



Poland Daily

HEADLINES:

POL: According to preliminary data of Finance Ministry, budget deficit in 2020 amounted to about -PLN85bn after a gap of -PLN13.2bn in the period of January-November 2020. In 2020 budget revenues amounted to PLN419.8bn and rose by PLN19.3bn y/y (up 4.8% y/y). In 2020 VAT revenues were PLN3.7bn up (increased by 2% y/y), CIT revenues were PLN1.3bn up y/y (up 3.4% y/y) and PIT revenues were PLN1.7 down y/y. Fiscal performance in 2020 was much better than envisaged in amended budget act in all categories of tax revenues. Significant increase in budget gap in December 2020 (up by PLN71.8bn) suggests that the Finance Ministry pre-financed part of expenditures planned in 2021.

THE DAY AHEAD...

DEU: Inflation (Jan)

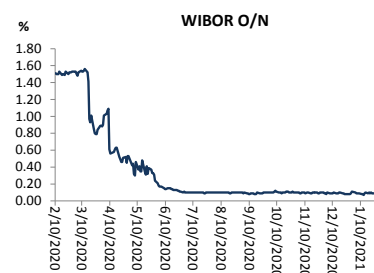
FRA: Industrial production (Dec)

USA: Inflation (Jan)

TODAY'S FOCUS:

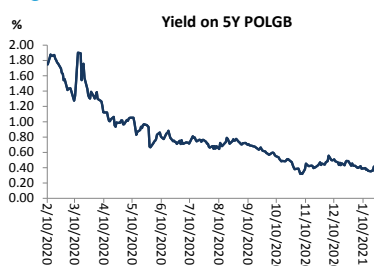
Today economic calendar contains inflation for January from USA and Germany and industrial production for December from France.

Figure 1: WIBOR O/N



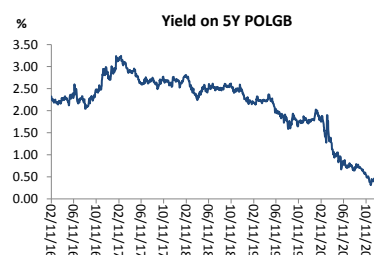
Source: Bloomberg

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	7:00	Inflation (Jan)		0.8% (1.0%)	0.8% (1.0%)
FRA	7:45	Industrial production(Dec)		-0.8% (-3.0%)	0.4% (-1.7%)
USA	13:30	Inflation (Jan)	0.3% (1.5%)		0.3% (1.5%)



Foreign Exchange

Today in the morning the zloty was 0.1% firmer versus the USD and was unchanged versus the EUR compared to the previous NBP fixing. The zloty should be moving in a range of 4.4650-4.4900 PLN per EUR today.

The USD has been weakening versus the EUR for a fourth day in a row as risk appetites increased.

Fixed Income

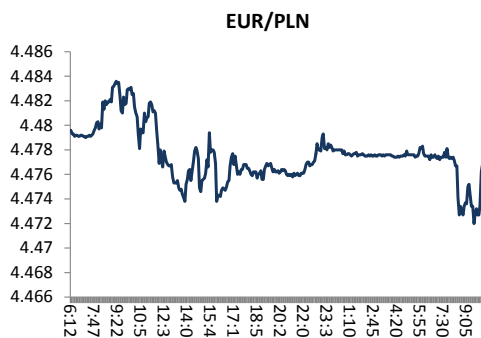
The yields on Poland's government bonds were 4bps up in 5-year and 10-year tenors.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 2-3bps up in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index closed 0.03% down and the S&P 500 index fell by 0.11%. Today in the morning the FTSE 100 index was 0.09% up, the CAC 40 index was 0.06% up and the DAX index was 0.10% down. The Nikkei index closed 0.19% up. Today in the morning the WIG index was 0.18% down and the WIG20 index was 0.33% down.



Source: Bloomberg

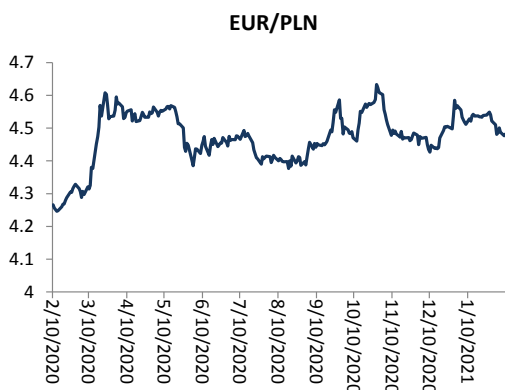


Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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