



Poland Daily

HEADLINES...

POL: Today government will announce timeline of gradual easing in some restrictions related to covid-19. Minister of state assets Jacek Sasin reiterated that restrictions on access to parks, boulevards and forests and restrictions on retail trade were likely to be eased but schools would be opened later. Starting from today people will have to wear (non-medical) masks in public places.

POL: In March inflation was 0.2% m/m and 4.6% y/y versus 4.7% y/y in February. Monthly rise in consumer prices stemmed from a rise in food prices (up 0.8% m/m) mainly meat and a seasonal increase in footwear and clothing prices (up 2.5% m/m). A decline of 2.5% m/m was reported in transport prices.

POL: Moody's estimates Poland's GDP to decline by -2.0% in 2020 and to grow by 3.4% in 2021. Poland's general government deficit is estimated at -6.8% of GDP in 2020 and -2.9% of GDP in 2021.

POL: The European Commission published the road map for lifting covid-19 containment measures based on three pillars: (1) sustainable reduction in new infections (2) sufficient capacity of health-care system to cope with new cases and (3) wide testing for covid-19

THE DAY AHEAD...

POL: Core inflation (Mar)

DEU: Inflation (Mar)

EMU: Industrial output (Feb)

USA: Housing starts (Mar), initial jobless claims

TODAY'S FOCUS:

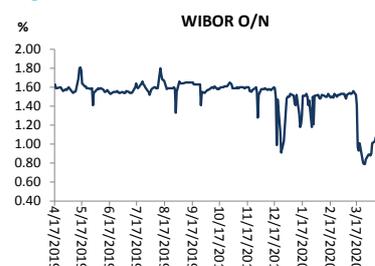
Today macro-economic calendar contains Poland's core inflation for March, industrial production from euro-zone for February and US initial jobless claims.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	6:00	Inflation (Mar)	0.1% (1.4%)	0.1% (1.4%)	0.1% (1.4%)
EMU	9:00	Industrial production (Feb)	-0.1% (-1.9%)	-0.1% (-1.9%)	-0.1% (-1.9%)
POL	12:00	Core inflation (Mar)	0.1% (3.3%)		0.2% (3.4%)
USA	12:30	Initial jobless claims	8000k		5500k
USA	12:30	Housing starts (Mar)	-12.5%		-18.7%

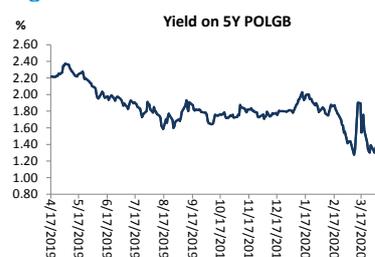
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



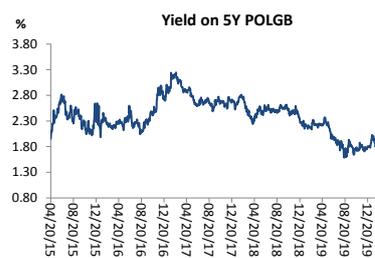
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg



Foreign Exchange

Today in the morning the zloty was 0.4% weaker versus the USD and was 0.1% firmer versus the EUR compared to the previous NBP fixing. The zloty was 0.2% weaker 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 USD firmed by 0.5% versus the EUR as record drop in US retail sales and industrial production in the US in March resulted in increase in risk aversion.

Fixed Income

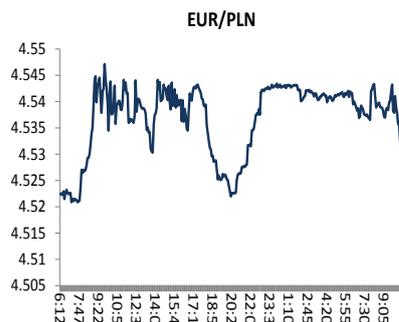
The yields on Poland's government bonds were 1-2 bps down in all tenors. At auction today the NBP will buy government bonds series OK0521, OK0722, PS0422, DS0725, DS1029 and WS0428.

Interest Rates

Today the O/N bid rate should be within a range of 0.30%-0.40%. Swap rates were 2-4bps down across the curve.

Equities

Yesterday the Dow Jones index closed 1.86% down and the S&P 500 index was 2.20% down. Today in the morning the FTSE 100 index was 0.19% up, the CAC 40 index was 1.36% up and the DAX index was 1.46% up. The Nikkei index was 1.33% down. Today in the morning the WIG index was 0.49% up and the WIG20 index was 0.35% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., al. Armii Ludowej 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 1,744,449,384 paid up in full.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krześniak