



## Poland Daily

### HEADLINES...

**POL:** The European Commission proposed new method of distribution of EU funds under regional aid, shifting part of funds from Eastern Europe to Southern Europe that face unemployment and migration challenges. New indicators would take into account youth unemployment, low level of education, greenhouse gas emissions and migration. Financial framework 2021-2027 comprises a proposal to cut cohesion funds by 7% in order to, among others, compensate for a drop in revenues by about EUR10bn per annum stemming from Brexit. According to the proposal, funding to Poland (excluding CAP) would be curbed by 23.3% to EUR64.4bn (in 2018 prices) from EUR84bn in the current financial framework. Transfers to Hungary would be cut by 24% to EUR17.9bn. PM Morawiecki said that Poland for sure would not accept lowering regional aid in the financial framework 2021-2027 and underlined that he expected other 8-9 countries negatively affected by the proposal to veto it. Minister of Investments and Development Kwiecinski stated that EC proposals significantly delayed the possibility to reach agreement on EU budget in the second quarter of 2019 and added that such agreement was almost impossible. He added that reduction of cohesion funds for Poland and other countries of Central Europe and increase of funds for rich countries of the Southern Europe was unacceptable.

### THE DAY AHEAD...

- POL: Inflation (May), GDP (Q1)
- FRA: GDP (Q1)
- EMU: Consumer confidence (May)
- DEU: Inflation (May)
- USA: GDP (Q1), ADP employment (May), Trade balance (Apr, adv)

### TODAY'S FOCUS:

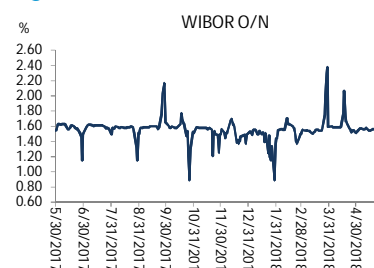
Today macro-economic calendar contains domestic inflation for May and Q1 GDP. On a foreign side US Q1 GDP and trade balance for April and German inflation will be of interest today.

### DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	GDP (Q1)	1.6% (5.1%)	1.6% (5.2%)	1.6% (5.1%)
POL	8:00	Inflation (May)	0.3% (1.8%)	0.1% (1.7%)	0.3% (1.9%)
DEU	12:00	Inflation (May)	0.3% (1.9%)		0.3% (1.9%)
USA	12:30	GDP (Q1)	2.3%		2.3%

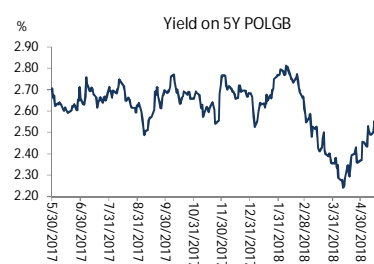
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



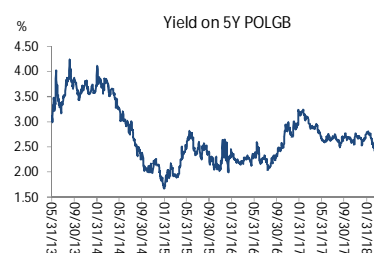
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg





# Appendix 1

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### Additional information available upon request

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