



## Poland Daily

### HEADLINES...

POL: The Monetary Policy Council as expected, did not change interest rates and maintained its informal neutral bias in monetary policy. NBP President prof. Adam Glapinski positively assessed government fiscal stimulus plan for 2019 and subsequent years, saying that it would boost GDP growth by several tenths of percentage points and it would slightly accelerate inflation. MPC members prof. Osiatynski and prof. Hardt said that fiscal stimulus in 2019 will be neutral for monetary policy but future trends in inflation had to be closely examined. In line with the March projection based on the NBP's model, there is a 50-percent probability that the annual price growth will be in the range of 1.2-2.2% in 2019 (against 2.6-3.9% in the November 2018 projection), 1.7-3.6% in 2020 (compared to 1.9-3.9%) and 1.3-3.5% in 2021. At the same time, the annual GDP growth – according to this projection – will be with a 50-percent probability in the range of 3.3-4.7% in 2019 (against 2.7-4.4% in the November 2018 projection), 2.7-4.6% in 2020 (compared to 2.3-4.2%) and 2.4-4.3% in 2021. In new projection the NBP staff took into account effects of fiscal stimulus and freeze of energy prices. The central path of inflation was lowered by 1.6 p.p. in 2019 and 0.3 p.p. in 2020 while central path of GDP increased by 0.5 p.p. and 0.4 p.p. respectively in 2019 and 2020.

### THE DAY AHEAD...

POL: Official reserve assets (Feb)

EMU: ECB decision, GDP (Q4)

USA: Initial jobless claims

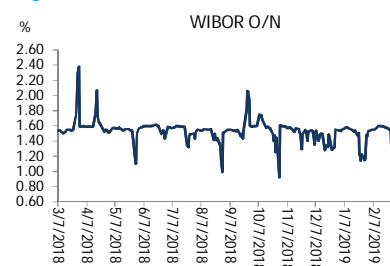
### TODAY'S FOCUS:

Today market participants will be focusing on ECB meeting at EBC's staff will release revised forecasts of GDP and inflation for Eurozone (DB expects downward revisions of both inflation and GDP).

### DIARY (Today)

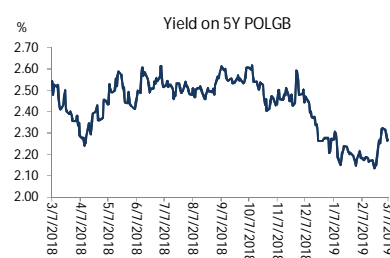
Country	GMT	Release	DB Expected	Actual	Consensus
EMU	9:00	GDP (Q4)	0.2% (1.2%)		0.2% (1.2%)
EMU	11:45	ECB decision	0.00%		0.00%
POL	12:00	Official reserve assets (Feb)			
USA	12:30	Initial jobless claims	225k		225k

Figure 1: WIBOR O/N



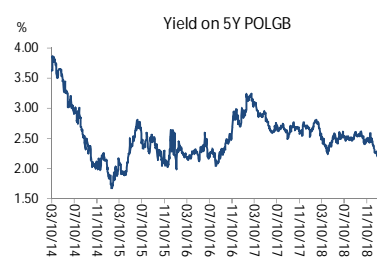
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



## Foreign Exchange

Today in the morning the zloty was unchanged 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 EUR remained steady versus the USD ahead of ECB meeting today.

## Fixed Income

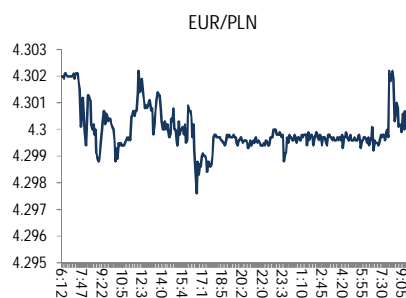
The yields on Poland's government bonds fell by 1bps in all tenors.

## Interest Rates

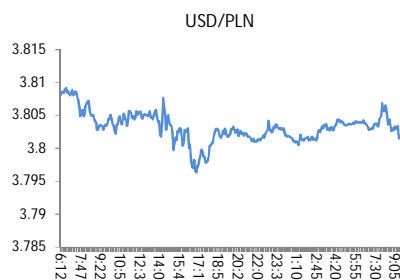
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 2bps down in 5-year and 10-year sectors.

## Equities

Yesterday the Dow Jones index closed 0.52% down and the S&P 500 index decreased by 0.65%. Today in the morning the FTSE index was 0.45% down, the CAC 40 index was 0.35% down and the DAX index was 0.44% down. Today the Nikkei index fell by 0.65%. Today in the morning the WIG20 index rose by 0.20% and the WIG index was 0.16% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

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

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.8026	3.8038	0.0%	SPOT	3.8021	3.8031	SPOT	4.2999	4.3009
EUR/PLN	4.3004	4.2992	0.0%	S/N	3.8020	3.8030	S/N	4.3001	4.3011
GBP/PLN	5.0056	5.0014	0.1%	1W	3.8013	3.8024	1W	4.3014	4.3026
CHF/PLN	3.7861	3.7845	0.0%	1M	3.7986	3.7998	1M	4.3070	4.3083
SEK/PLN	0.4084	0.4076	0.2%	2M	3.7947	3.7959	2M	4.3140	4.3153
NOK/PLN	0.4387	0.4377	0.2%	3M	3.7912	3.7924	3M	4.3202	4.3217
DKK/PLN	0.5764	0.5761	0.1%	6M	3.7803	3.7822	6M	4.3405	4.3433
CAD/PLN	2.8290	2.8448	-0.6%	12M	3.7598	3.7627	12M	4.3846	4.3885
CZK/PLN	0.1680	0.1678	0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1309	1.1302	0.1%	O/N	1.58 %	2 bp			
USD/JPY	111.74	111.86	-0.1%	1W	1.56 %	1 bp			
GBP/USD	1.3163	1.3148	0.1%	1M	1.64 %	0 bp	1M		
USD/CHF	1.0044	1.0051	-0.1%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	126.36	126.42	-0.1%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8592	0.8596	-0.1%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3443	1.3371	0.5%	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	1.80 %	-1 bp	2Y	1.62 %	-1 bp
2X3	1.64	3X9	1.79	5Y	2.06 %	-2 bp	5Y	2.27 %	-1 bp
1X4	1.72	6X12	1.79	10Y	2.42 %	-2 bp	10Y	2.92 %	-1 bp
3X6	1.72			5Y-2Y	26 bp	-1 bp			
6X9	1.71			10Y-5Y	36 bp	0 bp			
9X12	1.72			10Y-2Y	62 bp	-1 bp			



# Appendix 1

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### Additional information available upon request

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