



Poland Daily

HEADLINES:

POL: The NBP stated that an increase in yields on domestic bonds might lessen an impact of NBP actions aimed at securing low cost of funding in Poland's economy during pandemics and which were necessary to support expected economic recovery and to preserve price stability. Therefore the NBP informed that it considered modification to structural open market operations including increase in flexibility and frequency of auctions. It means that the NBP considers indirect control of yield curve in medium and long tenors in addition to the current direct control of short-term rates.

POL: State Development Fund PFR informed it fully covered its borrowing needs and added it didn't plan significant bond issuances.

EMU: The European Central Bank kept monetary policy settings unchanged and announced it would increase the pace of purchases of bonds under PEPP programme until the end of Q2.

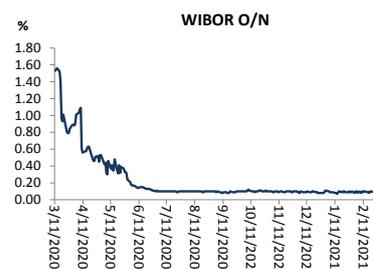
THE DAY AHEAD...

- UK: Industrial production (Jan)
- DEU: Inflation (Feb)
- CZK: Industrial production (Jan)
- USA: PPI (Feb), consumer sentiment (Mar)

TODAY'S FOCUS:

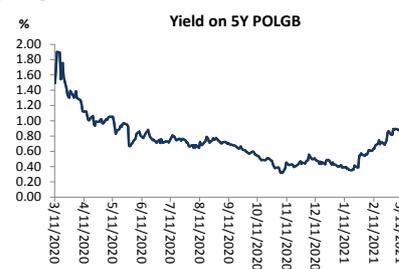
Today economic calendar contains industrial production from the UK and Czechia, inflation from Germany and US PPI and consumer sentiment.

Figure 1: WIBOR O/N



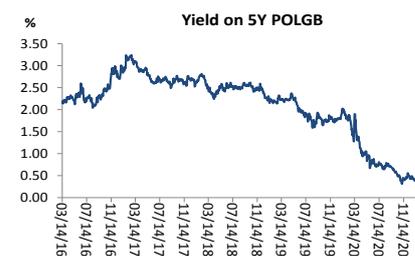
Source: Bloomberg

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
UK	7:00	Industrial production (Jan)		-1.5% (-4.9%)	-1.0% (-4.9%)
DEU	7:00	Inflation (Feb)	0.7% (1.3%)	0.7% (1.3%)	0.7% (1.3%)
CZK	8:00	Industrial production (Jan)		(-4.4%)	(-4.3%)
USA	13:30	PPI (Feb)			0.5% (2.7%)
USA	15:00	Consumer sentiment (Mar)	81.0		78.5

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.3% weaker versus the USD and was 0.1% weaker versus the EUR compared to the previous NBP fixing. The zloty should be moving in a wide range of 4.5750-4.6000 PLN per EUR today.

The USD firmed by 0.2% versus the EUR as the ECB announced it would accelerate the pace of bond purchases under the PEPP.

Fixed Income

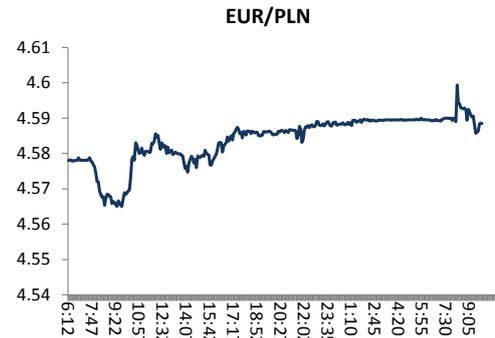
The yields on Poland's government bonds were 5-6bps up in 2-year and 5-year sectors and rose by 2bps in 10-year one.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 2-3bps up across the curve.

Equities

Yesterday the Dow Jones index closed 0.58% up and the S&P 500 index rose by 1.04%. Today in the morning the FTSE 100 index was 0.20% down, the CAC 40 index was 0.08% down and the DAX index was 0.46% down. The Nikkei index closed 1.73% up. Today in the morning the WIG index was 0.09% down and the WIG20 index was 0.34% 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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