



## Poland Daily

### HEADLINES...

POL: In April retail sales in the current prices rose by 4.6% yoy and decreased by 5.3% mom. Retail sales of fuels were 13.8% up yoy, retail sales of footwear and clothing were 13.7 up yoy. In April retail sales of press and books was robust, growing by 7.9% yoy, also robust were retail sales of pharmaceuticals and cosmetics (up 8.6% yoy). Retail sales of consumer durables (furniture, consumer electronics and white goods) were 6.9% up yoy in April. Due to seasonal factors (in 2017 Easter was in mid-April while in 2018 Easter was in the begging of the month) and due to four trade-free Sundays in April this year retail sales in supermarkets were 2.7% down yoy while retail sales of food were 7.2% down yoy. In April this year retail sales in constant prices were 4% up yoy and declined by 5.9% mom and structure of retail sales in constant prices was similar to that of nominal ones. Recent data on retail sales and money supply suggest that household started to diminish their propensity to consume, and started to increase their propensity to save due to robust wage and employment growth.

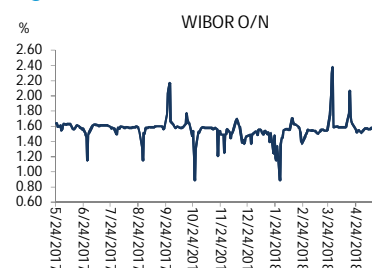
### THE DAY AHEAD...

- POL: Money supply M3 (Apr)
- DEU: GDP (Q1), GfK consumer confidence (Jun)
- UK: Retail sales (Apr)
- USA: Initial jobless claims, House Prices (Mar), Existing Home Sales (Apr)

### TODAY'S FOCUS:

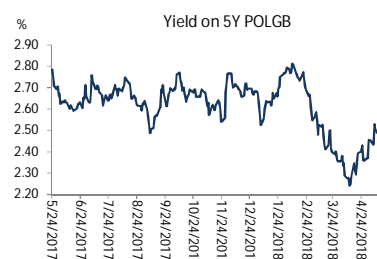
Today market participants will be focusing on Germany's Q1 GDP, retail sales from the UK for April and US existing home sales for April.

Figure 1: WIBOR O/N



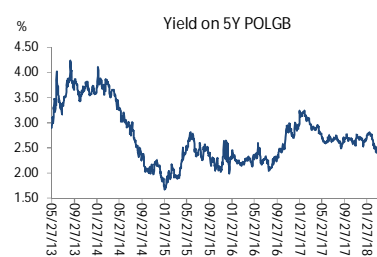
Source: Bloomberg

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	GDP (Q1)	0.3% (2.3%)	0.3% (2.3%)	0.3% (2.3%)
UK	8:30	Retail sales (Apr)			0.9% (0.2%)
POL	12:00	Money supply M3 (Apr)	0.2% (5.7%)		0.5% (6.0%)
USA	12:30	Initial jobless claims			220k
USA	13:00	House Prices (Mar)			0.6%
USA	14:00	Existing Home Sales (Apr)	0.2%		-0.9%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



## Foreign Exchange

Today in the morning the zloty was 0.2% weaker versus the USD and was 0.1% weaker versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2900-4.3250 per EUR.

The USD firmed versus the EUR as European PMI indices were weaker than expected and FOMC minutes lacked any reference to overheating labour market. The tone of FOMC minutes is consistent with a 25 bps rate hike at Fed's meeting on 13 June.

## Fixed Income

The yields on Poland's government bonds were practically unchanged across the curve.

## Interest Rates

Today the O/N bid rate should be within a range of 1.30%-1.50%. Swap rates were 3-4 bps down in 5-year and 10-year sectors.

## Equities

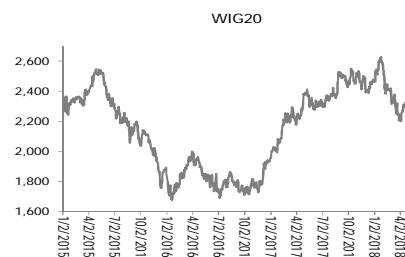
Yesterday the Dow Jones index closed 0.21% up. Today in the morning the FTSE index was 0.08% up, the CAC index rose by 0.21% and the DAX index was 0.17% down. The Nikkei index closed 1.11% down. Today in the morning the WIG20 index was 0.48% up and the WIG index was 0.39% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 24 May 2018 (7:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.6762	3.6693	0.2%	SPOT	3.6754	3.6769	SPOT	4.3064	4.3080
EUR/PLN	4.3072	4.3037	0.1%	S/N	3.6753	3.6769	S/N	4.3066	4.3082
GBP/PLN	4.9088	4.9034	0.1%	1W	3.6749	3.6767	1W	4.3080	4.3097
CHF/PLN	3.6998	3.7007	0.0%	1M	3.6737	3.6756	1M	4.3139	4.3158
SEK/PLN	0.4197	0.4189	0.2%	2M	3.6714	3.6731	2M	4.3222	4.3242
NOK/PLN	0.4544	0.4527	0.4%	3M	3.6690	3.6711	3M	4.3291	4.3317
DKK/PLN	0.5782	0.5776	0.1%	6M	3.6612	3.6635	6M	4.3520	4.3550
CAD/PLN	2.8608	2.8498	0.4%	12M	3.6413	3.6443	12M	4.3979	4.4034
CZK/PLN	0.1668	0.1675	-0.4%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1717	1.1729	-0.1%	O/N	1.54 %	-1 bp			
USD/JPY	109.52	109.87	-0.3%	1W	1.56 %	0 bp			
GBP/USD	1.3354	1.3363	-0.1%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9936	0.9915	0.2%	3M	1.70 %	0 bp	3M	%	bp
EUR/JPY	128.33	128.86	-0.4%	6M	1.78 %	0 bp	6M	%	bp
EUR/GBP	0.8774	0.8777	0.0%	9M	1.79 %	0 bp	9M	%	bp
USD/CAD	1.2851	1.2876	-0.2%	12M	1.82 %	0 bp	12M	%	bp
FRAs (mid)	Last closing			IRS (mid)	Today's opening	1-day change	T-Bonds (mid)	Today's opening	1-day change
1X2	1.65	1X7	1.78	2Y	1.92 %	-1 bp	2Y	1.59 %	-1 bp
2X3	1.65	3X9	1.79	5Y	2.48 %	-3 bp	5Y	2.51 %	0 bp
1X4	1.70	6X12	1.82	10Y	3.00 %	-4 bp	10Y	3.24 %	0 bp
3X6	1.72			5Y-2Y	56 bp	-2 bp			
6X9	1.75			10Y-5Y	52 bp	-1 bp			
9X12	1.80			10Y-2Y	107 bp	-3 bp			



# Appendix 1

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### Additional information available upon request

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