



# Poland Daily

## HEADLINES...

POL: Finance Ministry published draft of *Capital market development strategy*. The main assumptions of the strategy are: (1) rising capitalization of domestic listed companies to 75% of GDP in 2030 from the current 35%, (2) 100% rise in market liquidity in major assets classes and lowering transaction costs, (3) an increase in efficiency of intermediate institutions, (4) a rise in savings rate in economy to 11% in 2030 from the current 2.6%, (5) increase in efficiency of administrative procedures.

POL: Ruling Law and Justice, besides rising standard costs deducible from PIT, is considering lowering the lowest PIT rate to 17% from 18% for employees who earn less than country average. Zero PIT rate for employees below age of 26 will be applied to persons employed on the basis of work agreement (not self-employed).

## THE DAY AHEAD...

POL: GDP (Q4)

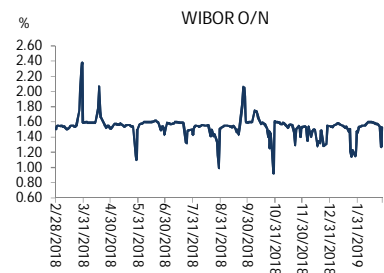
DEU: Inflation (Feb)

USA: GDP (Q4), core PCE (Q4), Chicago PMI (Feb)

## TODAY'S FOCUS:

Today market participants will be focusing on Poland's GDP structure for Q4 and US Q4 GDP data.

Figure 1: WIBOR O/N



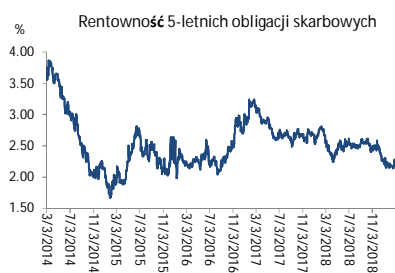
Source: Bloomberg

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
POL	8:00	GDP (Q4)	0.5% (4.9%)	0.5% (4.9%)	0.5% (4.9%)
DEU	12:00	Inflation (Feb)	0.4% (1.5%)		0.4% (1.5%)
USA	12:30	GDP (Q4)	2.3%		2.2%
USA	13:45	Chicago PMI (Feb)	57		57.5



## Foreign Exchange

Today in the morning the zloty was 0.1% weaker versus the USD and was unchanged versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.3000-4.3350 per EUR.

The GBP firmed after information that the EU is ready to delay Brexit deadline for the UK for two years should the UK and the EU fail to reach agreement in the current negotiation cycle.

## Fixed Income

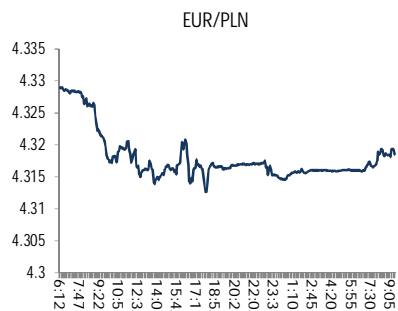
The yields on Poland's government bonds rose by 2bps in 5-year sector and increased by 3bps in 10-year one.

## Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 1-2bps up across the curve.

## Equities

Yesterday the Dow Jones index closed 0.28% down and the S&P 500 index decreased by 0.05%. Today in the morning the FTSE index was 0.59% down, the CAC 40 index was 0.25% down and the DAX index was 0.39% down. Today the Nikkei index fell by 0.79%. Today in the morning the WIG20 index rose by 0.38% and the WIG index was 0.37% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 28 February 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7932	3.7886	0.1%	SPOT	3.7927	3.7936	SPOT	4.3177	4.3186
EUR/PLN	4.3182	4.3173	0.0%	S/N	3.7926	3.7935	S/N	4.3179	4.3188
GBP/PLN	5.0419	5.0321	0.2%	1W	3.7919	3.7928	1W	4.3192	4.3202
CHF/PLN	3.8049	3.8003	0.1%	1M	3.7890	3.7901	1M	4.3247	4.3259
SEK/PLN	0.4115	0.4090	0.6%	2M	3.7852	3.7864	2M	4.3320	4.3332
NOK/PLN	0.4441	0.4437	0.1%	3M	3.7817	3.7829	3M	4.3384	4.3397
DKK/PLN	0.5788	0.5786	0.0%	6M	3.7709	3.7728	6M	4.3591	4.3616
CAD/PLN	2.8802	2.8825	-0.1%	12M	3.7509	3.7534	12M	4.4025	4.4059
CZK/PLN	0.1685	0.1684	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1384	1.1396	-0.1%	O/N	1.53 %	26 bp			
USD/JPY	110.75	110.43	0.3%	1W	1.55 %	1 bp			
GBP/USD	1.3293	1.3282	0.1%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9970	0.9969	0.0%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	126.08	125.84	0.2%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8564	0.8580	-0.2%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3171	1.3143	0.2%	12M	1.87 %	0 bp	12M	%	bp
							T-Bonds (mid)	Today's opening	1-day change
FRAs (mid)	Last closing			IRS (mid)	Today's opening	1-day change	2Y	1.62 %	0 bp
1X2	1.64	1X7	1.79	2Y	1.80 %	1 bp	5Y	2.28 %	2 bp
2X3	1.64	3X9	1.79	5Y	2.06 %	1 bp	10Y	2.91 %	3 bp
1X4	1.72	6X12	1.78	10Y	2.42 %	2 bp			
3X6	1.72			5Y-2Y	26 bp	0 bp			
6X9	1.72			10Y-5Y	36 bp	1 bp			
9X12	1.72			10Y-2Y	62 bp	2 bp			



# Appendix 1

## Important Disclosures

### Additional information available upon request

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