



Poland Daily

HEADLINES:

POL: Today Sejm's Public Finances Committee will assess candidature of Adam Glapinski that was nominated by President Andrzej Duda for the second term in the post of NBP President.

POL: Polish Development Fund (PFR) chief Paweł Borys said that equilibrium interest rate was around 5.5% due to unprecedented growth in prices of food, steel, mineral raw materials and due to strong wage growth. In his opinion price shock on energy commodities will wane in 3-4 quarters. He also expressed an opinion that the NBP was nearing the end of tightening cycle. In his view freezing WIBOR rates as a form of help to borrowers would reduce effectiveness of monetary policy. PFR chief added that unblocking EU funds would strengthen the zloty, would reduce fiscal pressure and would support investments.

Figure 1: WIBOR O/N

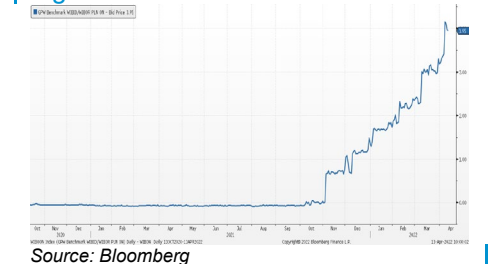
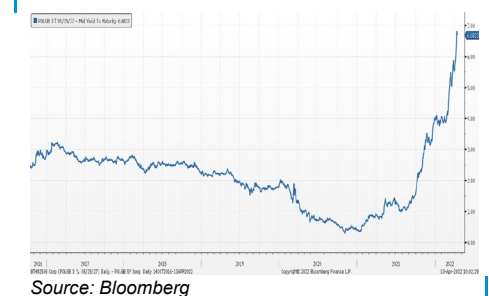


Figure 2: Yield on 5Y POLGB



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



THE DAY AHEAD...

POL: Balance of payments (Feb)

USA: PPI (Mar)

TODAY'S FOCUS:

Today economic calendar contains balance of payments for February from Poland and US PPI for March.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	12:00	Current account (Feb)	-EUR2305mn		-EUR2305mn
POL	12:00	Trade balance (Feb)	-EUR1610mn		-EUR1610mn
USA	12:30	PPI (Mar)	1.2%		1.1% (10.6%)

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD, firmed by 0.1% versus the CHF and was 0.4% firmer versus the EUR compared to previous NBP fixing.

Today in the morning the EUR weakened by 0.2% versus the USD on ongoing risk aversion.

Fixed Income

The yields on Poland's government bonds were 7-9bps down in all tenors. Yesterday at auction the Finance Ministry sold government bonds series OK0724, PS1024, PS0527, WZ1127, WZ1131 and DS0432 worth total PLN4bn versus demand of PLN5.8bn. At supplementary auction the Finance Ministry sold bonds worth PLN0.6bn.

Interest Rates

Swap rates were 4-7bps down across the curve.

Equities

Yesterday the Dow Jones index closed 0.26% down and the S&P 500 index fell by 0.34%. Today in the morning the FTSE 100 index was 0.10% up, the CAC 40 index was 0.21% up and the DAX index was 0.47% down. The Nikkei index closed 1.93% up. Today in the morning the WIG index rose by 0.53% and the WIG20 index was 0.62% up.

EUR/PLN



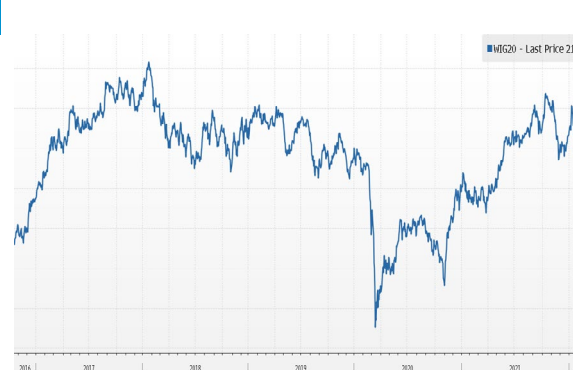
Source: Bloomberg

USD/PLN



Source: Bloomberg

WIG20



Source: Bloomberg

Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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