



## Poland Daily

### HEADLINES...

POL: In May flash inflation was 2.3% y/y and 0.2% m/m. In May food and beverages' prices rose by 5.0% y/y and were 1.4% up m/m, energy prices were 0.9% down y/y and 0.1% down m/m while fuel prices rose by 4.1% y/y and increased by 1.2% m/m. Inflation has been rising, albeit at moderate pace what should allow the MPC to safely maintain guidance for steady interest rates in the coming quarters.

POL: Today the MPC end two-day policy meeting. We expect the Council to keep interest rates unchanged and to maintain their guidance for no change in interest rates in the coming quarters.

### THE DAY AHEAD...

POL: MP decision

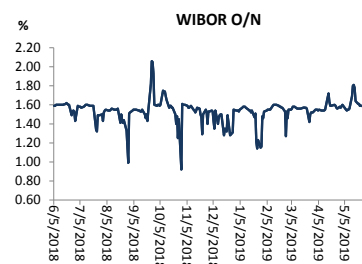
EMU: Services PMI (May), PPI (May), retail sales (Apr)

USA: Services PMI (May), ADP employment (May)

### TODAY'S FOCUS:

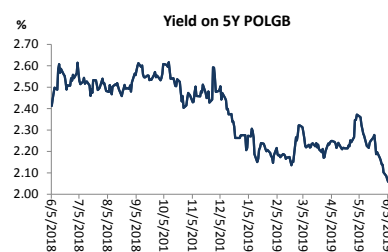
Today market participants will be focusing on MPC press conference. On a foreign side services PMIs from Europe and the US will be of interest, as well as euro-zone's retail sales and US ADP employment report.

Figure 1: WIBOR O/N



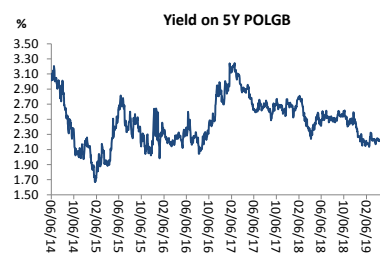
Source: Bloomberg

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	Services PMI (May)	52.6		52.5
EMU	9:00	PPI (Apr)	0.2%		0.2% (3.1%)
EMU	9:00	Retail sales (Apr)			-0.5% (1.5%)
POL		MPC decision	1.50%		1.50%
USA	12:15	ADP employment change (May)	160k		185k
USA	13:45	Services PMI (May)			50.9

Source: Deutsche Bank Estimates and Bloomberg Finance LP



## Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD and was unchanged versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.2650-4.2950 per EUR today.

The USD weakened by 0.1% versus the EUR as Fed President Jerome Powell suggested that the Fed will react to trade tensions with rate cut.

## Fixed Income

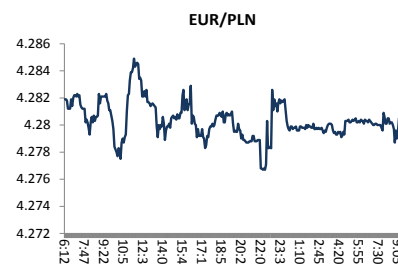
The yields on Poland's government bonds were 1bp down across the curve.

## Interest Rates

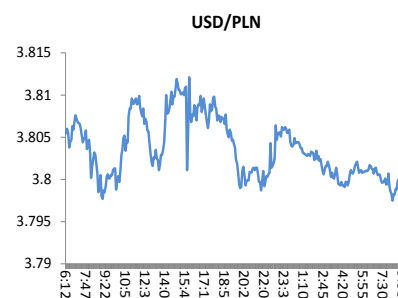
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were practically unchanged across the curve.

## Equities

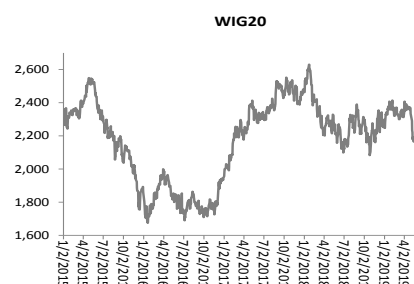
Yesterday the Dow Jones index rose by 2.06% and the S&P 500 index was 2.14% up. Today in the morning the FTSE index was 0.44% up, the CAC 40 index was 0.52% up and the DAX index was 0.56% up. Today the Nikkei index increased by 1.80%. Today in the morning the WIG20 index rose by 0.25% and the WIG index was 0.23% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 5 June 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7977	3.8041	-0.2%	SPOT	3.7972	3.7981	SPOT	4.2773	4.2781
EUR/PLN	4.2777	4.2788	0.0%	S/N	3.7976	3.7985	S/N	4.2777	4.2785
GBP/PLN	4.8228	4.8144	0.2%	1W	3.7976	3.7985	1W	4.2777	4.2785
CHF/PLN	3.8285	3.8267	0.0%	1M	3.7976	3.7985	1M	4.2777	4.2785
SEK/PLN	0.4030	0.4031	0.0%	2M	3.7976	3.7985	2M	4.2777	4.2785
NOK/PLN	0.4368	0.4378	-0.2%	3M	3.7976	3.7985	3M	4.2777	4.2785
DKK/PLN	0.5728	0.5729	0.0%	6M	3.7976	3.7985	6M	4.2777	4.2785
CAD/PLN	2.8390	2.8315	0.3%	12M	3.7976	3.7985	12M	4.2777	4.2785
CZK/PLN	0.1665	0.1661	0.2%						
				WIBOR			T-bills (mid)		
					Last fixing	1-day change		Today's opening	1-day change
EUR/USD	1.1264	1.1248	0.1%	O/N	1.59 %	1 bp	1M		
USD/JPY	108.24	108.14	0.1%	1W	1.59 %	1 bp	3M	%	bp
GBP/USD	1.2700	1.2656	0.3%	1M	1.64 %	0 bp	6M	%	bp
USD/CHF	0.9920	0.9941	-0.2%	3M	1.72 %	0 bp	9M	%	bp
EUR/JPY	121.92	121.64	0.2%	6M	1.79 %	0 bp	12M	%	bp
EUR/GBP	0.8870	0.8888	-0.2%	9M	1.81 %	0 bp			
USD/CAD	1.3377	1.3435	-0.4%	12M	1.86 %	0 bp			
				FRAs (mid)			T-Bonds (mid)		
					Last closing	1-day change		Today's opening	1-day change
1X2	1.64	1X7	1.79	IRS (mid)	Today's opening	1-day change	2Y	1.64 %	-1 bp
2X3	1.64	3X9	1.79	2Y	1.77 %	-1 bp	5Y	2.06 %	-1 bp
1X4	1.72	6X12	1.78	5Y	1.91 %	0 bp	10Y	2.61 %	-1 bp
3X6	1.72			10Y	2.21 %	-1 bp			
6X9	1.73			5Y-2Y	14 bp	0 bp			
9X12	1.71			10Y-5Y	30 bp	0 bp			
				10Y-2Y	44 bp	0 bp			



# Appendix 1

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### Additional information available upon request

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