



## Poland Daily

### HEADLINES...

POL: In January 2019 there was PLN6.6bn surplus in central budget after PLN8.8bn surplus in January 2018. Budget revenue were PLN38.7bn (10% of plan) and expenditures were PLN32.1bn (7.7% of plan). VAT revenues were 12.6% up yoy, PIT revenues were 15.4% up yoy and CIT revenues were 2.8% up yoy. Total tax revenues increased by 7.9% yoy in January.

POL: In February 2019 manufacturing PMI fell to 47.6 pts from 48.2 pts in January and remained for a fourth month in a row below neutral 50pts threshold. A decline in PMI index in February stemmed mainly from further decline in new orders, in particular export orders that has been declining for 7 months. Industrial output has been falling fourth month in a row. In February employment and purchase indices dropped while stocks of finished products rose fast. In February pressure on rise in costs of production alleviated. Producers' confidence deteriorated and expectations for output and orders in 12 month horizon were scaled down.

POL: The Central Statistical Office confirmed Q4 GDP growth at 0.5% QoQ and 4.9% yoy. In Q4 2018 personal consumption rose by 4.3% yoy, fixed investments rose by 6.7% yoy, exports increased by 8.9% yoy and import rose by 9.0% in real terms. In Q4 2018 consumption contributed 3 percentage points, accumulation added 1.7 p.p. and net exports added 0.2 p.p. to GDP growth.

### THE DAY AHEAD...

POL: Manufacturing PMI (Feb)

CZK: GDP(Q4), Manufacturing PMI (Feb)

HUN: GDP(Q4), Manufacturing PMI (Feb)

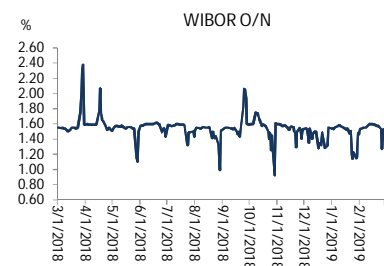
EMU: Manufacturing PMI (Feb), inflation (Feb)

USA: Manufacturing PMI (Feb), Univ. Michigan Consumer Sentiment (Feb)

### TODAY'S FOCUS:

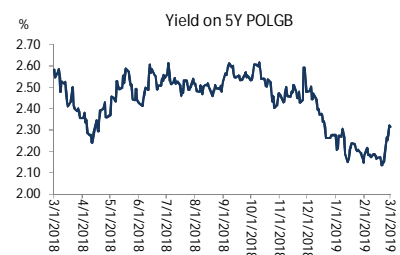
Today market participants will be focusing on series of PMIs from Europe and the US and on US consumer sentiment and inflation from the euro-zone.

Figure 1: WIBOR O/N



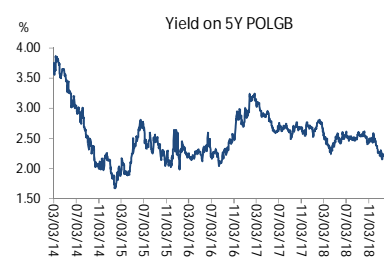
Source: Bloomberg

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	7:00	Manufacturing PMI (Feb)	47.9	47.6	48.1
EMU	8:00	Manufacturing PMI (Feb)	49.2	49.3	49.2
EMU	9:00	Inflation (Feb)	(1.5%)		(1.5%)
USA	13:45	Manufacturing PMI (Feb)	53.7		53.7
USA	14:00	Consumer Sentiment (Feb)	96.0		95.9



## Foreign Exchange

Today in the morning the zloty was 0.1% weaker versus the USD and was 0.2% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2900-4.3200 per EUR.

The USD firmed as economic growth in the euro zone decelerated and as risk aversion rose due to increase in geopolitical risks.

## Fixed Income

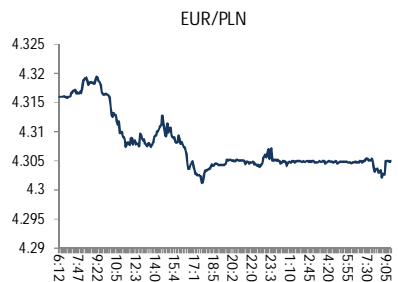
The yields on Poland's government bonds rose by 3bps in 2-year and 5-year sectors and increased by 5bps in 10-year one.

## Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 5bps and 8bps up respectively in 5-year and 10-year sectors.

## Equities

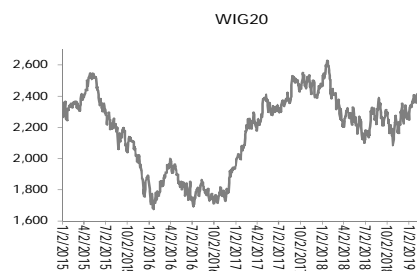
Yesterday the Dow Jones index closed 0.27% down and the S&P 500 index decreased by 0.28%. Today in the morning the FTSE index was 0.46% up, the CAC 40 index was 0.56% up and the DAX index was 0.89% up. Today the Nikkei index rose by 1.02%. Today in the morning the WIG20 index rose by 0.24% and the WIG index was 0.32% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 1 March 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7888	3.7853	0.1%	SPOT	3.7883	3.7893	SPOT	4.3042	4.3051
EUR/PLN	4.3047	4.3120	-0.2%	S/N	3.7882	3.7892	S/N	4.3044	4.3053
GBP/PLN	5.0214	5.0350	-0.3%	1W	3.7875	3.7885	1W	4.3057	4.3067
CHF/PLN	3.7861	3.8013	-0.4%	1M	3.7846	3.7858	1M	4.3112	4.3123
SEK/PLN	0.4103	0.4118	-0.4%	2M	3.7809	3.7821	2M	4.3181	4.3193
NOK/PLN	0.4428	0.4432	-0.1%	3M	3.7772	3.7785	3M	4.3246	4.3261
DKK/PLN	0.5770	0.5778	-0.1%	6M	3.7662	3.7682	6M	4.3453	4.3477
CAD/PLN	2.8830	2.8748	0.3%	12M	3.7458	3.7488	12M	4.3888	4.3925
CZK/PLN	0.1681	0.1683	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1362	1.1391	-0.3%	O/N	1.46 %	-7 bp			
USD/JPY	111.91	110.79	1.0%	1W	1.55 %	0 bp			
GBP/USD	1.3253	1.3301	-0.4%	1M	1.64 %	0 bp	1M		
USD/CHF	1.0007	0.9958	0.5%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	127.15	126.20	0.7%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8573	0.8564	0.1%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3142	1.3167	-0.2%	12M	1.87 %	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	1.64	1X7	1.79	2Y	1.82 %	2 bp	2Y	1.65 %	3 bp
2X3	1.64	3X9	1.79	5Y	2.12 %	6 bp	5Y	2.31 %	3 bp
1X4	1.72	6X12	1.79	10Y	2.50 %	9 bp	10Y	2.96 %	5 bp
3X6	1.72			5Y-2Y	30 bp	5 bp			
6X9	1.72			10Y-5Y	39 bp	2 bp			
9X12	1.72			10Y-2Y	69 bp	7 bp			



# Appendix 1

## Important Disclosures

### Additional information available upon request

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