



Poland Daily

HEADLINES:

POL: CPI for April was confirmed at 0.7% m/m and 14.7% y/y. Food prices rose by 0.5% m/m and 19.7% y/y (adding 0.14 pp. to monthly CPI), prices of footwear and clothing rose by 3.3% m/m and 8.1% y/y (adding 0.13pp. to m/m CPI), transport prices rose by 0.8% m/m and 4.6% y/y (adding 0.08pp.), prices of other goods and services (including sold via Internet) rose by 1.1% m/m and 13.5% y/y (adding 0.06pp.), prices of recreation and culture and prices in hotels and restaurants rose respectively by 0.8% m/m and 14.9% y/y and 1.0% m/m and 16.2% y/y, each adding 0.05pp to monthly CPI. Currently the main source of inflation are rising prices of food, footwear and clothing and fuels. Prices of seasonal services (recreation, hotels and restaurants) are on the rise and secondary effects are visible in other goods and services.

POL: In March the current account surplus amounted to EUR1643m after a surplus of EUR2585m in February. In March exports rose by 15.5% y/y to EUR30.0bn while import fell by 3.0% y/y to EUR29.4bn. In March there was EUR3129m surplus in services account and EUR356m surplus in secondary income account while primary income account was negative at -EUR2450m.

THE DAY AHEAD...

- POL: GDP (Q1,P), core CPI (Apr)
- HUN: GDP (Q1,P),
- EMU: GDP (Q1,P),)
- DEU: ZEW (May)
- USA: Retail sales (Apr), industrial production (Apr)

TODAY'S FOCUS:

Today economic calendar contains GDP for Q1 and core CPI for April from Poland, Q1 GDP from euro-zone and Hungary, ZEW index for May from Germany and retail sales and industrial production for April from the U.S.

DIARY (Today)

Figure 1: WIBOR O/N

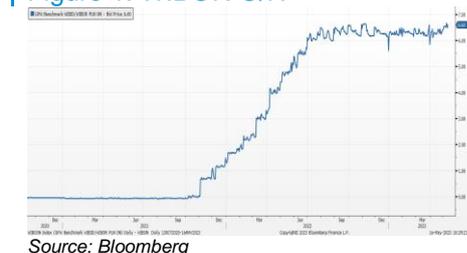


Figure 2: Yield on 5Y POLGB

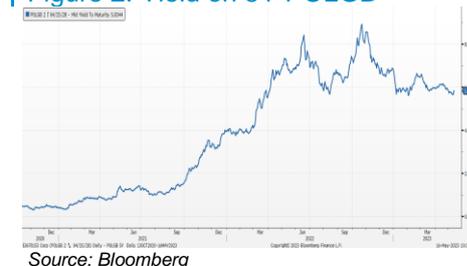
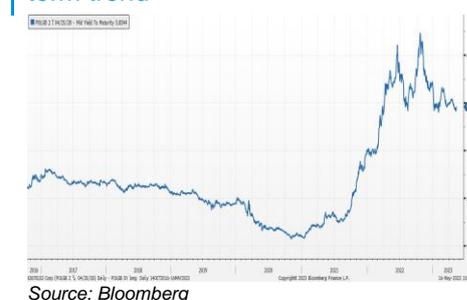


Figure 3: Yield on 5Y POLGB – long term trend



Country	GMT	Release	DB Expected	Actual	Consensus
HUN	6:30	GDP (Q1,P)		-0.2% (-0.9%)	-0.7% (-1.0%)
POL	8:00	GDP (Q1,P)	(-0.5%)	3.9% (-0.2%)	0.8% (-0.9%)
DEU	9:00	ZEW expectations (May)		-10.7	-5.0
EMU	9:00	GDP (Q1,P)		0.1% (1.3%)	0.1% (1.3%)
POL	12:00	Core CPI (Apr)	1.2% (12.3%)		1.2% (12.2%)
USA	12:30	Retail sales (Apr)	0.7%		0.8%
USA	13:15	Industrial production(Apr)	0.1%		0.0%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



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 zloty firmed to below 4.50 PLN per EUR after better than expected Poland's Q1 GDP data showing that Poland avoided technical recession.

The USD was 0.2% weaker versus the EUR, compared to the previous NBP fixing. Weak labour market data from the U.K. weighed on the GBP.

Fixed Income

The yields on Poland's government bonds remained practically unchanged in all tenors.

