



Poland Daily

HEADLINES:

POL: NBP President Adam Glapinski said that it was not clear if majority of banks and majority of customers were interested in conversion of FX loans via settlements between banks and customers. The NBP expects that banks will provide relevant data. The central banks also won't make any decisions before ruling of the Supreme Court on March 25. NBP President said that banks shouldn't be deprived from interest on FX loans as a result of the ruling. The NBP warned that some banks would need rising capital after conversion of FX loans. NBP President added that banks that would ask for central bank's aid in FX conversion shouldn't pay bonuses for their management.

POL: State owned BGK bank sold covid-relief bonds worth PLN5.55bn versus demand of PLN7.86bn. The BGK sold bonds series FPC0328 (worth PLN5.23bn), FCP0733 (worth PLN255.3mn) and FCP1140 (worth PLN59.1mn).

THE DAY AHEAD...

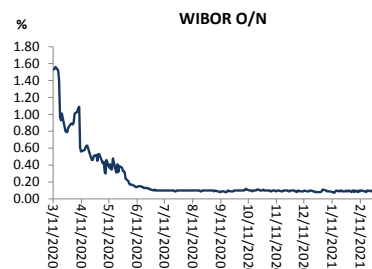
EMU: ECB decision

USA: Initial jobless claims

TODAY'S FOCUS:

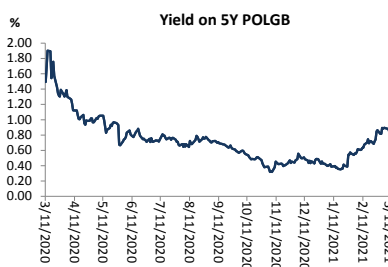
Today economic calendar contains ECB decision. We expect the ECB to keep policy settings unchanged and to comment on recent rise in yields on bonds in core markets.

Figure 1: WIBOR O/N



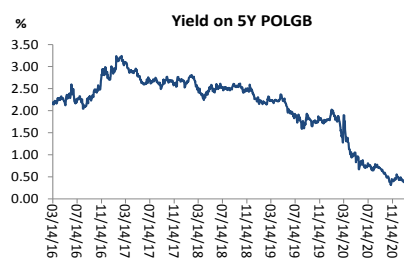
Source: Bloomberg

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
EMU	12:45	ECB decision	0,00%		0,00%
USA	13:30	Initial jobless claims	725k		725k



Foreign Exchange

Today in the morning the zloty was 0.3% firmer versus the USD and was 0.2% weaker versus the EUR compared to the previous NBP fixing. The zloty should be moving in a wide range of 4.5650-4.5950 PLN per EUR today.

The USD weakened by 0.5% versus the EUR as US core inflation proved to be smaller than expected and as there was sufficient demand at auction of US treasuries.

Fixed Income

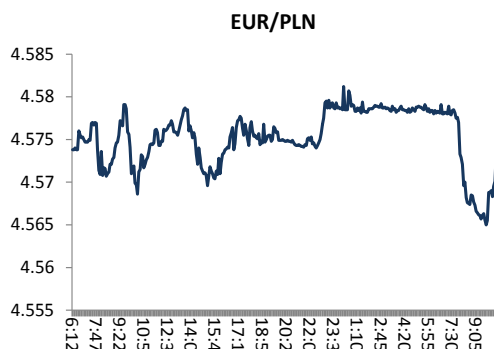
The yields on Poland's government bonds were 4bps down in 2-year sector and fell by 7bps in 5-year and 10-year ones.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 6-9bps down across the curve.

Equities

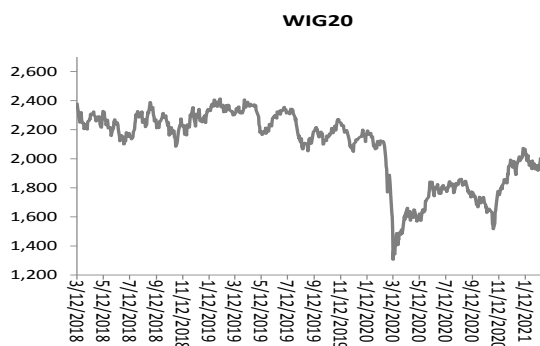
Yesterday the Dow Jones index closed 1.46% up and the S&P 500 index rose by 0.60%. Today in the morning the FTSE 100 index was 0.10% up, the CAC 40 index was 0.22% up and the DAX index was 0.12% down. The Nikkei index closed 0.60% up. Today in the morning the WIG index was 0.42% down and the WIG20 index was 0.46% down.



Source: Bloomberg

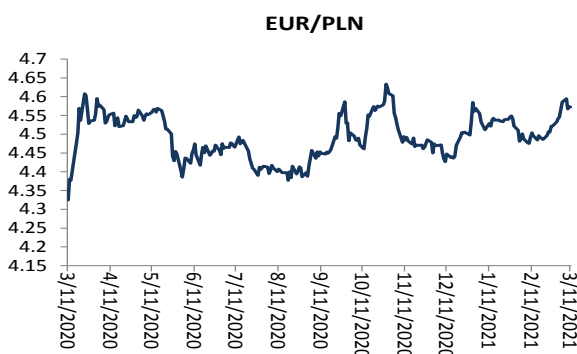


Source: Bloomberg

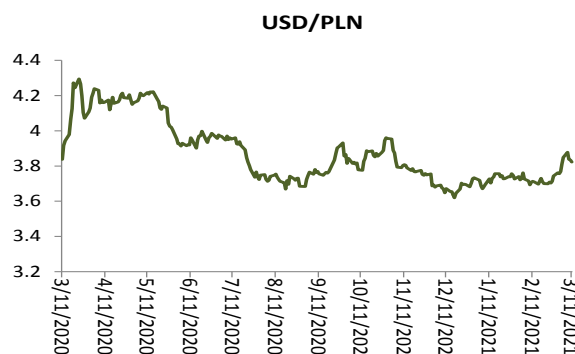


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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