



Poland Daily

HEADLINES:

POL: Today the MPC begins two-day policy meeting. We expect that the Council will keep interest rates unchanged this week with the main intervention rate at 6.75%. Declining inflation of both consumer and producers' prices and strong signals of weakening demand from households and weaker demand for manufacturing products are strong signals that hiking cycle in Poland has ended. In turn, slow decline in inflation and intention to stabilize PLN exchange rate will be arguments for MPC to keep interest rates unchanged this week. Market participants will await press conference of NBP president on Thursday, particularly concerning prospects of inflation and assessment of the economy by the central bank.

POL: Credit information bureau (BIK) informed that value of new applications for housing loans fell by 16.2% y/y in April after 57.6% y/y decline in March. Number of applications for housing loans decline by 27% y/y in April to 20.88 thousands and average value of new housing loans rose by 8.3% y/y to PLN383.4k and was the highest in history of the index.

THE DAY AHEAD...

- POL: First day of MPC policy meeting
- HUN: Trade balance (Mar)
- CZK: Industrial output (Mar)

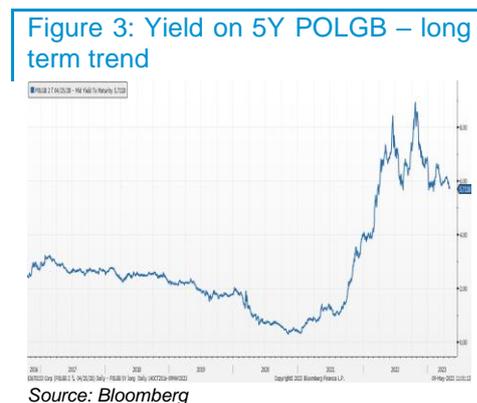
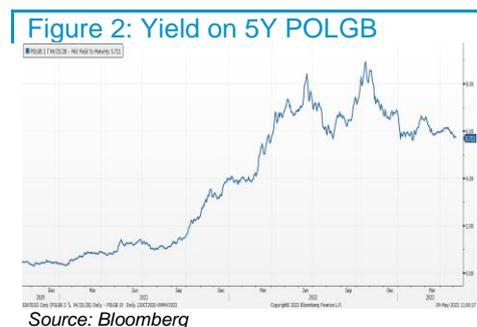
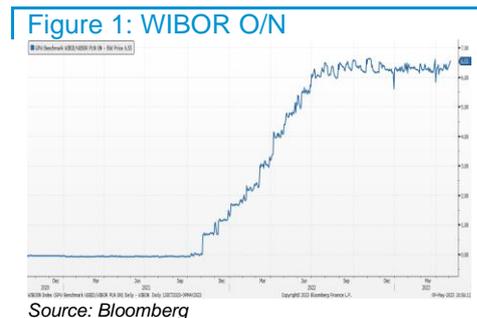
TODAY'S FOCUS:

Today economic calendar contains trade balance for March from Hungary and industrial output for March from Czechia.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
HUN	6:30	Trade balance (Mar)		EUR899m	EUR581m
CZK	7:00	Industrial output (Mar)		(2,9%)	(1,9%)

Source: Deutsche Bank Estimates and Bloomberg Finance LP





Foreign Exchange

Today in the morning the zloty was 0.5% weaker versus the USD, remained unchanged versus the EUR and was 0.1% weaker versus the CHF compared to the previous NBP fixing. The zloty was 0.3% weaker versus the GBP.

The USD was 0.5% firmer versus the EUR, compared to the previous NBP fixing. The USD firmed as risk aversion rose despite hawkish comments from two members of the ECB governing council suggesting higher rates for longer what implied that hiking cycle would not end in July.

Fixed Income

The yields on Poland's government bonds fell by 5bps in 5-year sector and declined by 2bps elsewhere.

