



# Poland Daily

## HEADLINES:

POL: In June inflation amounted to 0.6% m/m and 3.3% y/y versus 3.3% y/y in May. In June food prices fell by 0.1% m/m, footwear and clothing prices declined by 0.2% m/m, prices of housing and energy rose by 0.2% m/m, similarly, prices of house maintenance rose by 0.2% m/m. In June prices of healthcare rose by 0.4% m/m, transport prices rose by as much as 3.3% m/m while communication prices were 1.7% up m/m. Prices of education rose by 0.9% m/m, prices in hotels and restaurants were 0.4% up m/m and prices of other goods and services were 0.1% up m/m. The main factors driving inflation up in July were hikes in transport prices and communication prices. Constant inflationary pressure is visible in prices of services that partially stems from higher operating costs due to a new sanitary regime and partially follows from deferred demand after period of complete lock-down in these sectors.

POL: In June number of new registrations of passenger automobiles in Poland fell by 20.5% y/y and declined by 38.1% y/y in the period of January –June 2020.

## THE DAY AHEAD...

POL: Core inflation (Jun),

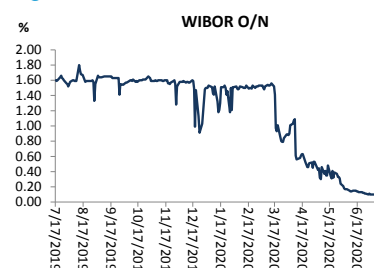
EMU: ECB decision

USA: Initial jobless claims, retail sales (Jun)

## TODAY'S FOCUS:

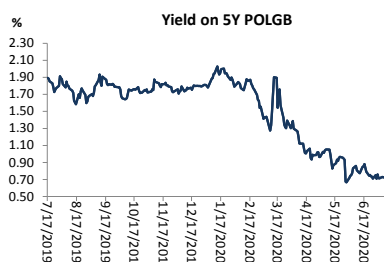
Today economic calendar contains core inflation in Poland for June, ECB decision and US initial jobless claims and retail sales for June.

Figure 1: WIBOR O/N



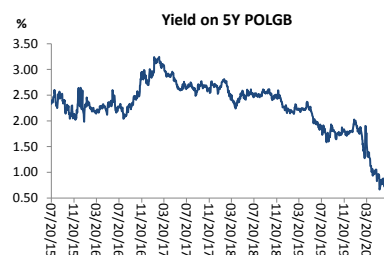
Source: Bloomberg

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
EMU	11:30	ECB decision (Jun)	0.00%		0.00%
POL	12:00	Core inflation (Jun)	0.7% (4.1%)		0.7% (4.1%)
USA	12:30	Retail sales (Jun)	6.4%		5.0%
USA	12:30	Initial jobless claims	1300k		1250k

Source: Deutsche Bank Estimates and Bloomberg Finance LP



## Foreign Exchange

Today in the morning the zloty weakened by 0.7% versus the USD and was 0.4% weaker versus the EUR compared to the previous NBP fixing. The zloty should be moving within a range of PLN4.4700-4.4950 per EUR.

The USD firmed by 0.3% versus the EUR on concerns that China's economy may be unable to sustain its recovery given recession in Europe and the US.

## Fixed Income

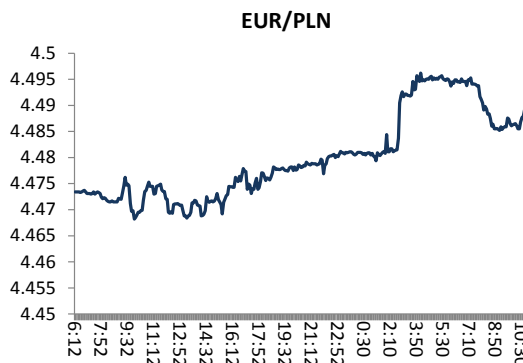
The yields on Poland's government bonds were 1-2 bps down in all tenors.

## Interest Rates

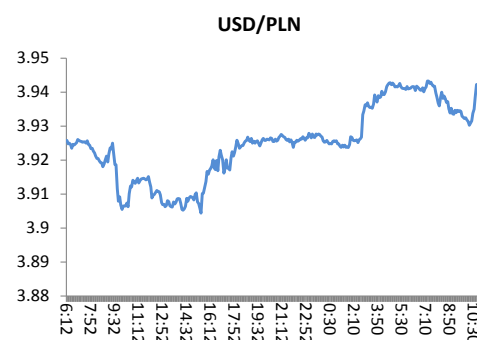
Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were steady across the curve.

## Equities

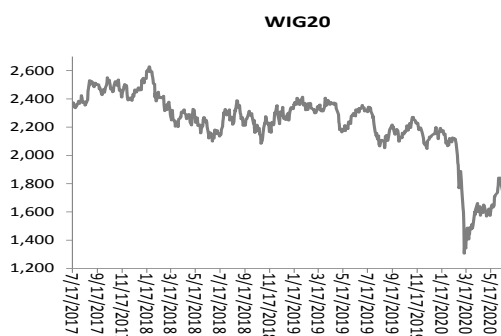
Yesterday the Dow Jones index closed 0.85% up and the S&P 500 index was 0.91% up. Today in the morning the FTSE 100 index was 0.91% down, the CAC 40 index was 1.19% down and the DAX index was 0.96% down. The Nikkei index decreased by 0.76%. Today in the morning the WIG index was 0.35% down and the WIG20 index was 0.44% down.



Source: Bloomberg

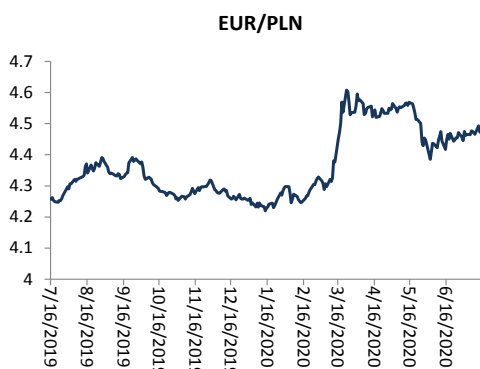


Source: Bloomberg

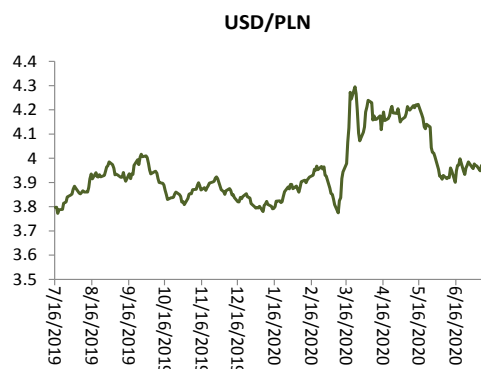


Source: Bloomberg

## Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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