



Poland Daily

HEADLINES...

POL: The OECD raised Poland's GDP growth forecasts to 4.2% from 4.0% in 2019 and to 3.5% from 3.3% in 2020. In May's Economic Outlook the OECD confirmed their forecasts of Poland's inflation and core inflation at 3% in 2020. The OECD expects fiscal deficit in Poland at 1.4% of GDP in 2019 (up 0.6 percentage points from previous forecast) and 1.0% in 2020 (up 0.1 p.p.). The OECD recommended Poland to tighten fiscal policy in order to build fiscal buffer for years with slower economic growth that will come.

POL: In April average wage in employment sector rose by 0.4% m/m and increased by 7.1% y/y versus 5,7% y/y growth in March. Despite stronger than expected wage growth in April, the trend in wage growth is still moderately decreasing that means slower wage growth in the coming months. In April average employment in enterprises' sector was unchanged m/m and increased by 2.9% y/y. somewhat slower than expected employment growth in April combined with robust wage growth suggests that demand for labor remains strong.

THE DAY AHEAD...

POL: industrial output (Apr), PPI (Apr),

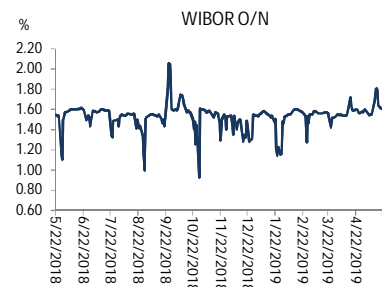
UK: inflation (Apr), PPI (Apr)

USA: minutes from FOMC meeting on May 1

TODAY'S FOCUS:

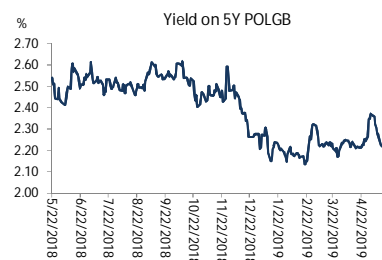
Today market participants will be focusing on FOMC minutes. On a domestic side industrial production and PPI data for April will be market relevant.

Figure 1: WIBOR O/N



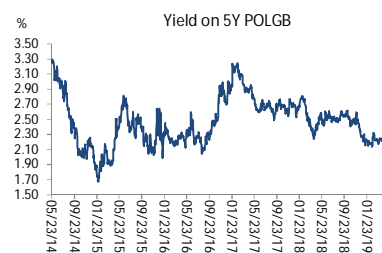
Source: Bloomberg

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	8:00	Industrial output (Apr)	-5.0% (7.7%)		-3.9% (9.0%)
POL	8:00	PPI (Apr)	0.3% (2.4%)		0.3% (2.4%)
UK	8:30	Inflation (Apr)	0.7% (2.2%)		0.7% (2.2%)
UK	8:30	PPI (Apr)	0.3% (2.3%)		0.3% (2.3%)
USA	18:00	FOMC minutes			



Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.1% weaker versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2950-4.3200 per EUR today.

The EUR slightly firmed versus the USD ahead of speech of ECB President Draghi and ahead of publication of FOMC minutes.

Fixed Income

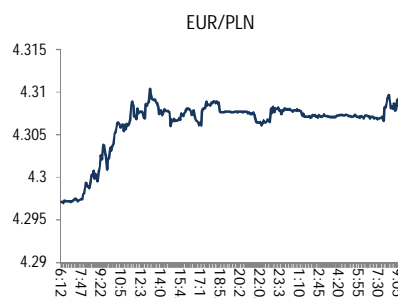
The yields on Poland's government bonds remained practically unchanged in all tenors. At switching auction on May 23 the Finance Ministry will offer government bonds series OK0521, PS1024, DS1029, WZ0525 and WZ0528.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates rose remained practically unchanged across the curve.

Equities

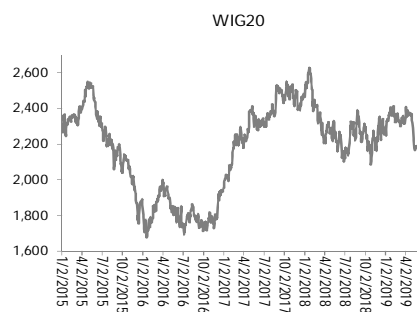
Yesterday the Dow Jones index rose by 0.77% and the S&P 500 index was 0.85% up. Today in the morning the FTSE index was 0.41% up, the CAC 40 index was 0.06% down and the DAX index was 0.08% down. Today the Nikkei index increased by 0.05%. Today in the morning the WIG20 index fell by 0.34% and the WIG index was 0.21% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

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

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8633	3.8625	0.0%	SPOT	3.8629	3.8637	SPOT	4.3088	4.3096
EUR/PLN	4.3092	4.3055	0.1%	S/N	3.8625	3.8633	S/N	4.3097	4.3106
GBP/PLN	4.8925	4.9038	-0.2%	1W	3.8622	3.8630	1W	4.3104	4.3113
CHF/PLN	3.8209	3.8235	-0.1%	1M	3.8597	3.8607	1M	4.3162	4.3173
SEK/PLN	0.4002	0.3992	0.2%	2M	3.8565	3.8575	2M	4.3237	4.3249
NOK/PLN	0.4407	0.4395	0.3%	3M	3.8531	3.8542	3M	4.3316	4.3328
DKK/PLN	0.5770	0.5765	0.1%	6M	3.8444	3.8464	6M	4.3539	4.3563
CAD/PLN	2.8816	2.8764	0.2%	12M	3.8304	3.8332	12M	4.4012	4.4057
CZK/PLN	0.1672	0.1669	0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1154	1.1147	0.1%	O/N	1.61 %	0 bp			
USD/JPY	110.40	110.12	0.3%	1W	1.59 %	0 bp			
GBP/USD	1.2664	1.2696	-0.3%	1M	1.64 %	0 bp	1M		
USD/CHF	1.0113	1.0102	0.1%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	123.15	122.75	0.3%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8808	0.8780	0.3%	9M	1.81 %	0 bp	9M	%	bp
USD/CAD	1.3407	1.3428	-0.2%	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	1.84 %	-1 bp	2Y	1.68 %	1 bp
2X3	1.67	3X9	1.79	5Y	2.05 %	-1 bp	5Y	2.26 %	-1 bp
1X4	1.72	6X12	1.80	10Y	2.39 %	0 bp	10Y	2.90 %	0 bp
3X6	1.72			5Y-2Y	22 bp	0 bp			
6X9	1.74			10Y-5Y	34 bp	1 bp			
9X12	1.75			10Y-2Y	56 bp	0 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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