



Poland Daily

HEADLINES...

POL: Elections to the European Parliament (EP) were won by right-centre Law and Justice (PiS) that got 45,38% of vote (27 seats). Centre European Coalition (KE) got 38.47% (22 seats) , liberal Wiosna got 6.06% (3 seats). Other parties were below 5% threshold: nationalist-libertarian Konfederacja 4.55%, populist Kukiz'15 3.69% and leftist Left Together 1.24%. The turnout was exceptionally high and amounted to 45.68%. Proportion of invalid votes was 0.82% of total. Victory of PiS in elections to the EP in which this party used to perform weaker, gives the PiS political premium in general elections in the autumn this year. However, the emergence of competitor (Konfederacja) to the right of PiS will likely lead ruling party to consolidate centre-right voters. A success of PiS in elections to the EP was certainly a result of huge extension of social programmes and transfers of which two were particularly relevant: (1) 13-th pension that mobilized pensioners and (2) extension of 500+ subsidy for first child that mobilized voters in rural regions and small cities. Weak result of Wiosna shows that the main opposition to PiS will remain members of European Coalition (KE): centre PO, centre-left peasant PSL, liberal Nowoczesna and leftist SLD and Greens.

POL: In April registered unemployment rate fell to 5.6% from 5.9% in March. According to the Labour Force Survey (LFS) , unemployment rate in Q1 2019 rose to 3.9% from 3.8% in Q4 2018. According to the LFS the lowest unemployment rate was in Q2 2018 and amounted to 3.6%.

THE DAY AHEAD...

EMU: Money supply M3 (Apr),

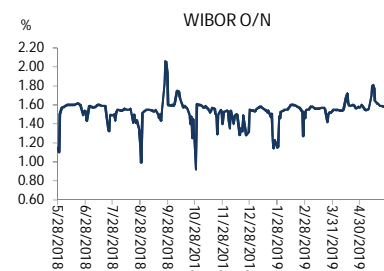
HUN: NBH decision

USA: House prices (Mar), consumer confidence (May)

TODAY'S FOCUS:

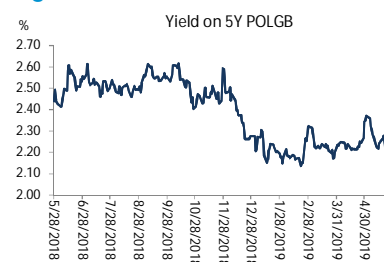
Today market participants will be focusing on consumer confidence from the US and euro-zone and on money supply from euro-zone.

Figure 1: WIBOR O/N



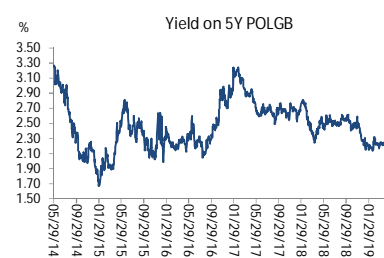
Source: Bloomberg

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	8:00	Money supply M3 (Apr)	(4.4%)	(4.7%)	(4.4%)
EMU	9:00	Consumer confidence (May)			-6.5
HUN	12:00	NBH decision	0.90%		0.90%
USA	13:00	House prices (Mar)			0.2%
USA	14:00	Consumer confidence (May)	125		130

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2700-4.3000 per EUR today.

The USD firmed marginally versus the EUR in the absence of market-moving macro data.

Fixed Income

The yields on Poland's government bonds were 1bp down in 2-year sector and declined by 2bps in 10-year sector.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were practically unchanged in all tenors.

Equities

Yesterday the Dow Jones index rose by 0.37% and the S&P 500 index was 0.14% up. Today in the morning the FTSE index was 0.20% up, the CAC 40 index was 0.08% down and the DAX index was 0.05% down. Today the Nikkei index decreased by 0.02%. Today in the morning the WIG20 index fell by 0.02% and the WIG index was 0.01% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 28 May 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.8365	3.8374	0.0%	SPOT	3.8360	3.8370	SPOT	4.2890	4.2900
EUR/PLN	4.2895	4.2952	-0.1%	S/N	3.8359	3.8369	S/N	4.2892	4.2903
GBP/PLN	4.8597	4.8759	-0.3%	1W	3.8352	3.8363	1W	4.2906	4.2918
CHF/PLN	3.8185	3.8154	0.1%	1M	3.8329	3.8340	1M	4.2958	4.2971
SEK/PLN	0.4017	0.4015	0.0%	2M	3.8294	3.8305	2M	4.3036	4.3050
NOK/PLN	0.4412	0.4408	0.1%	3M	3.8260	3.8273	3M	4.3107	4.3123
DKK/PLN	0.5745	0.5751	-0.1%	6M	3.8172	3.8192	6M	4.3322	4.3348
CAD/PLN	2.8540	2.8539	0.0%	12M	3.8032	3.8062	12M	4.3769	4.3817
CZK/PLN	0.1660	0.1663	-0.2%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1181	1.1193	-0.1%	O/N	1.58 %	bp			
USD/JPY	109.42	109.49	-0.1%	1W	1.58 %	bp			
GBP/USD	1.2666	1.2706	-0.3%	1M	1.64 %	bp	1M		
USD/CHF	1.0047	1.0058	-0.1%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	122.34	122.55	-0.2%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8828	0.8809	0.2%	9M	1.81 %	bp	9M	%	bp
USD/CAD	1.3444	1.3446	0.0%	12M	1.86 %	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	1.81 %	0 bp	2Y	1.65 %	-1 bp
2X3	1.67	3X9	1.79	5Y	2.00 %	0 bp	5Y	2.17 %	0 bp
1X4	1.72	6X12	1.80	10Y	2.33 %	0 bp	10Y	2.79 %	-2 bp
3X6	1.72			5Y-2Y	19 bp	0 bp			
6X9	1.73			10Y-5Y	33 bp	0 bp			
9X12	1.74			10Y-2Y	52 bp	0 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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