



Poland Daily

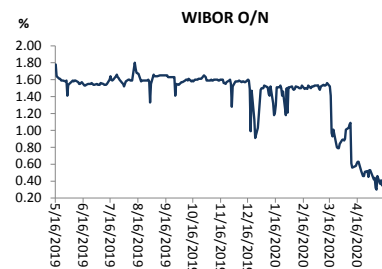
POL: Malgorzata Kidawa-Blonska withdrew her candidature in presidential elections in 2020. Today at the meeting of Civic Platform (PO) board the party will decide on party's new candidate in presidential elections.

POL: In March there was EUR2.4bn surplus in the current account, caused mainly by retention of dividend payments for foreign investors (in the primary income account there was a surplus of EUR652mn versus a deficit of EUR2.07bn in March 2019). In March 2020 there was a small trade gap of EUR69mn caused by a sharp decline of exports (down 7.5% y/y) with moderate decline of imports (down 4.5% y/y). On a services account there was a surplus of EUR1.8bn that resulted from deeper decline in imports of services than exports of services (down 14.7% y/y and down 10.6% y/y respectively).

POL: In Q1 2020 real GDP growth was, in line with our estimate, +1.9% y/y and -0.5% q/q. Relatively robust GDP data in Q1 2020 stemmed from the fact that in Q1, before lock-down, economic activity indicators were good.

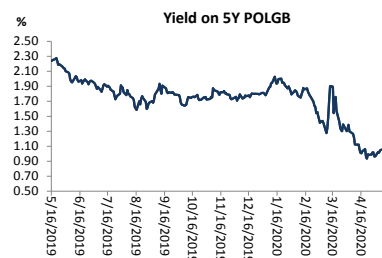
POL: Inflation in April was -0.1% m/m and 3.4% y/y.

Figure 1: WIBOR O/N



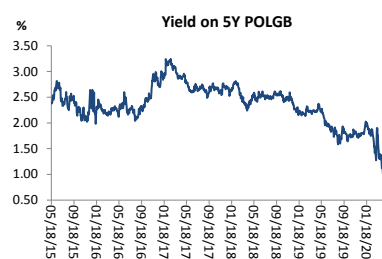
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

THE DAY AHEAD...

USA: Industrial production (Apr), Retail sales (Apr),

POL: GDP (Q1), Inflation (Apr)

DEU: GDP (Q1)

EMU: GDP (Q1)

TODAY'S FOCUS:

Today market participants will be focusing on US industrial production and retail sales for April and Q1 GDP data from the EU. On a domestic side Poland's Q1 GDP will draw attention of market participants.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Inflation (Apr)	0.0% (3.4%)	-0.1% (3.4%)	0.0% (3.4%)
POL	8:00	GDP (Q1)	(1.9%)	-0.5% (1.9%)	-1.2% (1.7%)
DEU	8:00	GDP (Q1)		-2.2% (-2.3%)	-2.2% (-2.0%)
EMU	9:00	GDP (Q1)		-3.8% (-3.2%)	-3.8% (-3.3%)
USA	12:30	Retail sales (Apr)	-16.5%		-12.0%
USA	12:30	Industrial production (Apr)	-11.7%		-12.0%



Foreign Exchange

Today in the morning the zloty firmed by 0.3% versus the USD and was 0.3% firmer versus the EUR compared to the previous NBP fixing. The zloty should be moving within a range of PLN4.5400-4.5650 per EUR.

The EUR/USD remained steady after Q1 GDP data from Germany and the euro-zone.

Fixed Income

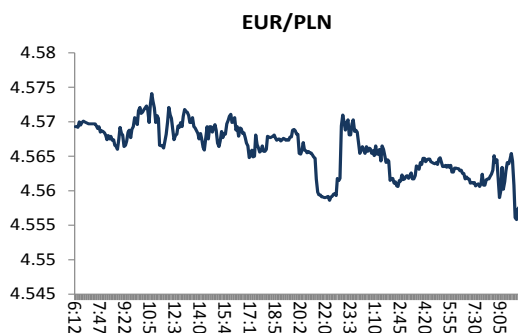
The yields on Poland's government bonds fell by 3bps in 10-year sector and remained steady elsewhere.

Interest Rates

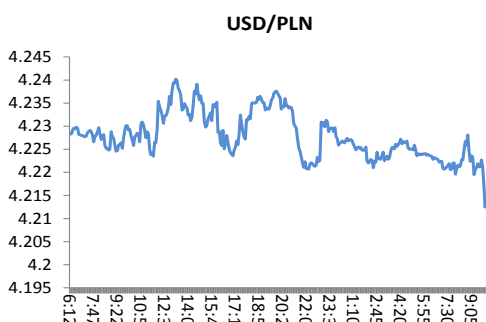
Today the O/N bid rate should be within a range of 0.20%-0.30%. Swap rates were 2-6bps down in all tenors.

Equities

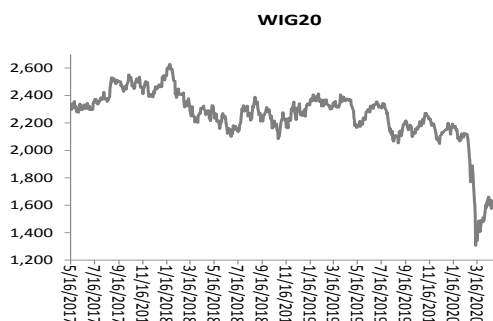
Yesterday the Dow Jones index closed 1.6% up and the S&P 500 index was 1.15% up. Today in the morning the FTSE 100 index was 1.19% up, the CAC 40 index was 0.94% up and the DAX index was 1.50% up. The Nikkei index increased by 0.62%. Today in the morning the WIG index was 0.78% up and the WIG20 index was 0.69% up.



Source: Bloomberg

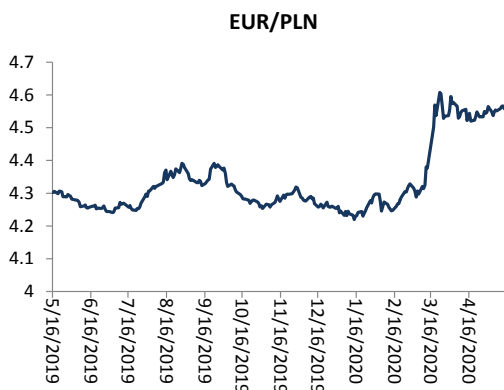


Source: Bloomberg

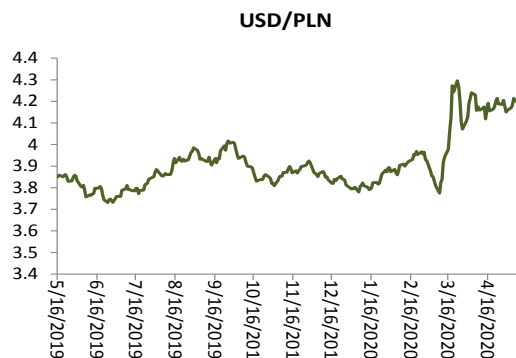


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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