



# Poland Daily

## HEADLINES...

POL: Inflation for April was confirmed at 1.1% m/m and 2.2% y/y. The main reason for a strong rise in inflation in April were rises in fuel prices and food prices. Direct and indirect impact of fuel prices on monthly CPI was 0.47 p.p. Other reasons were increase in meat prices (+0.21 p.p.), vegetables (+0.07 p.p.), clothing (+0.09 p.p.), waste collection (+0.06 p.p.), energy (+0.05 p.p.), footwear (+0.05 p.p.) and tourism (+0.04 p.p.). Sharp rise in inflation in April was mainly caused by supply-side factors.

POL: According to preliminary data, GDP growth in Q1 2019 was 1.4% q/q and 4.6% y/y and was much higher than market consensus view of 4.4% y/y growth.

POL: The MPC, as expected, kept interest rates hold and the reiterated its guidance for steady rates in 2019. NBP President Adam Glapinski said that inflation may transitorily increase to 3% y/y but added that the NBP expects inflation to subsequently decrease from this level.

## THE DAY AHEAD...

POL: Core inflation (Apr),

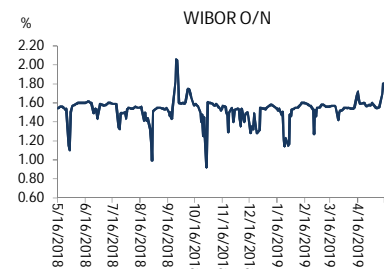
EMU: Trade balance (Mar)

USA: Housing starts (Apr), building permits (Apr)

## TODAY'S FOCUS:

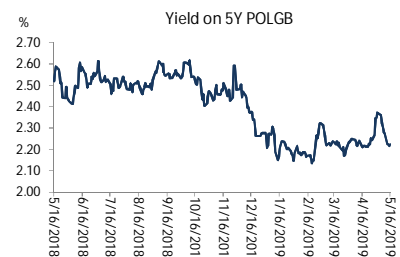
Today economic calendar contains core inflation from Poland for April, trade balance from the euro-zone for March and US housing data for April.

Figure 1: WIBOR O/N



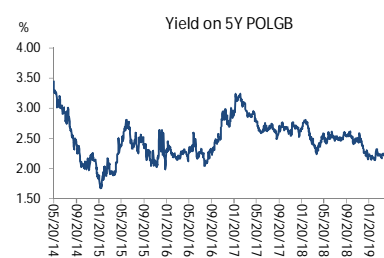
Source: Bloomberg

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
EMU	9:00	Trade balance (Mar)	EUR19.0bn		EUR19.4bn
POL	12:00	Core inflation (Apr)	0.9% (1.8%)		0.9% (1.7%)
USA	12:30	Housing starts (Apr)	5.4%		6.2%
USA	12:30	Building permits (Apr)	0.9%		0.1%
USA	12:30	Initial jobless claims	220 tys.		220 tys.



## Foreign Exchange

Today in the morning the zloty was 0.3% firmer versus the USD and was 0.3% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2800-4.3100 per EUR today.

The USD stabilised versus the EUR despite weaker than expected data on retail sales and industrial production from the US for April.

## Fixed Income

The yields on Poland's government bonds rose by 1bp in 5-year and 10-year sectors and remained unchanged in the short end of the curve.

## Interest Rates

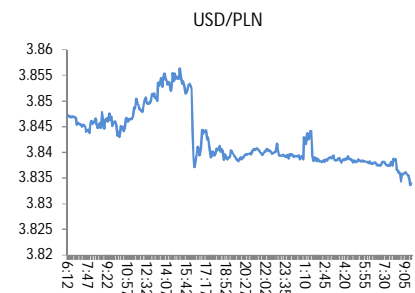
Today the O/N bid rate should be within a range of 1.25%-1.40%. Swap rates were steady in all tenors.

## Equities

Yesterday the Dow Jones index rose by 0.45% and the S&P 500 index was 0.58% up. Today in the morning the FTSE index was 0.18% down, the CAC 40 index was 0.36% down and the DAX index was 0.49% down. Today the Nikkei index decreased by 0.59%. Today in the morning the WIG20 index fell by 0.22% and the WIG index was 0.21% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 16 May 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8339	3.8457	-0.3%	SPOT	3.8334	3.8343	SPOT	4.2975	4.2984
EUR/PLN	4.2980	4.3128	-0.3%	S/N	3.8333	3.8342	S/N	4.2977	4.2987
GBP/PLN	4.9187	4.9661	-1.0%	1W	3.8326	3.8336	1W	4.2995	4.3005
CHF/PLN	3.8017	3.8244	-0.6%	1M	3.8301	3.8312	1M	4.3051	4.3063
SEK/PLN	0.3994	0.4007	-0.3%	2M	3.8266	3.8278	2M	4.3126	4.3139
NOK/PLN	0.4404	0.4399	0.1%	3M	3.8237	3.8248	3M	4.3194	4.3207
DKK/PLN	0.5756	0.5774	-0.3%	6M	3.8148	3.8166	6M	4.3411	4.3433
CAD/PLN	2.8550	2.8547	0.0%	12M	3.8009	3.8037	12M	4.3862	4.3910
CZK/PLN	0.1672	0.1675	-0.2%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1211	1.1215	0.0%	O/N	1.81 %	1 bp			
USD/JPY	109.47	109.41	0.0%	1W	1.63 %	1 bp			
GBP/USD	1.2830	1.2913	-0.6%	1M	1.64 %	0 bp	1M		
USD/CHF	1.0085	1.0056	0.3%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	122.72	122.70	0.0%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8738	0.8684	0.6%	9M	1.81 %	0 bp	9M	%	bp
USD/CAD	1.3429	1.3471	-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	1.66	1X7	1.79	2Y	1.82 %	0 bp	2Y	1.66 %	0 bp
2X3	1.67	3X9	1.79	5Y	2.02 %	0 bp	5Y	2.22 %	1 bp
1X4	1.72	6X12	1.80	10Y	2.34 %	0 bp	10Y	2.85 %	1 bp
3X6	1.72			5Y-2Y	21 bp	0 bp			
6X9	1.72			10Y-5Y	32 bp	0 bp			
9X12	1.74			10Y-2Y	53 bp	0 bp			



# Appendix 1

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### Additional information available upon request

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