



Poland Daily

HEADLINES:

POL: Yesterday the PLN weakened to PLN4.8330 per EUR, PLN4.3540 per USD and PLN4.74 per CHF (the weakest level vs CHF in history). The zloty was weakening in three waves and after NBP intervention firmed to PLN4.7330 per EUR and ended the day at PLN4.75-4.76 per EUR. Today in the morning EUR/PLN rate was at 4.7770. Yesterday the NBP intervened for the second day in a row, selling some amount of foreign currencies for PLN. The zloty sharply weakened after transitory move of the EUR/USD towards 1.1060 and EUR/CHF to 1.0116. As USD and CHF are still under pressure to firm as geopolitical risk escalated, the zloty may continue to weaken today.

POL: VW plants in Poznan and Wrzesnia temporarily halt their production because of problems in supply chains caused by war in Ukraine. VW also halted production in plants in Zwickau and Dresden. VW's Skoda announced suspension of production for the same reason as well. . Also Renault announced halt in production in its plant in Moscow.

HUN: The NBH hiked one week deposit rate by 75bps to 5.35% in order to defend forint.

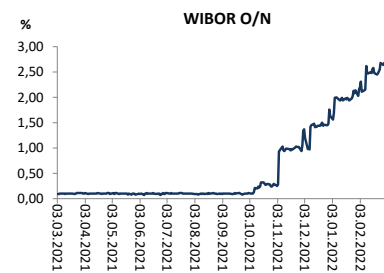
THE DAY AHEAD...

USA: Initial jobless claims, factory orders (Feb)

TODAY'S FOCUS:

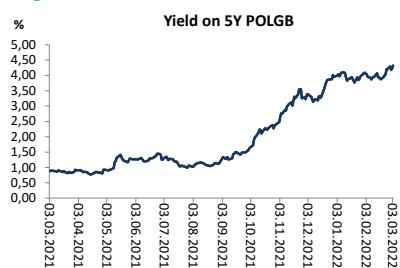
Escalating war in Ukraine and its geopolitical, economic and financial implications (including impact on the zloty) will continue to dominate market sentiment today.

Figure 1: WIBOR O/N



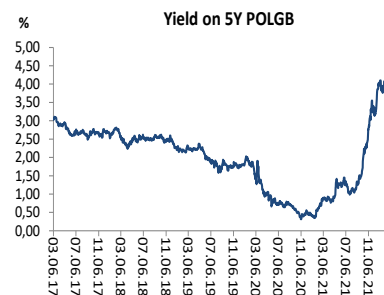
Source: Bloomberg

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
USA	13:30	Initial jobless claims			225k
USA	15:00	Factory orders (Jan)	0.5%		0.7%



Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD, firmed by 0.3% versus the CHF and was 0.5% firmer versus the EUR compared to previous NBP fixing. Around noon the zloty weakened to 4.7880 PLN per EUR, 4.70 PLN per CHF and 4.3250 PLN per USD. Today the zloty may weaken again.

Today in the morning the USD was firming versus the EUR on rising risk aversion due to escalation of Russian-Ukraine war.

Fixed Income

The yields on Poland's government bonds rose by 7-8bps in all tenors.

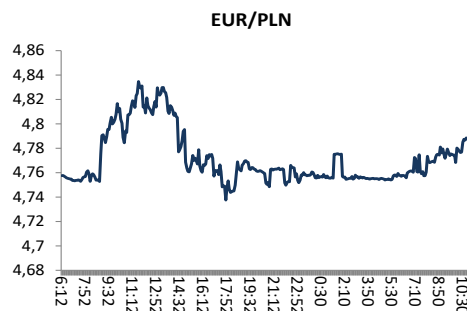
Interest Rates

Today the O/N bid rate should be within a range of 1.80% - 2.00%. Swap rates were 13bps up in 2-year sector and were 8-10bps up in 5-year and 10-year ones.

Equities

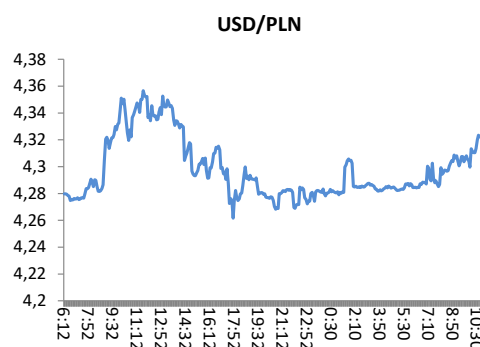
Yesterday the Dow Jones index closed 1.79% up and the S&P 500 index rose by 1.86%. Today in the morning the FTSE 100 index was 0.20% down, the CAC 40 index was 0.03% down and the DAX index was 0.46% down. The Nikkei index closed 0.70% up. Today in the morning the WIG index fell by 0.60% and the WIG20 index was 0.65% down.

EUR/PLN



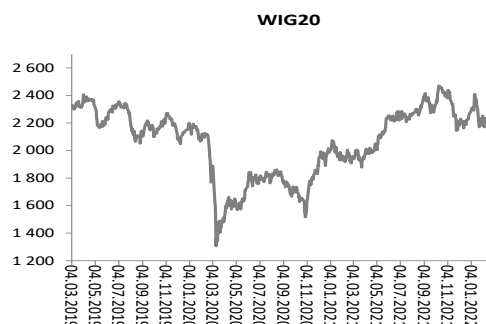
Source: Bloomberg

USD/PLN



Source: Bloomberg

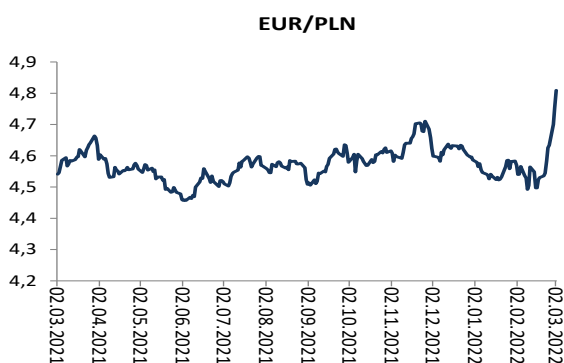
WIG20



Source: Bloomberg

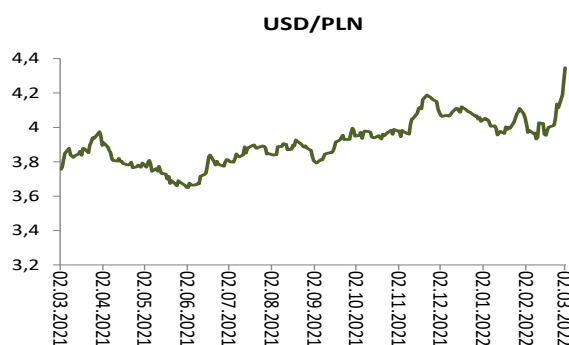
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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