



Poland Daily

POL: In May industrial output fell by 17.0% y/y and increased by 10.1% m/m. The main sector that generated almost 1/3 of total decline of output in industry was automobile industry in which output fell by 58% y/y in May. Three other sectors, each generating almost 1/10 of total decline of output in industry were products of metals (down 6.5% y/y), food industry (down 6.8% y/y) and rubber and plastics industry (down 7.2% y/y). In May industry recovered less than half of output losses of April and as a result, industrial output in May was at the level of July 2017.

POL: In May producer prices were 1.5% down y/y and were unchanged m/m. The biggest decline in prices was reported in oil refining (down 36.5% y/y), production of metals (down 6.0% y/y) and chemical industry (down 4.6% y/y).

THE DAY AHEAD...

POL: Industrial output (May), PPI (May)

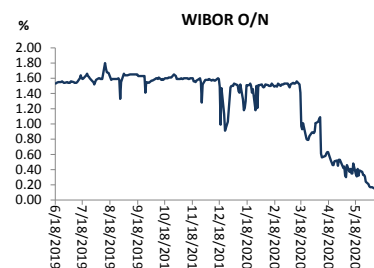
TODAY'S FOCUS:

Today economic calendar Poland's industrial output and PPI for May.

DIARY (Today)

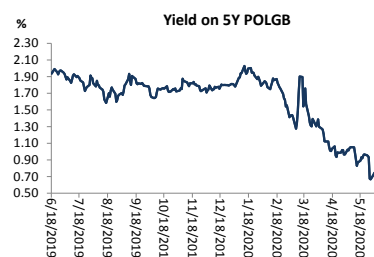
Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Industrial output (May)	15.0% (-13.2%)	10.1% (-17.0%)	8.9% (-18.0%)
POL	8:00	PPI (May)	0.1% (-1.5%)	0.0% (-1.5%)	0.1% (1.5%)

Figure 1: WIBOR O/N



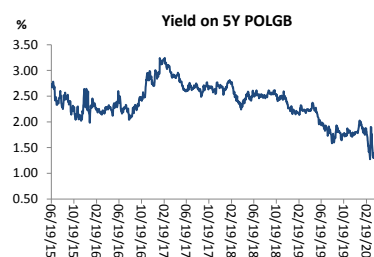
Source: Bloomberg

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 0.1% weaker versus the EUR compared to the previous NBP fixing. The zloty weakened as industrial output for May was weaker than expected. The zloty should be moving within a wide range of PLN4.4400-4.4750 per EUR.

The USD firmed by 0.3% versus the EUR.

Fixed Income

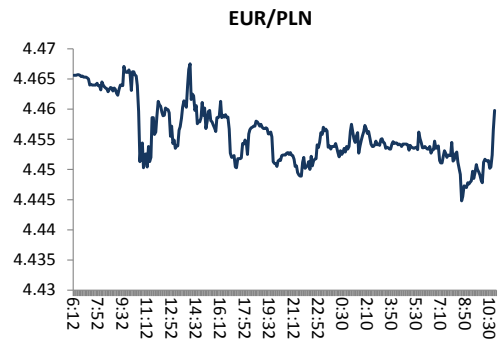
The yields on Poland's government bonds were 2-5 bps down across the curve.

Interest Rates

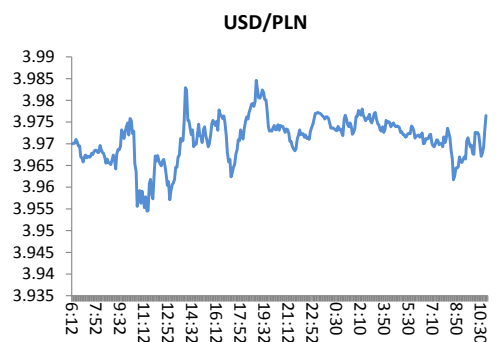
Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were practically unchanged in all tenors.

Equities

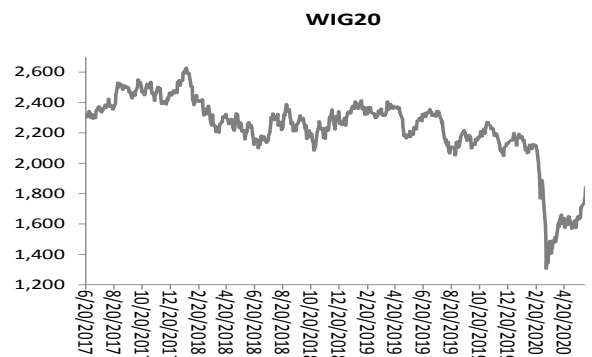
Yesterday the Dow Jones index closed 0.15% down and the S&P 500 index was 0.06% up. Today in the morning the FTSE 100 index was 0.62% up, the CAC 40 index was 0.67% up and the DAX index was 0.59% up. The Nikkei index increased by 0.55%. Today in the morning the WIG index was 0.21% up and the WIG20 index was 0.18% up.



Source: Bloomberg

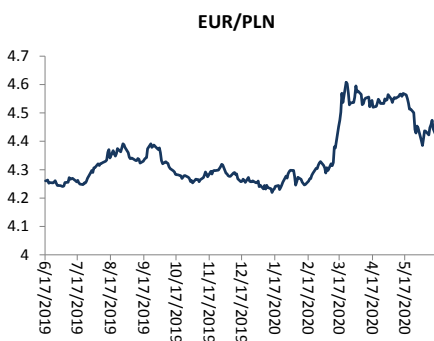


Source: Bloomberg

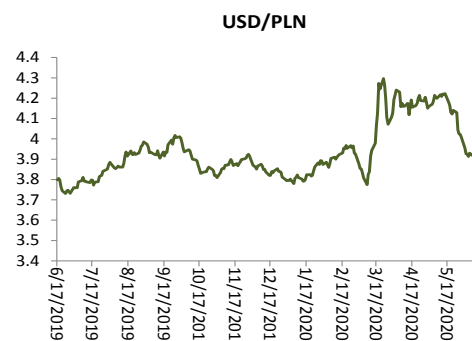


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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