



Poland Daily

HEADLINES:

POL: The MPC, in line with market consensus view kept interest rates unchanged. The Council didn't signal the end of tightening cycle leaving the room for manoeuvre in monetary policy according to incoming data. In new NBP projection, in line with our expectations, central path of CPI was slightly lowered and central path of GDP growth was slightly higher. In line with the projection, there is a 50-percent probability that the annual price growth will be in the range of 10.2 – 13.5% in 2023 (against 11.1 – 15.3% in the November 2022 projection), 3.9 – 7.5% in 2024 (compared to 4.1 – 7.6%) and 2.0 – 5.0% in 2025 (compared to 2.1 – 4.9%). At the same time, the annual GDP growth – according to this projection – will be with a 50-percent probability in the range of -0.1 – 1.8% in 2023 (against -0.3 – 1.6% in the November 2022 projection), 1.1 – 3.1% in 2024 (compared to 1.0 – 3.1%) and 2.0 – 4.3% in 2025 (compared to 1.8 – 4.4%). The MPC reiterated that earlier rate hikes combined with economic slowdown would be curbing inflation but the strength and persistence of supply shocks that were outside control of domestic monetary policy would result in slow return of inflation to the central bank's target.

THE DAY AHEAD...

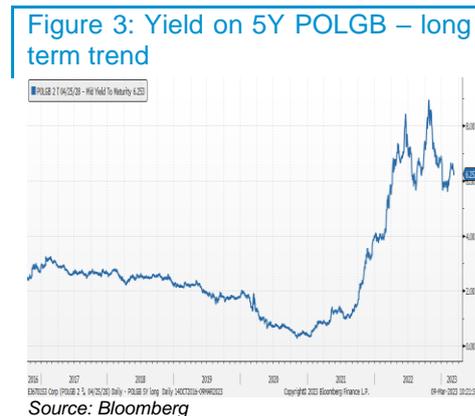
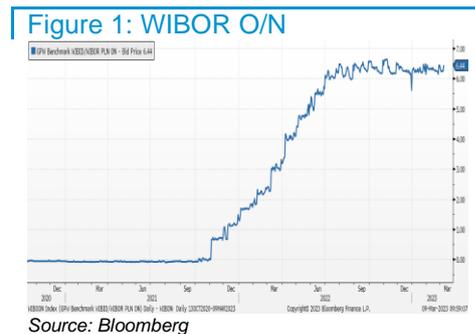
POL: NBP President's press conference

USA: Initial jobless claims

TODAY'S FOCUS:

Today market participants will focus on NBP President's press conference and on US initial jobless claims.

DIARY (Today)



Country	GMT	Release	DB Expected	Actual	Consensus
USA	13:30	Initial jobless claims	205k		195k
POL	14:00	NBP President's press conference			



Foreign Exchange

Today in the morning the zloty was 0.7% firmer versus the USD, firmed by 0.4% versus the EUR and was 0.2% firmer versus the CHF compared to the previous NBP fixing. The zloty was 0.3% firmer versus the GBP.

The USD was 0.3% weaker versus the EUR, compared to the previous NBP fixing.

Fixed Income

The yields on Poland's government bonds rose by 2-4bps in all tenors.

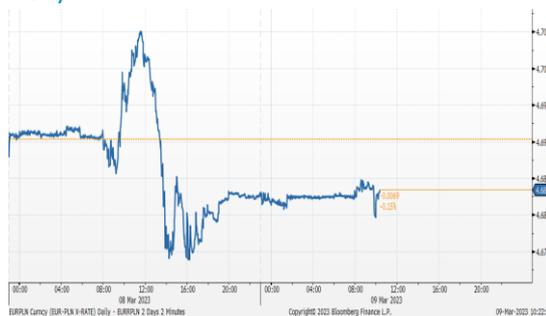
Interest Rates

PLN swap rates were practically unchanged in all tenors.

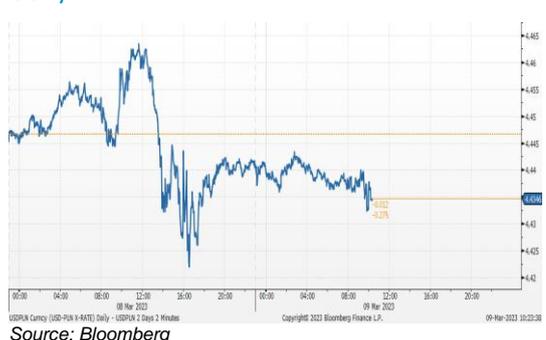
Equities

Yesterday the Dow Jones index closed 0.18% down and the S&P 500 index closed 0.14% up. Today in the morning the FTSE 100 index fell by 0.78%. the CAC 40 index was 0.53% down and the DAX index was 0.32% down. The Nikkei index closed 0.63% up. Today in the morning the WIG index fell by 0.64% and the WIG20 index was 1.01% down.

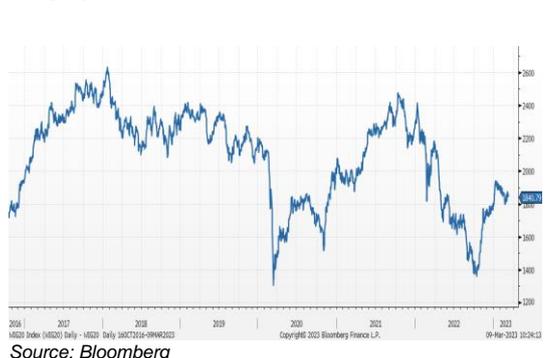
EUR/PLN



USD/PLN



WIG20



Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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