



Poland Daily

HEADLINES...

POL: Today the Monetary Policy Council ends two-day policy meeting. Today the MPC will keep monetary policy settings unchanged. Market participants will be interested in the Council's assessment of government fiscal stimulus programme in 2019 and the following years and its implications for monetary policy. We expect the MPC to assess neutrally government fiscal stimulus package for 2019. It will be of interest whether MPC members express a view that loose fiscal policy will result in more conservative NBP monetary policy in medium term. Market participants will be also interested in revisions to inflation and GDP paths from the new NBP projections of March.

THE DAY AHEAD...

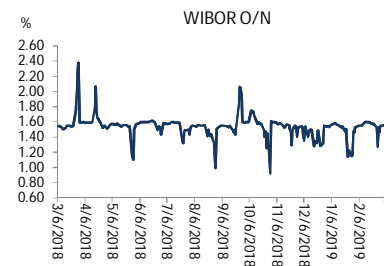
POL: MPC decision

USA: ADP employment change (Dec), trade balance (Dec)

TODAY'S FOCUS:

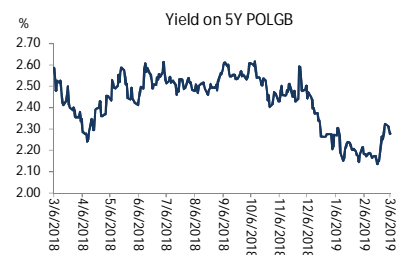
Today market participants will be focusing on MPC press conference in the context of recent rise in yields on POLGBs with longer maturities and implications of loose fiscal policy for monetary policy in the medium term. US trade balance and ADP employment report will be also of interest.

Figure 1: WIBOR O/N



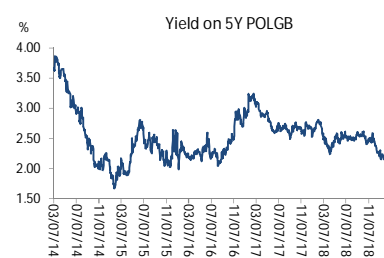
Source: Bloomberg

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		MPC decision	1.50%		1.50%
USA	12:15	ADP employment (Feb)	195k		190k
USA	12:30	Trade balance (Dec)	-USD57.3bn		-USD57.9bn



Foreign Exchange

Today in the morning the zloty was 0.2% 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 PLN4.2850-4.3100 per EUR.

The USD has been firming versus the EUR for a third day in a row following decline in yields of US Treasuries.

Fixed Income

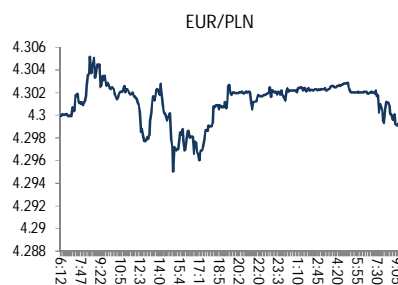
The yields on Poland's government bonds fell by 4bps in 5-year and 10-year sectors and decreased by 2bps in 2-year one.

Interest Rates

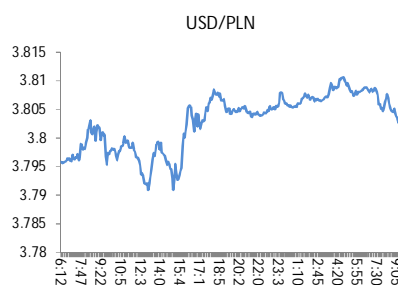
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 4-5bps down in 5-year and 10-year sectors.

Equities

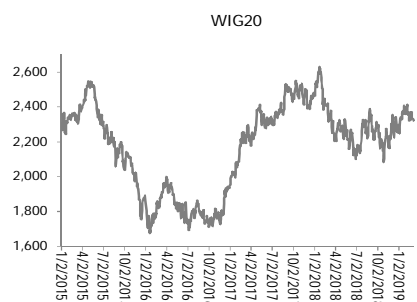
Yesterday the Dow Jones index closed 0.05% down and the S&P 500 index decreased by 0.11%. Today in the morning the FTSE index was 0.03% up, the CAC 40 index was 0.19% down and the DAX index was 0.36% down. Today the Nikkei index fell by 0.60%. Today in the morning the WIG20 index rose by 0.02% and the WIG index was 0.09% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 6 March 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.8039	3.7977	0.2%	SPOT	3.8034	3.8044	SPOT	4.2995	4.3004
EUR/PLN	4.3000	4.3018	0.0%	S/N	3.8031	3.8041	S/N	4.3002	4.3011
GBP/PLN	5.0020	5.0082	-0.1%	1W	3.8026	3.8037	1W	4.3010	4.3020
CHF/PLN	3.7850	3.7940	-0.2%	1M	3.7998	3.8009	1M	4.3065	4.3076
SEK/PLN	0.4078	0.4073	0.1%	2M	3.7962	3.7974	2M	4.3131	4.3143
NOK/PLN	0.4381	0.4386	-0.1%	3M	3.7922	3.7935	3M	4.3204	4.3217
DKK/PLN	0.5763	0.5764	0.0%	6M	3.7813	3.7833	6M	4.3404	4.3431
CAD/PLN	2.8455	2.8475	-0.1%	12M	3.7608	3.7642	12M	4.3845	4.3885
CZK/PLN	0.1679	0.1679	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1304	1.1327	-0.2%	O/N	1.56 %	1 bp	1M		
USD/JPY	111.85	111.97	-0.1%	1W	1.55 %	0 bp	3M	%	bp
GBP/USD	1.3150	1.3187	-0.3%	1M	1.64 %	0 bp	6M	%	bp
USD/CHF	1.0050	1.0010	0.4%	3M	1.72 %	0 bp	9M	%	bp
EUR/JPY	126.44	126.83	-0.3%	6M	1.79 %	0 bp	12M	%	bp
EUR/GBP	0.8597	0.8590	0.1%	9M	1.82 %	0 bp			
USD/CAD	1.3369	1.3337	0.2%	12M	1.87 %	0 bp			
							T-Bonds (mid)	Today's opening	1-day change
FRAs (mid)	Last closing			IRS (mid)	Today's opening	1-day change	2Y	1.63 %	-2 bp
1X2	1.64	1X7	1.79	2Y	1.81 %	-1 bp	5Y	2.28 %	-4 bp
2X3	1.64	3X9	1.79	5Y	2.08 %	-4 bp	10Y	2.93 %	-4 bp
1X4	1.72	6X12	1.79	10Y	2.44 %	-5 bp			
3X6	1.72			5Y-2Y	27 bp	-3 bp			
6X9	1.73			10Y-5Y	36 bp	-1 bp			
9X12	1.72			10Y-2Y	63 bp	-4 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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