



Poland Daily

HEADLINES:

POL: Final inflation for May proved to be higher than initial estimate of Statistics Poland and amounted to 0.3% m/m and 4.7% y/y. Monthly inflation was moderate and an increase in annual inflation stems mainly from base effect that will start stabilizing inflation in coming months. In May food prices rose by 0.6% m/m and added 0.16 perc. point to monthly CPI, housing and energy prices increased by 0.5% m/m and added 0.07 p.p. to monthly CPI while prices in hotels and restaurants were 0.9% up m/m adding 0.04 p.p. to monthly CPI. In May transport and communication prices fell respectively by 0.4% m/m and 0.9% m/m subtracting respectively 0.04 p.p. and 0.05 p.p. from monthly CPI.

POL: In the period of January-April 2021 Poland's exports rose by 19.0% y/y to EUR90.0bn while imports rose by 15.6% y/y to EUR86.5bn what results in trade surplus of EUR3.5bn. A share of Germany in Poland's exports rose to 28.8% from 28.1% in the same period last year. France also increased its share in Poland's exports to 6.0% from 5.6% as well as Italy (to 4.9% from 4.1%). In contrast, after Brexit, the share of UK in Poland's exports fell to 4.9% from 6.0%. In imports, the share of Germany rose to 21.8% from 21.5% and the share of China rose to 14.3% from 12.6% in the same period last year.

THE DAY AHEAD...

POL: Core CPI (May)

USA: FOMC decision, Housing starts (May)

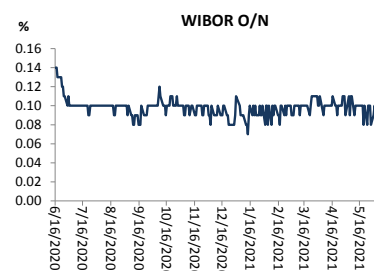
TODAY'S FOCUS:

Today market participants will be focusing on FOMC meeting and in particular on dot-plot showing FOMC member's expectations on future level of interest rates. DB expects the Fed to maintain its current stance of steady interest rates in longer term.

DIARY (Today)

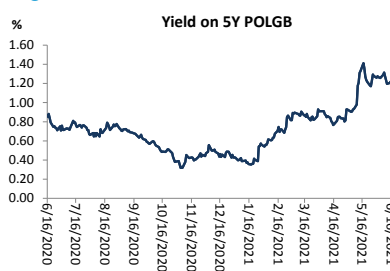
Country	GMT	Release	DB Expected	Actual	Consensus
POL	12:00	Core CPI (May)	0.1% (4.1%)		0.0% (4.0%)
USA	12:30	Housing starts (May)	1610k		1630k
USA	18:00	FOMC decision	0.00% - 0.25%		0.00% - 0.25%

Figure 1: WIBOR O/N



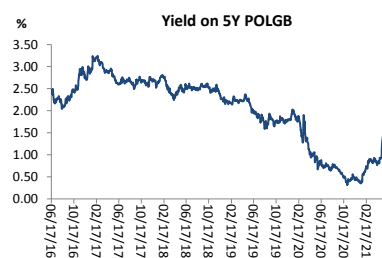
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was unchanged versus the EUR compared to the previous NBP fixing. The zloty should be moving in a range of 4.5200-4.5400 PLN per EUR today.

The USD was steady versus the EUR ahead of today's FOMC meeting.

Fixed Income

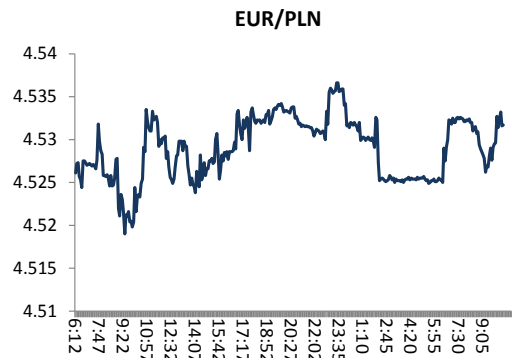
The yields on Poland's government bonds were practically unchanged in all tenors.

Interest Rates

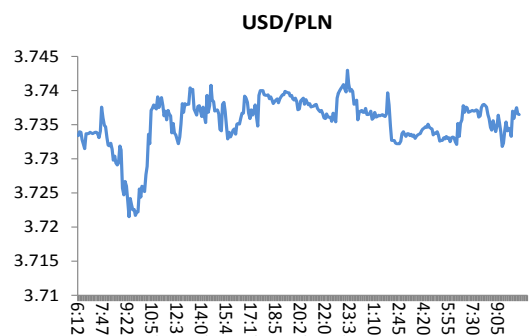
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were steady in all tenors.

Equities

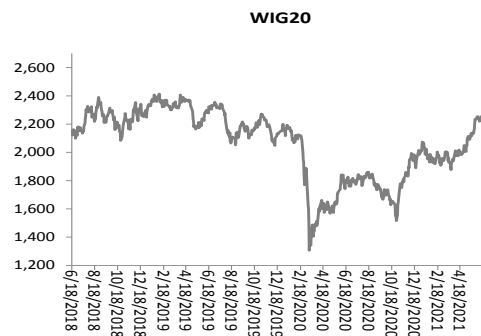
Yesterday the Dow Jones index closed 0.27% down and the S&P 500 index fell by 0.20%. Today in the morning the FTSE 100 index was 0.15% up, the CAC 40 index was 0.06% up and the DAX index was 0.27% down. The Nikkei 225 index closed 0.51% down. Today in the morning the WIG index was 0.29% up and the WIG20 index was 0.15% up.



Source: Bloomberg

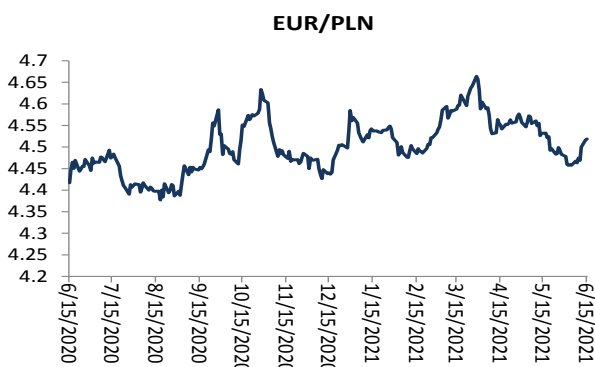


Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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