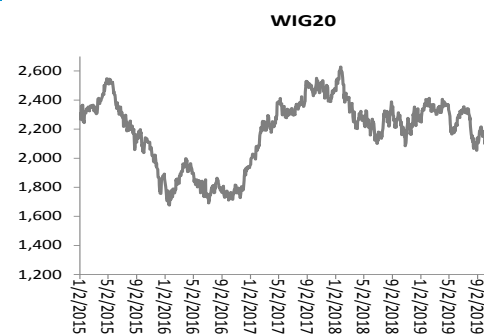
Yesterday the Dow Jones index closed 1.39% down and the S&P 500 index was 1.01% down. Today in the morning the FTSE 100 index was 0.45% down, the CAC 40 index was 0.26% up and the DAX index was 1.05% up. The Nikkei index was 3.13% up. Today in the morning the WIG index was 1.47% up and the WIG20 index was 1.04% up.



Source: Bloomberg

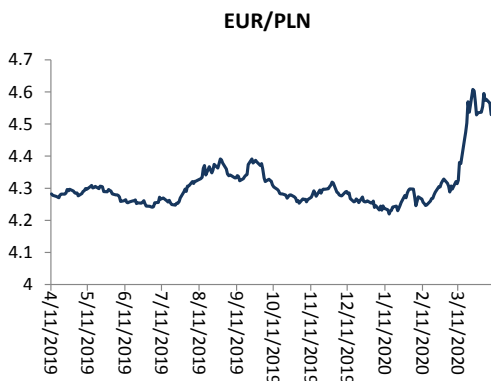


Source: Bloomberg

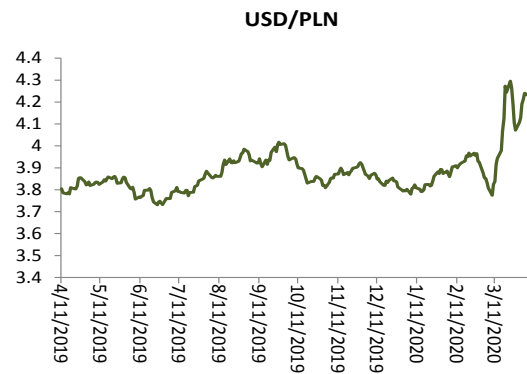


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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