



## Poland Daily

POL: In April there was a surplus in the current account of EUR1163mn. Trade deficit was -EUR33mn, exports fell by 29.2% y/y to EUR13.78bn while imports declined by 28.2% y/y to EUR13.81bn. Services balance was positive at EUR1.2bn. In April services' exports fell by 40.6% y/y to EUR3.0bn while services' imports declined by 43.8% y/y to EUR1.78bn. In April there was a small deficit in the primary income account (-EUR85mn) and a small surplus of EUR26mn in the secondary income account.

POL: Finance Minister Tadeusz Kościński estimates that Poland's GDP will contract by 4-5 per cent in 2020.

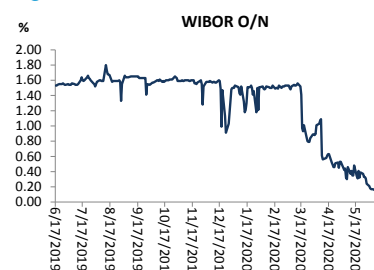
### THE DAY AHEAD...

POL: MPC meeting, core inflation (May)

### TODAY'S FOCUS:

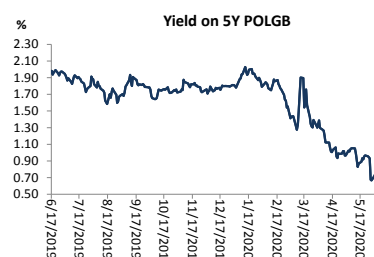
Today the MPC holds its policy meeting. We expect the MPC to keep monetary policy settings unchanged at today's meeting. Today economic calendar on a domestic side contains core inflation for May and on a foreign side Germany's inflation for May and US industrial production and retail sales for May.

Figure 1: WIBOR O/N



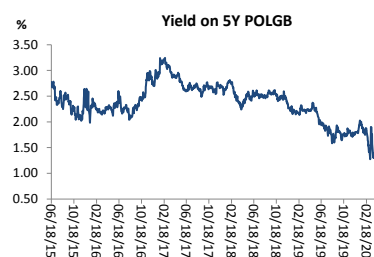
Source: Bloomberg

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
DEU	6:00	Inflation (Apr)		-0.1% (0.6%)	-0.1% (0.6%)
POL		MPC decision	0.10%		0.10%
POL	12:00	Core inflation (May)	-0.2% (3.6%)		-0.2% (3.7%)
USA	12:30	Retail sales (May)	9.0%		8.4%
USA	13:15	Industrial production (May)	2.9%		3.0%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



### Foreign Exchange

Today in the morning the zloty firmed by 0.9% 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 PLN4.4100-4.4400 per EUR.

The USD weakened by 0.6% versus the EUR on rising risk appetite as President Trump's administration announced new infrastructure investments programme worth USD1 trillion and the FOMC started to purchase corporate bonds.

### Fixed Income

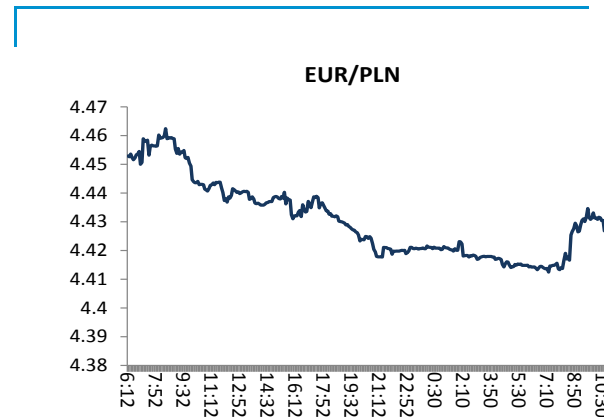
The yields on Poland's government bonds were unchanged in all tenors.

### Interest Rates

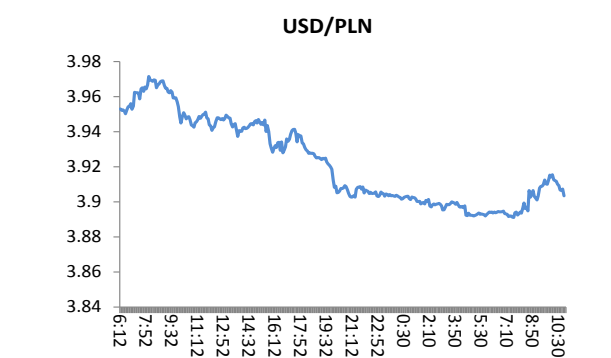
Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were practically unchanged in all tenors.

### Equities

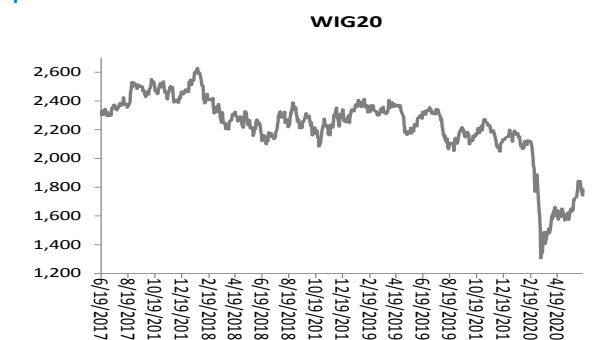
Yesterday the Dow Jones index closed 0.63% up and the S&P 500 index was 0.83% up. Today in the morning the FTSE 100 index was 2.23% up, the CAC 40 index was 1.91% up and the DAX index was 2.32% up. The Nikkei index increased by 4.48%. Today in the morning the WIG index was 2.26% up and the WIG20 index was 2.52% up.



Source: Bloomberg

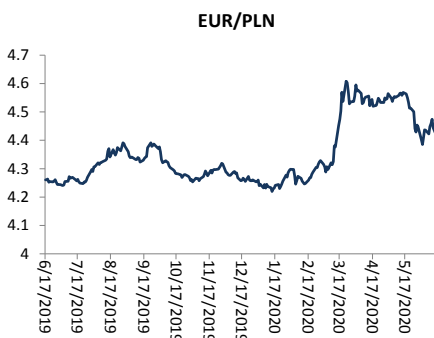


Source: Bloomberg

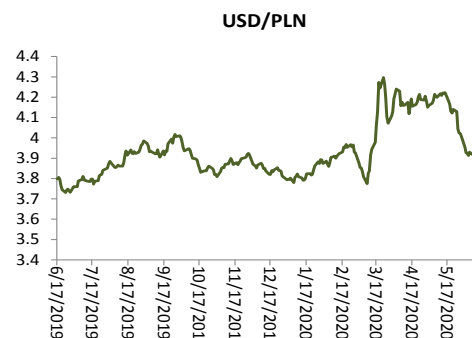


Source: Bloomberg

### Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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