



Poland Daily

HEADLINES...

POL: In February 2019 construction output rose by 15.1% yoy, much above analysts' expectations. Very strong growth of construction output stemmed from high growth in buildings construction (up 27.9% yoy) and robust infrastructure construction (up 16.3% yoy).

POL: In February 2019 retail sales in constant prices rose by 5.6% y/y and fell by 3.2% m/m. Real retail sales rose the strongest in consumer durables (up 13.8% y/y) and in supermarkets (up 13.5% y/y). In February robust were real retail sales of pharmaceuticals and cosmetics (up 8.2% y/y) and automobiles (up 5.0% y/y). In the current prices retail sales grew by 6.5% y/y and declined by 3.1% m/m in February. The strongest growth in nominal terms was reported in consumer durables (+14.3% y/y), supermarkets (+13.4% y/y) and pharmaceuticals and cosmetics (+ 9,7% y/y).

POL: At the meeting of March 6, the MPC concluded that business conditions in the neighbourhood of Poland's economy had deteriorated. The MPC underlined that according to companies' data employment in Poland's economy still grew and high growth of wages (at about 7% y/y) was maintained. The MPC expects inflation to remain at moderate level of 2.5% in the coming years. The MPC decided to keep interest rates unchanged and stated that prospects for economic growth in Poland were still positive.

THE DAY AHEAD...

POL: Money supply M3 (Feb)

DEU: PMI (Mar)

EMU: PMI (Mar)

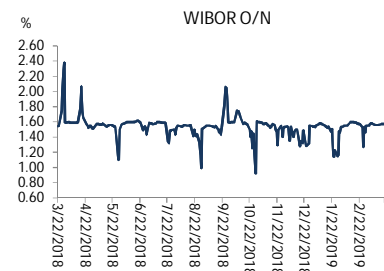
USA: PMI (Mar)

TODAY'S FOCUS:

Today market participants will be focusing on series of PMIs from Europe and the US for March.

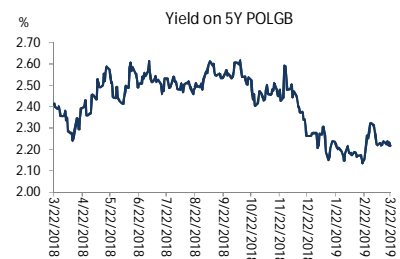
DIARY (Today)

Figure 1: WIBOR O/N



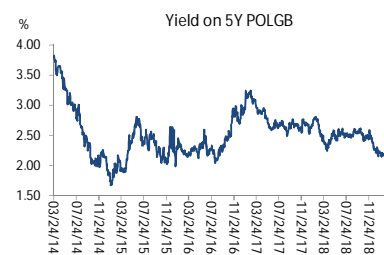
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	8:30	PMI Manufacturing (Mar)	48.0	44.7	48.0
EMU	9:00	PMI Manufacturing (Mar)	49.4	47.5	49.5
POL	13:00	Money Supply M3 (Feb)	(9.0%)		0.6% (9.0%)
USA	13:00	PMI Manufacturing (Mar)	53.5		53.5



Foreign Exchange

Today in the morning the zloty was 1.1% weaker versus the USD and was 0.1% weaker versus the EUR compared to the last NBP fixing. The zloty weakened versus the USD after a very weak manufacturing PMIs from euro-zone and Germany for March. The zloty should be moving within a range of PLN4.2700-4.3000 per EUR today.

The EUR lost 1.0% versus the USD after publication of much weaker than expected manufacturing PMIs from the euro-zone and Germany for March.

Fixed Income

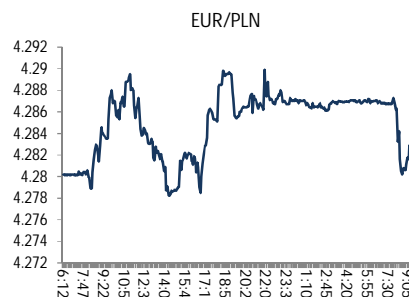
The yields on Poland's government bonds rose by 1bp in 2-year sector and increased by 2bps in 10-year sector. Yesterday at switching auction the Finance Ministry sold Poland's government bonds worth total PLN7.12bn versus demand of PLN8.85bn.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 1-2bps down in 5-year and 10-year sectors.

Equities

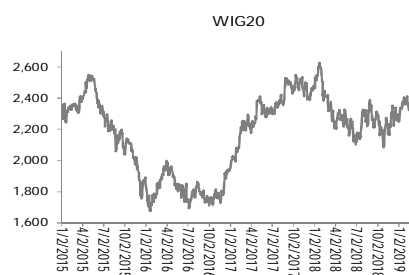
Yesterday the Dow Jones index rose by 0.85% and the S&P 500 index increased by 1.09%. Today in the morning the FTSE index was 0.74% down, the CAC 40 index was 0.78% down and the DAX index was 0.56% down. Today the Nikkei index rose by 0.09%. Today in the morning the WIG20 index fell by 0.68% and the WIG index was 0.51% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 22 March 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8006	3.7581	1.1%	SPOT	3.8001	3.8010	SPOT	4.2918	4.2926
EUR/PLN	4.2922	4.2870	0.1%	S/N	3.8000	3.8009	S/N	4.2920	4.2928
GBP/PLN	4.9726	4.9503	0.5%	1W	3.7991	3.8001	1W	4.2935	4.2945
CHF/PLN	3.8129	3.7849	0.7%	1M	3.7963	3.7974	1M	4.2990	4.3000
SEK/PLN	0.4092	0.4112	-0.5%	2M	3.7926	3.7937	2M	4.3062	4.3073
NOK/PLN	0.4444	0.4460	-0.4%	3M	3.7892	3.7904	3M	4.3128	4.3140
DKK/PLN	0.5752	0.5744	0.1%	6M	3.7786	3.7806	6M	4.3335	4.3357
CAD/PLN	2.8407	2.8249	0.6%	12M	3.7589	3.7618	12M	4.3753	4.3789
CZK/PLN	0.1670	0.1672	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1294	1.1407	-1.0%	O/N	1.57 %	0 bp			
USD/JPY	110.50	110.47	0.0%	1W	1.55 %	0 bp			
GBP/USD	1.3084	1.3172	-0.7%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9969	0.9929	0.4%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	124.80	126.01	-1.0%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8632	0.8660	-0.3%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3380	1.3303	0.6%	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	1.67	1X7	1.79	2Y	1.78 %	-1 bp	2Y	1.64 %	1 bp
2X3	1.66	3X9	1.79	5Y	1.95 %	-2 bp	5Y	2.21 %	0 bp
1X4	1.72	6X12	1.78	10Y	2.27 %	-3 bp	10Y	2.89 %	2 bp
3X6	1.72			5Y-2Y	18 bp	-1 bp			
6X9	1.71			10Y-5Y	32 bp	-1 bp			
9X12	1.71			10Y-2Y	50 bp	-3 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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