



# Poland Daily

## HEADLINES:

POL: NBP President Adam Glapinski said he changed his rhetoric – inflation is not transitory, it is burdensome. In NBP’s assessment inflation will fall to about 5% after Q1 2022 and will be transitory in 2-year horizon. NBP President added that the central bank will aim at bringing inflation to minimal levels but not at the expense of higher unemployment. He added that in short term fiscal policy was effective in curbing inflation, what was being done via government’s anti-inflation shield but monetary policy was effective in counteracting second round effects in the horizon several quarters. Earlier NBP President said that the central bank ought to support economic growth but also should conduct policies that support strong currency. He added that there was not strong economy without strong zloty. Comments from NBP President are yet another verbal intervention on the zloty, supported by a signal of further interest rate hikes that would not trigger rise in unemployment.

POL: MPC member Grazyna Ancyparowicz said that inflation was above MPC November’s projection what meant that rate hikes could be continued. She added that recent rate hikes signals tightening bias in monetary policy.

## THE DAY AHEAD...

USA: Initial jobless claims

## TODAY’S FOCUS:

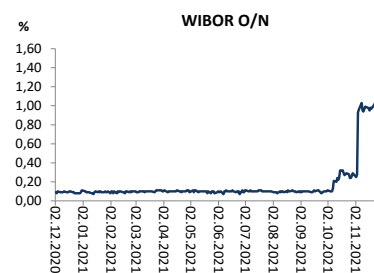
Today NBH hiked one-week deposit rate by 20bps to 3.10%. In the afternoon US initial jobless claims are released.

## DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
HUN	8:30	One-week deposit rate		3.10%	3.05%
USA	13:30	Initial jobless claims	250k		240k

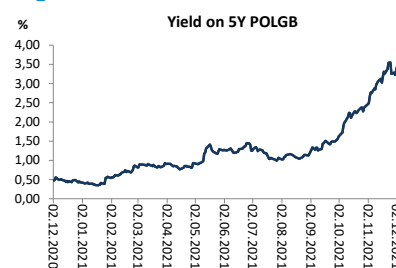
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



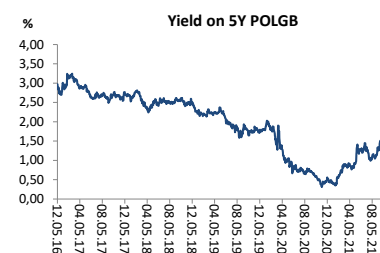
Source: Bloomberg

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 1.0% firmer versus the USD and was 1.0% firmer versus the EUR compared to previous NBP fixing. The zloty firmed after verbal intervention of NBP President and after his statement that inflation was not transitory. The zloty should be moving within a range of 4.5850-4.6250 PLN per EUR today.

The EUR/USD was stable around 1,1325 level with no market-moving news.

## Fixed Income

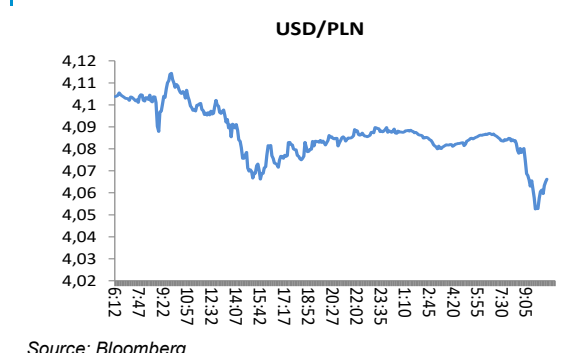
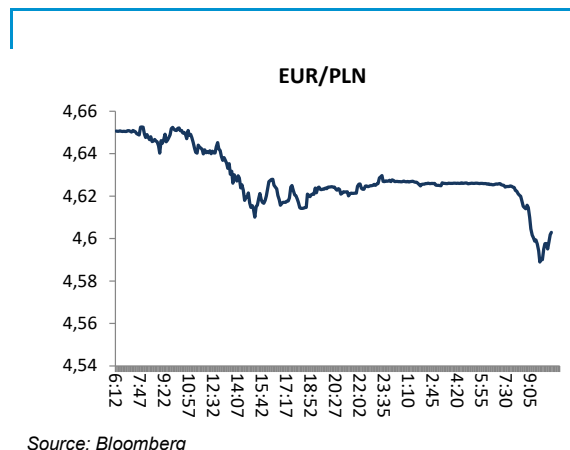
The yields on Poland's government bonds rose by 10-13bps in all tenors as NBP President admitted inflation was not transitory what fuelled expectations of interest rate hikes.

## Interest Rates

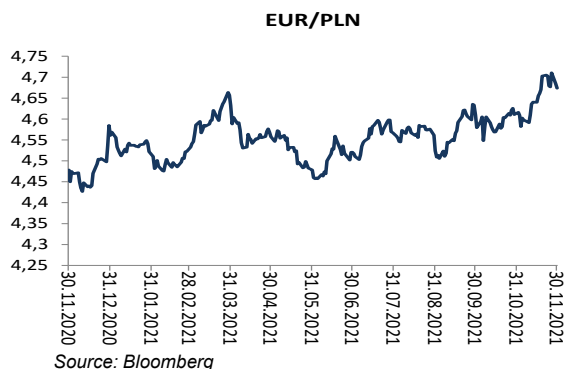
Yesterday at additional auction the NBP sold 7-day NBP bills worth PLN7.165bn with average yield of 1.24%. Today the O/N bid rate should be within a range of 1.00% - 1.25%. Swap rates were 12-14bps up in all tenors.

## Equities

Yesterday the Dow Jones index closed 1.34% down and the S&P 500 index fell by 1.18%. Today in the morning the FTSE 100 index was 0.61% down, the CAC 40 index was 0.72% down and the DAX index was 0.89% down. The Nikkei index closed 0.65% down. Today in the morning the WIG index was 0.56% down and the WIG20 index was 0.85% down. Stock indices were negatively impacted by losses in tech stocks.



## Medium term FX trends:





# Appendix 1

## Important Disclosures

### Additional information available upon request

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