



Poland Daily

HEADLINES:

POL: The MPC, as expected, kept settings of monetary policy unchanged. In the communique after the meeting the Council underlined that an increase of inflation in March to 3.2% stemmed primarily from an increase in fuel prices that in turn followed from rising oil prices. The MPC stated that inflation was also increased by the hike in energy prices in beginning of the year and from earlier hikes in waste management prices - factors that remained out of control of monetary policy. The MPC pointed out that higher inflation resulted also from higher operating costs of enterprises during the pandemic including higher transport costs and transitory disruptions in supply chains. In the communique the Council reiterated that the central bank would continue purchases of POLGBs and bonds guaranteed by State Treasury in the secondary market, depending on market conditions. The MPC deleted a passage suggesting preference of the central bank for weaker PLN that was present in previous communiqués.

THE DAY AHEAD...

DEU: Factory orders (Feb)

HUN: Industrial production (Feb)

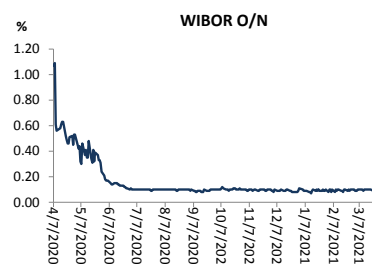
CZK: Industrial production (Feb)

USA: Initial jobless claims

TODAY'S FOCUS:

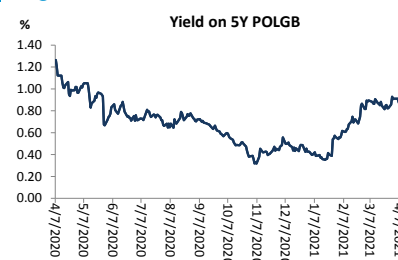
Today economic calendar contains factory orders for February from Germany, industrial production for February from Czech Republic and Hungary and US initial jobless claims.

Figure 1: WIBOR O/N



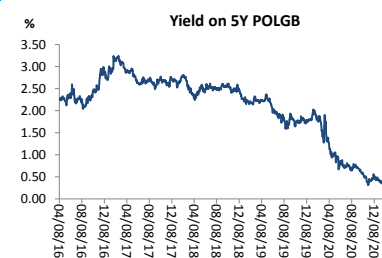
Source: Bloomberg

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	7:00	Factory oprders (Feb)		1.2% (5.6%)	1.2% (5.3%)
HUN	8:00	Industrial production (Feb)		4.8% (3.9%)	(-0.9%)
CZK	8:00	Industrial production (Feb)		(-2.6%)	(0.4%)
USA	13:30	Initial jobless claims	667k		680k



Foreign Exchange

Today in the morning the zloty was 0.7% firmer versus the USD and was 0.8% firmer versus the EUR compared to the previous NBP fixing. The zloty should be moving in a range of 4.5400-4.5800 PLN per EUR today.

The USD firmed by 0.1% versus the EUR after publication of minutes from FOMC meeting.

Fixed Income

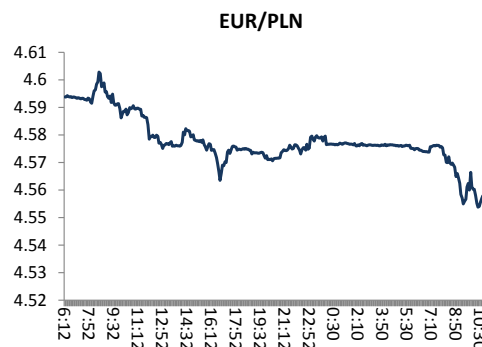
The yields on Poland's government bonds were practically unchanged in all tenors.

Interest Rates

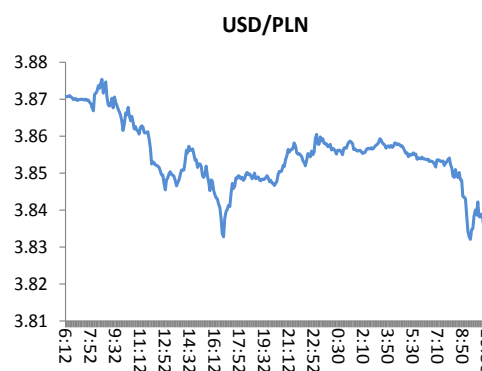
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were steady across the curve.

Equities

Yesterday the Dow Jones index closed 0.05% up and the S&P 500 index rose by 0.15%. Today in the morning the FTSE 100 index was 0.26% up, the CAC 40 index was 0.48% up and the DAX index was 0.14% up. The Nikkei index closed 0.07% down. Today in the morning the WIG index was 0.52% down and the WIG20 index was 0.90% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

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Additional information available upon request

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