



Poland Daily

HEADLINES...

POL: The MPC, as expected, didn't change interest rates and confirmed an informal neutral bias in monetary policy. The Council underlined that incoming data confirmed weaker business conditions in some biggest economies, with sustained uncertainty on global economic activity in the following quarters. The MPC added that core inflation (excluding food and energy) in the neighbourhood of Poland's economy, including euro-zone, was low and oil prices were still below levels of Q3 2018. In the opinion of the Council economic conditions in Poland were favourable but incoming data signaled lower GDP growth in Q1 2019 versus Q4 2018. The MPC said that despite faster growth in wages than in the previous years, annual consumer inflation remained at low level and core inflation, despite some increase, remained low. The MPC expects gradual deceleration in GDP growth rates in coming quarters but inflation, in the opinion of the Council, should remain near inflation target in the horizon of monetary policy.

THE DAY AHEAD...

DEU: Factory orders (Feb)

USA: initial jobless claims

TODAY'S FOCUS:

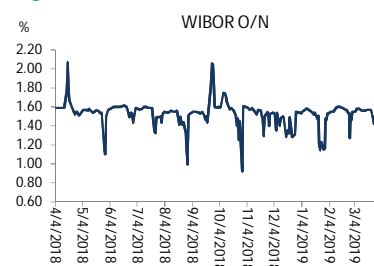
Today economic calendar contains factory orders for February from Germany and US initial jobless claims.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	7:00	Factory orders (Feb)		-4,2% (-8,4%)	0,3% (-3,1%)
USA	13:30	Initial jobless claims	215k		215k

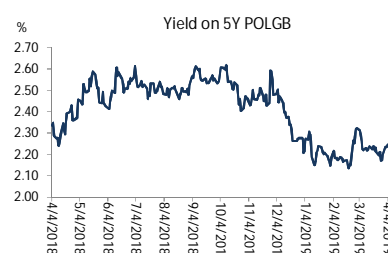
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



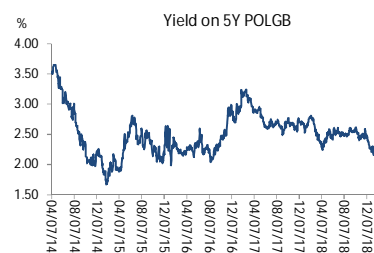
Source: Bloomberg

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 PLN4.2750-4.3050 per EUR today.

EUR remained steady versus USD, after yesterday's firming. GBP marginally firmed versus the USD as UK's Parliament excluded possibility of hard Brexit in vote yesterday.

Fixed Income

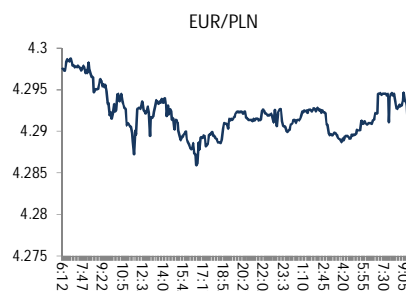
The yields on Poland's government bonds rose by 1bp in 5-year and increased by 10-year sectors. At switching auction today the Finance Ministry will offer bonds series OK0521, PS0424, WZ0524, WZ0528 and DS1029. The Ministry will buy back bonds series OK0419, PS0719, DS1019 and WZ0120.

Interest Rates

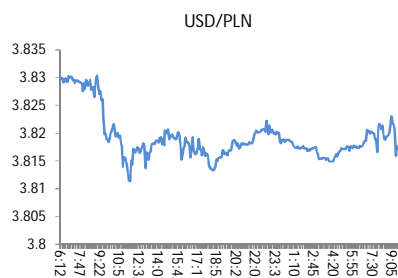
Today the O/N bid rate should be within a range of 1.15%-1.30%. Swap rates were 2bp down in short tenors.

Equities

Yesterday the Dow Jones index rose by 0.15% and the S&P 500 index was 0.21% up. Today in the morning the FTSE index was 0.66% down, the CAC 40 index was 0.30% down and the DAX index was 0.19% down. Today the Nikkei index increased by 0.05%. Today in the morning the WIG20 index fell by 0.28% and the WIG index was 0.17% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 4 April 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8184	3.8192	0.0%	SPOT	3.8179	3.8188	SPOT	4.2926	4.2935
EUR/PLN	4.2931	4.2941	0.0%	S/N	3.8178	3.8187	S/N	4.2928	4.2938
GBP/PLN	5.0331	5.0309	0.0%	1W	3.8171	3.8181	1W	4.2942	4.2952
CHF/PLN	3.8252	3.8328	-0.2%	1M	3.8143	3.8154	1M	4.2993	4.3005
SEK/PLN	0.4120	0.4120	0.0%	2M	3.8106	3.8117	2M	4.3069	4.3082
NOK/PLN	0.4452	0.4468	-0.4%	3M	3.8071	3.8085	3M	4.3132	4.3148
DKK/PLN	0.5752	0.5752	0.0%	6M	3.7968	3.7989	6M	4.3343	4.3365
CAD/PLN	2.8600	2.8701	-0.4%	12M	3.7781	3.7819	12M	4.3767	4.3815
CZK/PLN	0.1670	0.1671	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1243	1.1243	0.0%	O/N	1.55 %	0 bp			
USD/JPY	111.39	111.51	-0.1%	1W	1.55 %	0 bp			
GBP/USD	1.3182	1.3173	0.1%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9983	0.9965	0.2%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	125.24	125.38	-0.1%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8529	0.8535	-0.1%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3351	1.3307	0.3%	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	1.79 %	-2 bp	2Y	1.71 %	1 bp
2X3	1.66	3X9	1.79	5Y	2.01 %	0 bp	5Y	2.25 %	1 bp
1X4	1.72	6X12	1.78	10Y	2.35 %	-1 bp	10Y	2.90 %	0 bp
3X6	1.72			5Y-2Y	23 bp	1 bp			
6X9	1.72			10Y-5Y	34 bp	0 bp			
9X12	1.72			10Y-2Y	57 bp	1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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