



Poland Daily

HEADLINES:

POL: In May average employment in enterprises' sector rose by 0.3% m/m and was 2.7% up y/y after 0.9% y/y increase in April and compared to 3.2% y/y decline in May 2020. Despite accelerating employment growth in enterprises' sector, number of employed is still 108k or 1.7% below pre-covid level. We expect economy within next two months to generate jobs that were liquidated during lock-downs .

POL: In May average wage in enterprises' sector fell by 2,9% m/m and was 10.1% up y/y versus 9.9% y/y growth in April. In May real wage growth was 5.1% y/y, remaining above long-term average of 3.8%. Persistently high inflation and rise in food prices in particular will be reducing consumers' purchasing power in the coming months.

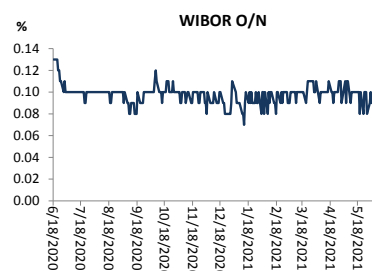
THE DAY AHEAD...

POL: Average wage (May), average employment (May)

TODAY'S FOCUS:

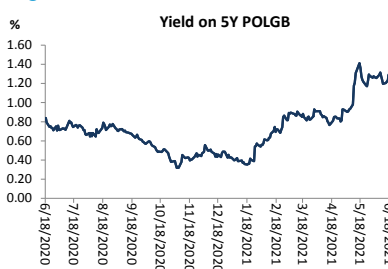
Today economic calendar contains Poland's average wage and employment data for May.

Figure 1: WIBOR O/N



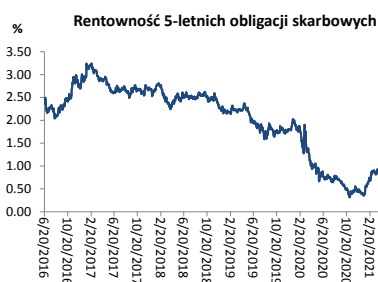
Source: Bloomberg

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
POL	8:00	Average wage (May)	-2.5% (10.6%)	-2.9% (10.1%)	-2.8% (10.4%)
POL	8:00	Average employment (May)	0.1% (2.4%)	0.3% (2.7%)	0.2% (2.5%)



Foreign Exchange

Today in the morning the zloty was 0.7% weaker versus the USD and was 0.4% weaker versus the EUR compared to the previous NBP fixing. The zloty should be moving in a range of 4.5200-4.5550 PLN per EUR today.

The USD firmed by 0.3% the EUR as market consensus shifted towards gradual normalisation in monetary policy by the Fed in coming several quarters.

Fixed Income

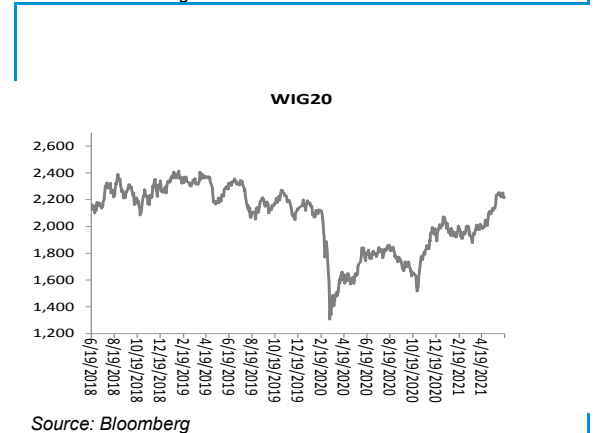
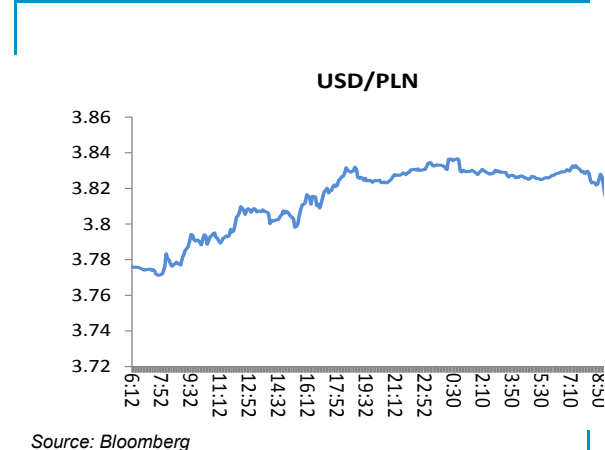
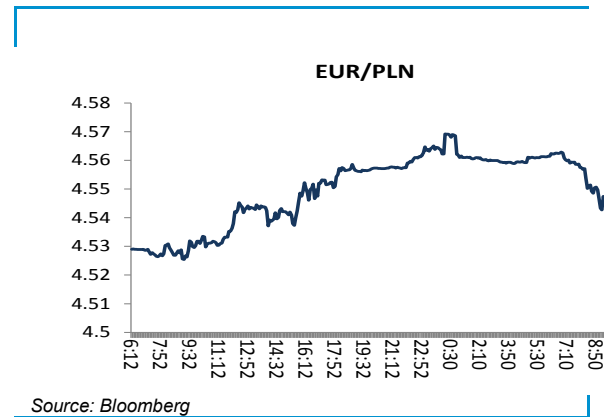
The yields on Poland's government bonds were 2bps down in all tenors as market stabilised after moderate sell-off yesterday.

Interest Rates

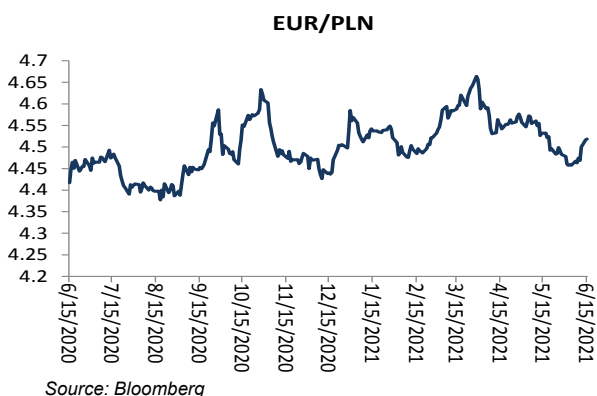
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 1-3bps down in all tenors.

Equities

Yesterday the Dow Jones index closed 0.62% down and the S&P 500 index fell by 0.04%. Today in the morning the FTSE 100 index was 0.36% down, the CAC 40 index was 0.17% down and the DAX index was 0.19% down. The Nikkei 225 index closed 0.19% down. Today in the morning the WIG index was 0.34% up and the WIG20 index was 0.28% up.



Medium term FX trends:





Appendix 1

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Additional information available upon request

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