



Poland Daily

HEADLINES...

POL: In May core inflation (ex food and energy) amounted to -0.3% m/m and 1.7% y/y remaining steady versus April.

POL: In the period of January-May 2019 budget deficit widened to -PLN2.158bn after -PLN75mn budget gap in January-April 2019. After May budget revenues were PLN162.6bn or 41.9% of annual plan and budget expenditures were PLN164.8bn or 39.6% of annual plan. In the period of January-May VAT revenues were PLN74bn (40.7% of annual plan), PIT revues were PLN25.4bn (39.5% of the plan), CIT revenues were PLN20.6bn (59.1% of plan) while revenues from banking tax amounted to PLN1.9bn or 42.5% of annual plan.

THE DAY AHEAD...

EMU: Inflation (May), Core inflation (May)

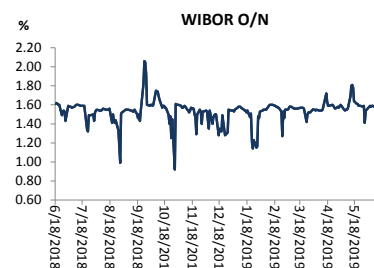
DEU: ZEW index (Jun)

USA: Housing starts (May), Building Permits (May)

TODAY'S FOCUS:

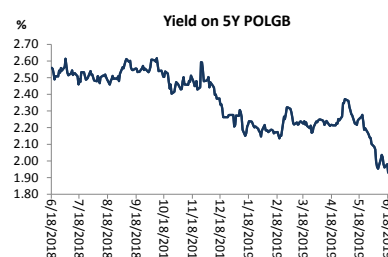
Today calendar macro contains inflation and core inflation from euro-zone for May, German ZEW index for June and housing data from the US for May.

Figure 1: WIBOR O/N



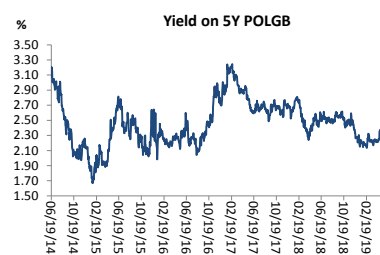
Source: Bloomberg

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
DEU	9:00	ZEW Index (Jun)		-20.2	
EMU	9:00	Inflation (May)	0.2% (1.2%)	0.1% (1.2%)	0.2% (1.2%)
EMU	9:00	Core inflation (May)		0.8%	0.8%
USA	12:30	Housing starts (May)	1.2%		0.4%
USA	12:30	Building Permits (May)	0.8%		0.2%



Foreign Exchange

Today in the morning the zloty was 0.3% firmer 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 PLN4.2550-4.2750 per EUR today.

Today in the morning the EUR sharply weakened versus the USD after ECB President Mario Draghi said that rate cuts were still among policy instruments of the ECB.

Fixed Income

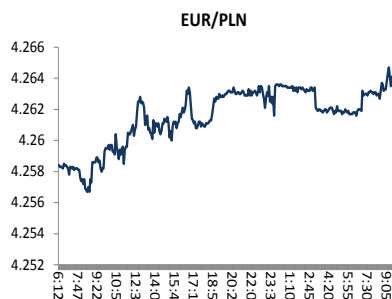
The yields on Poland's government bonds were 3bps down in 2-year sector and were 5-6bps up in 5Y and 10Y ones.

Interest Rates

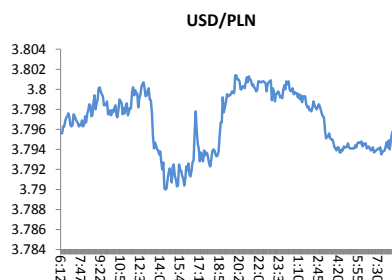
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 4-5bps down in all tenors.

Equities

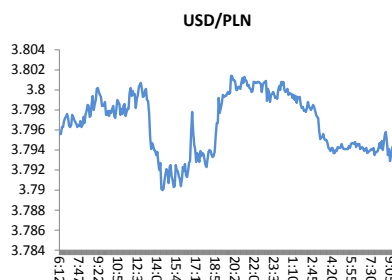
Yesterday the Dow Jones index rose by 0.09% and the S&P 500 index was 0.09% up. Today in the morning the FTSE index was 0.61% up, the CAC 40 index was 0.99% up and the DAX index was 0.66% up. Today the Nikkei index decreased by 0.72%. Today in the morning the WIG20 index rose by 0.38% and the WIG index was 0.30% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 18 June 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7643	3.7745	-0.3%	SPOT	3.7638	3.7648	SPOT	4.2606	4.2614
EUR/PLN	4.2610	4.2640	-0.1%	S/N	3.7642	3.7652	S/N	4.2610	4.2618
GBP/PLN	4.7803	4.7897	-0.2%	1W	3.7642	3.7652	1W	4.2610	4.2618
CHF/PLN	3.8023	3.8100	-0.2%	1M	3.7642	3.7652	1M	4.2610	4.2618
SEK/PLN	0.3996	0.4000	-0.1%	2M	3.7642	3.7652	2M	4.2610	4.2618
NOK/PLN	0.4343	0.4359	-0.4%	3M	3.7642	3.7652	3M	4.2610	4.2618
DKK/PLN	0.5705	0.5710	-0.1%	6M	3.7642	3.7652	6M	4.2610	4.2618
CAD/PLN	2.8399	2.8450	-0.2%	12M	3.7642	3.7652	12M	4.2610	4.2618
CZK/PLN	0.1663	0.1665	-0.2%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1320	1.1297	0.2%	O/N	1.57 %	bp			
USD/JPY	108.62	108.62	0.0%	1W	1.57 %	bp			
GBP/USD	1.2700	1.2690	0.1%	1M	1.64 %	bp	1M		
USD/CHF	0.9901	0.9907	-0.1%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	122.96	122.71	0.2%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8914	0.8902	0.1%	9M	1.81 %	bp	9M	%	bp
USD/CAD	1.3255	1.3267	-0.1%	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	1.64	1X7	1.79	2Y	1.76 %	bp	2Y	1.54 %	-3 bp
2X3	1.64	3X9	1.78	5Y	1.89 %	bp	5Y	1.93 %	-5 bp
1X4	1.72	6X12	1.77	10Y	2.17 %	bp	10Y	2.36 %	-6 bp
3X6	1.72			5Y-2Y	14 bp	bp			
6X9	1.71			10Y-5Y	28 bp	bp			
9X12	1.69			10Y-2Y	42 bp	bp			



Appendix 1

Important Disclosures

Additional information available upon request

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