



Poland Daily

HEADLINES:

POL: In May industrial output was 29.8% up y/y and fell by 0.8% m/m. Data for May suggests that in Q2 industrial output returned to pre-covid trend and usual seasonal pattern. Output of investment goods rose by 51.3% y/y (vs 38.4% y/y decline in May 2020), production of consumer durables rose by 49.4% y/y (versus 13.6% y/y decline in May 2020), production of intermediate goods rose by 34.2% y/y (versus 13.4% y/y decline in May 2020), output of non-durable consumer goods was 12.0% up y/y (versus 8.6% y/y decline in May 2020) and production of energy-related goods was 8.8% up y/y (versus 9.9% y/y decline in May 2020). In May 2021 the strongest growth in output was reported in production of automobiles (up 103.9% y/y), computers, electronic and optical devices (up 70.2% y/y), electric machinery (up 46.1% y/y), furniture (up 41.8% y/y) and products of rubber and plastics (up 41.2% y/y).

POL: In May PPI amounted to 0.8% m/m and 6.5% y/y. On a monthly basis prices rose the most in section mining and quarrying (up 3.5% m/m), including 5.9% m/m growth in prices in metal mining and 1.8% m/m growth in prices in coal mining. In manufacturing producer prices rose the most in oil refining (up 3.1% m/m), production of metals (up 2.3% m/m), products of wood (up 1.3% m/m) and plastics (up 1.3% m/m).

THE DAY AHEAD...

POL: Construction output (May), retail sales (May)

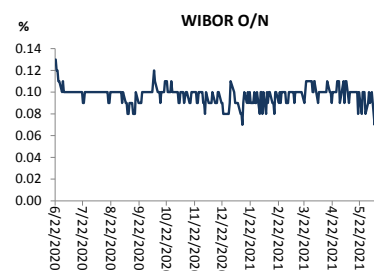
TODAY'S FOCUS:

Today economic calendar contains Poland's construction output and retail sales data for May.

DIARY (Today)

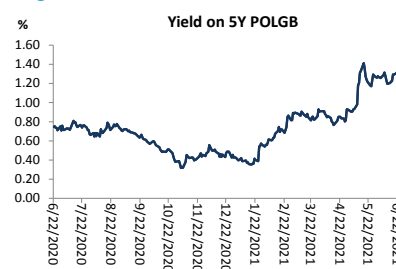
Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Construction output (May)	(4.9%)	(4.7%)	(1.6%)
POL	8:00	Retail sales (May)	8.8% (18.5%)	8.4% (19.1%)	(15.7%)

Figure 1: WIBOR O/N



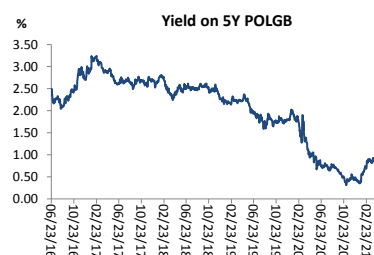
Source: Bloomberg

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 0.2% firmer versus the USD and was 0.1% firmer versus the EUR compared to the previous NBP fixing. The zloty should be moving in a range of 4.5100-4.5450 PLN per EUR today.

The USD weakened by 0.1% the EUR as US new home sales in May slightly missed market consensus forecast.

Fixed Income

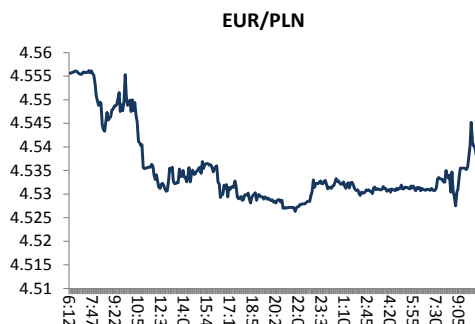
The yields on Poland's government bonds were 1bp up in 2-year sector and were 3bps up in 5-year and 10-year tenors.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 9bps up in 2-year and 5-year sectors and rose by 6bps in 10-year one.

Equities

Yesterday the Dow Jones index closed 1.76% up and the S&P 500 index rose by 1.40%. Today in the morning the FTSE 100 index was 0.23% up, the CAC 40 index was 0.14% up and the DAX index was 0.34% down. The Nikkei 225 index closed 3.12% up. Today in the morning the WIG index was 0.08% down and the WIG20 index was 0.42% down.



Source: Bloomberg

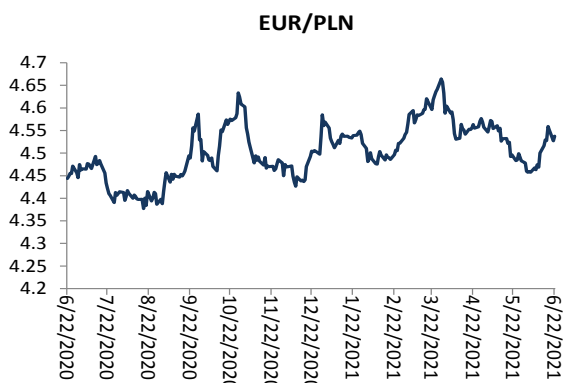


Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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