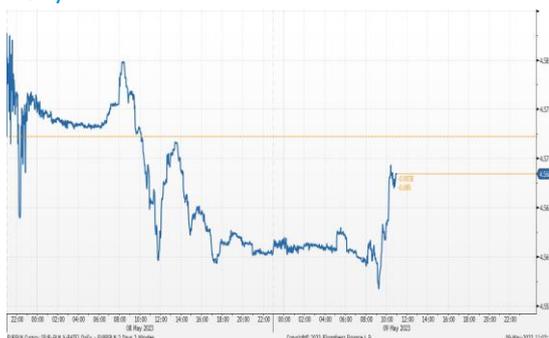
Interest Rates

PLN swap rates fell by 3-6bps in all tenors.

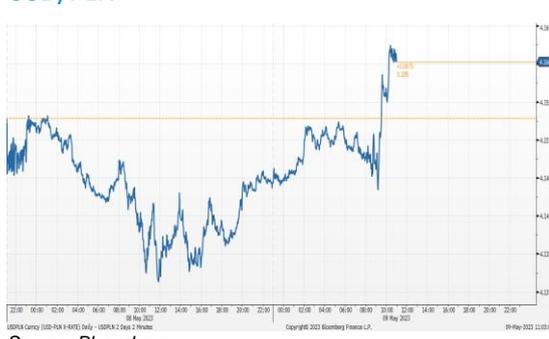
Equities

Yesterday the Dow Jones index closed 0.17% down and the S&P 500 index closed 0.05% up. Today in the morning the FTSE 100 index fell by 0.19%, the CAC 40 index was 0.60% down and the DAX index was 0.16% down. The Nikkei index closed 1.01% up. Today in the morning the WIG index fell by 0.54% and the WIG20 index was 0.70% down.

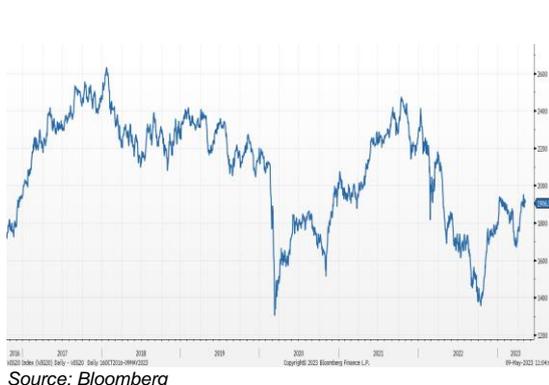
EUR/PLN



USD/PLN

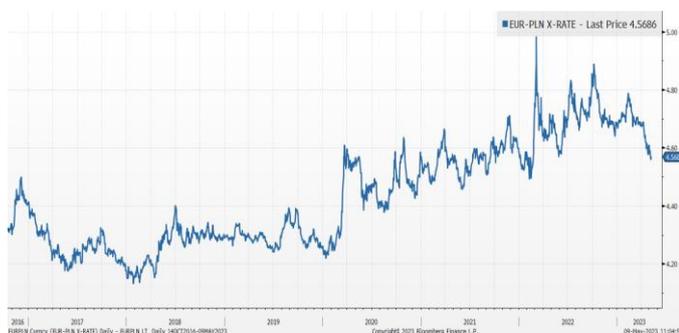


WIG20

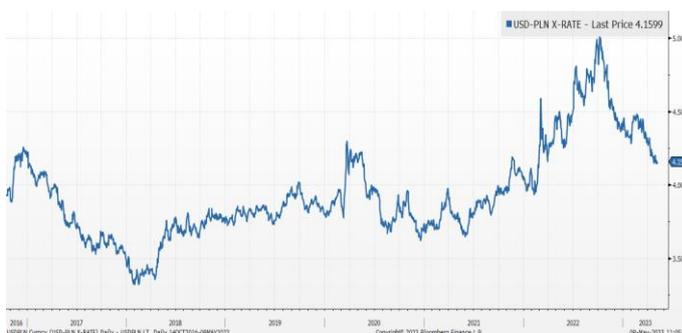


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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