



Poland Daily

POL: In April 2020 industrial output fell by 25.5% m/m and fell by 24.6% y/y after a decline of 2.3% y/y in March 2020. In March slightly more than half of output was generated in sectors that expanded output y/y but in April only one sector expanded y/y, namely production of pharmaceuticals (up 14.8% y/y, 1% of industrial output). The sharpest decline was reported in automobile manufacturing (down 78.9% y/y), leather industry (down 69.4% y/y), furniture production (down 50.4% y/y) and textile production (down 39.9% y/y). In May due to easing of lock-down restrictions one should see gradual improvement in industrial output and an increase of employment versus April, in particular in labour-intensive sectors.

POL: In April 2020 retail sales were down 13.1% m/m and declined by 22.6% y/y. Real retail sales fell by 22.9% y/y in April. Retail sales of automobiles and parts fell by 54.4% y/y, retail sales of fuels declined by 32.9% y/y, retail sales of food fell by 14.9% y/y, retail sales of pharmaceuticals declined by 16.0% y/y, retail sales of footwear and clothing were down 63.4% y/y and retail sales of white goods and electronics declined by 16.9% y/y in April. A decline was moderated by increasing share of retail sales via Internet that rose from 5.6% in February to 8.1% in March and 11.9% in April.

POL: In April 2020 construction output decreased by 0.9% y/y.

THE DAY AHEAD...

POL: Retail sales (Apr), construction output (Apr),

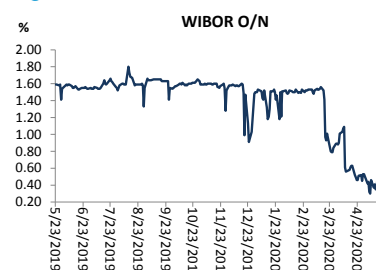
TODAY'S FOCUS:

Today economic calendar contains on a domestic side retail sales and construction output for April.

DIARY (Today)

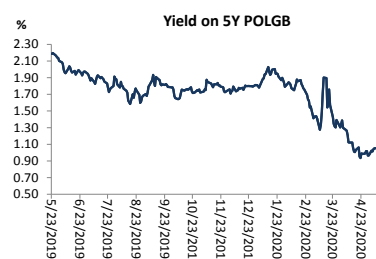
Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Construction output (Apr)	(-2.5%)	(-0.9%)	(-1.7%)
POL	8:00	Retail sales (Apr)	-17.5% (-26.5%)	-13.1% (-22.6%)	-7.8% (-18.9%)
POL	8:00	Real retail sales (Apr)	(-28.0%)	(-22.9%)	(-19.5%)

Figure 1: WIBOR O/N



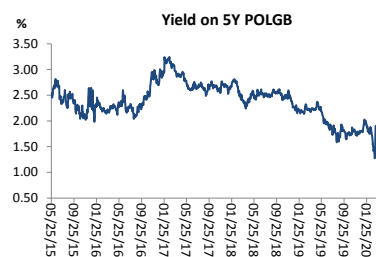
Source: Bloomberg

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 weakened 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 PLN4.5000-4.5400 per EUR.

The USD firmed by 0.6% versus the EUR on rising risk aversion as China announced imposing domestic security law on the Hong Kong.

Fixed Income

The yields on Poland's government bonds were practically unchanged across the curve.

Interest Rates

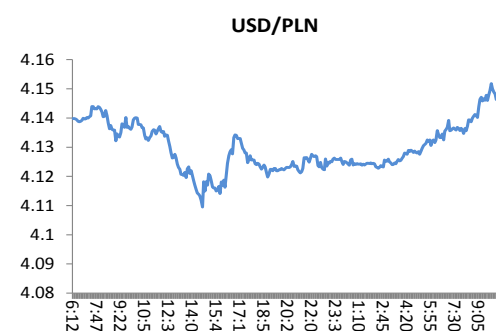
Today the O/N bid rate should be within a range of 0.20%-0.30%. Swap rates were 4bps up in 5-year and 10-year sectors.

Equities

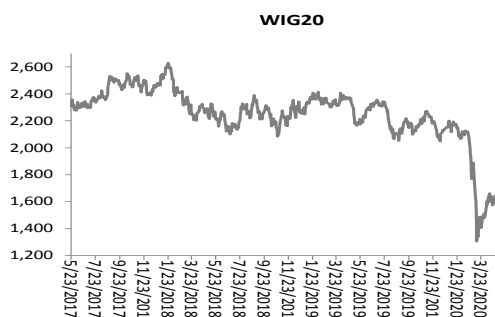
Yesterday the Dow Jones index closed 0.41% down and the S&P 500 index was 0.78% down. Today in the morning the FTSE 100 index was 1.76% down, the CAC 40 index was 1.20% down and the DAX index was 1.19% down. The Nikkei index decreased by 0.80%. Today in the morning the WIG index was 0.90% down and the WIG20 index was 1.00% down. Stock indices were under downward pressure on rising tensions between the US and China on curbing autonomy of the Hong Kong



Source: Bloomberg

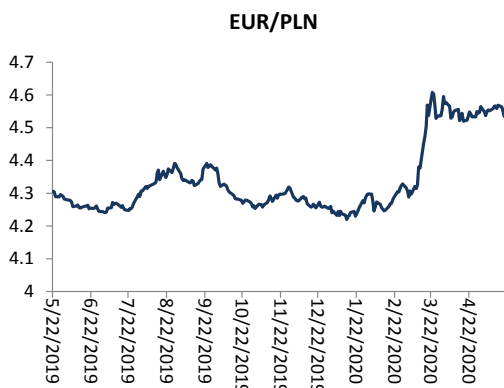


Source: Bloomberg

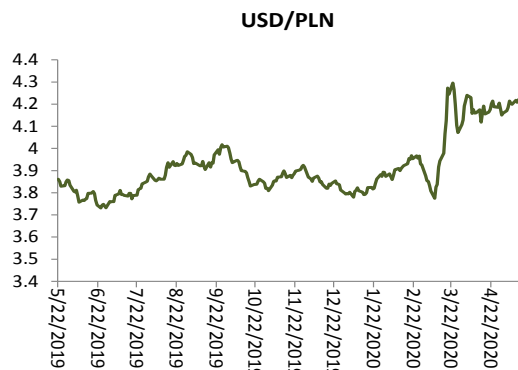


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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