



Poland Daily

HEADLINES...

POL: According to the Institute of Agriculture and Food Economics (IERiGŻ) due to draught in Poland it is likely that crop losses will occur in all sectors of agriculture with the exception of grapevine cultivation. The poor harvest, according to IERiGŻ will not necessarily drive up agricultural product prices as Poland is an open economy.

USA: Trade deficit narrowed to USD64.8bn in May and was below market consensus expectations.

USA: Core capex orders fall 0.2% mom in May.

EMU: Money supply M3 grew by 4.0% yoy in May.

FRA: Consumer confidence fell by 2 pts to 97 pts. in June.

CZK: Yesterday the Czech National Bank hiked policy rate by 25 bps to 1.00% due to CZK weakness and higher pressures in overheated labour market. The CNB signalled readiness to act on the basis of further inflow of macro-economic data.

THE DAY AHEAD...

POL: minutes of MPC meeting

DEU: GfK consumer confidence (Jun), inflation (Jun, flash)

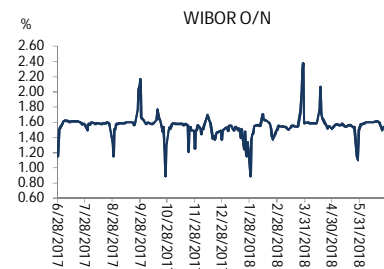
EMU: Consumer confidence (Jun)

USA: GDP (Q1), initial jobless claims

TODAY'S FOCUS:

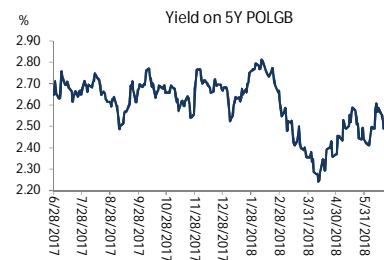
Today market participants will be focusing on preliminary data on inflation from Germany for June and Germany's and EU consumer confidence for June. Revisions to US Q1 GDP growth should not be material. On a domestic side the NBP will publish minutes from MPC meeting.

Figure 1: WIBOR O/N



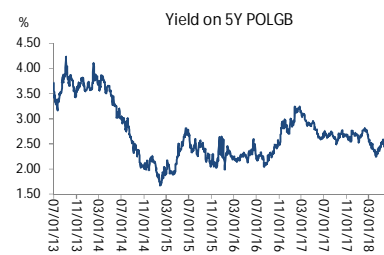
Source: Bloomberg

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	GfK consumer confidence (Jun)		10.7	10.6
EMU	9:00	Consumer confidence (Jun)			-0.5
DEU	12:00	Inflation (Jun, prel.)	0.1% (2.1%)		0.1% (2.1%)
POL	12:00	Minutes from MPC meeting			
USA	12:30	Initial jobless claims	220k		220k
USA	12:30	GDP (Q1)	2.2%		2.2%



Foreign Exchange

Today in the morning the zloty was 1.2% weaker versus the USD and was 0.3% weaker versus the EUR compared to the last NBP fixing. Yesterday the zloty weakened versus rapidly firming the USD together with its regional peers due to increased risk aversion. Today the zloty should be moving within a range of PLN4.3400-4.3700 per EUR.

Yesterday the USD firmed versus the EUR, ahead of EU summit in Brussels starting today and as US official said the China's reaction to US trade concerns was insufficient.

Fixed Income

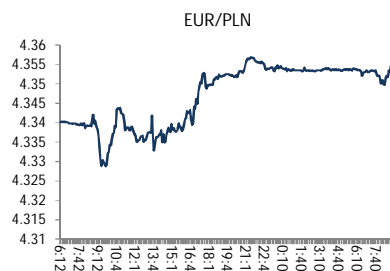
The yields on Poland's government bonds were 1-2 bps down in medium and long part of the curve.

Interest Rates

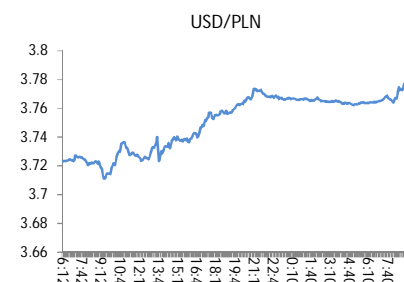
Today the O/N bid rate should be within a range of 1.20%-1.50%. Swap rates were 4-6 bps down in 5-year and 10-year segments.

Equities

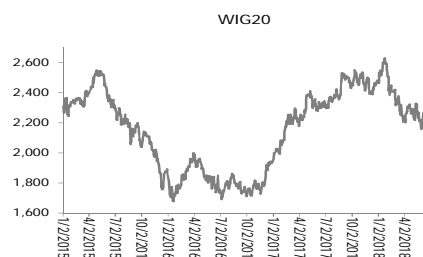
Yesterday the Dow Jones index closed 0.68% down. Today in the morning the FTSE index was 0.42% down, the CAC index fell by 0.10% and the DAX index was 0.31% down. The Nikkei index closed 0.01% down. Today in the morning the WIG20 index was 0.49% down and the WIG index was 0.42% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 28 June 2018 (6:15 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7790	3.7351	1.2%	SPOT	3.7783	3.7797	SPOT	4.3572	4.3584
EUR/PLN	4.3578	4.3430	0.3%	S/N	3.7782	3.7797	S/N	4.3574	4.3587
GBP/PLN	4.9396	4.9285	0.2%	1W	3.7779	3.7794	1W	4.3589	4.3603
CHF/PLN	3.7834	3.7669	0.4%	1M	3.7765	3.7781	1M	4.3650	4.3665
SEK/PLN	0.4193	0.4183	0.2%	2M	3.7746	3.7762	2M	4.3735	4.3751
NOK/PLN	0.4604	0.4574	0.7%	3M	3.7727	3.7745	3M	4.3811	4.3829
DKK/PLN	0.5850	0.5829	0.4%	6M	3.7651	3.7676	6M	4.4055	4.4083
CAD/PLN	2.8317	2.8037	1.0%	12M	3.7456	3.7485	12M	4.4520	4.4565
CZK/PLN	0.1677	0.1676	0.0%						
				WIBOR			T-bills (mid)		
				O/N	Last fixing	1-day change		Today's opening	1-day change
EUR/USD	1.1532	1.1628	-0.8%						
USD/JPY	110.37	109.78	0.5%	1W	1.54 %	1 bp			
GBP/USD	1.3071	1.3195	-0.9%	1M	1.55 %	0 bp	1M		
USD/CHF	0.9989	0.9916	0.7%	3M	1.64 %	0 bp	3M	%	bp
EUR/JPY	127.28	127.65	-0.3%	6M	1.70 %	0 bp	6M	%	bp
EUR/GBP	0.8822	0.8812	0.1%	9M	1.78 %	0 bp	9M	%	bp
USD/CAD	1.3347	1.3322	0.2%	12M	1.79 %	0 bp	12M	%	bp
				FRAs			T-Bonds (mid)		
				IRS (mid)	Today's opening	1-day change		Today's opening	1-day change
1X2	1.66	1X7	1.79	2Y	1.91 %	-2 bp	2Y	1.63 %	0 bp
2X3	1.65	3X9	1.80	5Y	2.39 %	-4 bp	5Y	2.53 %	-2 bp
1X4	1.71	6X12	1.83	10Y	2.87 %	-5 bp	10Y	3.21 %	-1 bp
3X6	1.72			5Y-2Y	48 bp	-2 bp			
6X9	1.75			10Y-5Y	47 bp	-1 bp			
9X12	1.79			10Y-2Y	96 bp	-3 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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