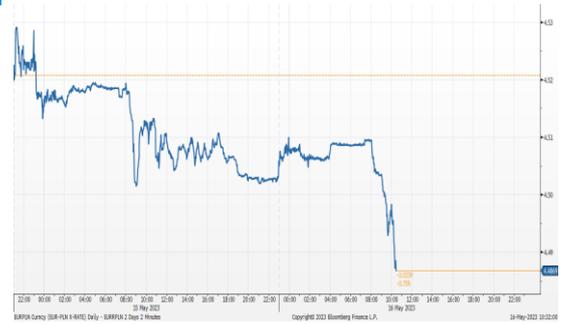
Interest Rates

PLN swap rates rose by 3-4bps in all tenors.

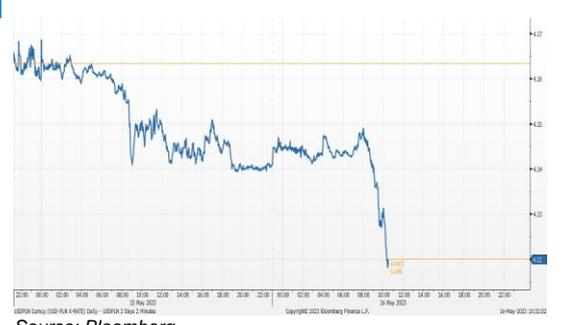
Equities

Yesterday the Dow Jones index closed 0.14% up and the S&P 500 index closed 0.30% up. Today in the morning the FTSE 100 index rose by 0.18%, the CAC 40 index was 0.04% down and the DAX index was 0.11% up. The Nikkei index closed 0.73% up. Today in the morning the WIG index rose by 0.43% and the WIG20 index was 0.50% up.

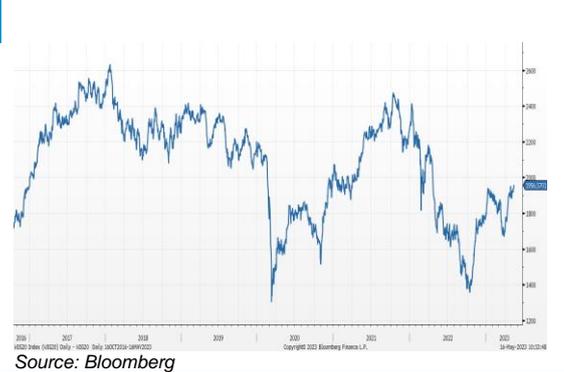
EUR/PLN



USD/PLN

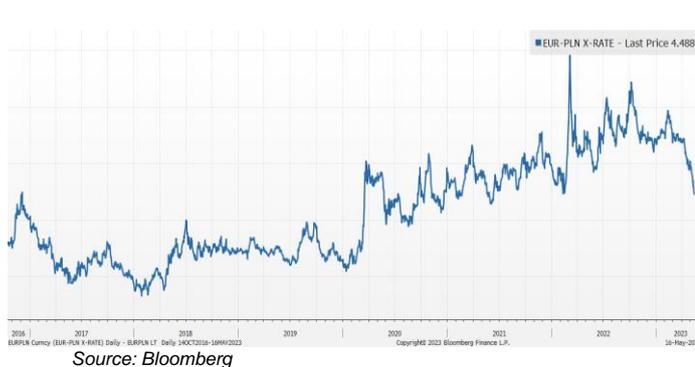


WIG20

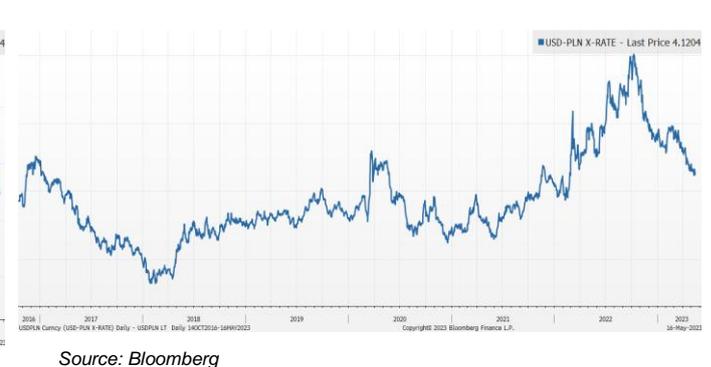


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

Important Disclosures

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., al. Armii Ludowej 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 1.744.449.384 paid up in full.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krzeńskiak