



Poland Daily

HEADLINES:

POL: MPC member professor Henryk Wnorowski said that assumption that interest rate hikes would stop at 6.50% might be too optimistic. He underlined that 100bps hike in April had been a response to loose fiscal policy but added that he didn't see a risk of rate hikes of similar size in coming months. In his view the current level of exchange rate is not a reason for concern and expects the zloty to appreciate.

POL: In March core inflation (ex food and energy) amounted to 1.0% m/m and 6.9% y/y and was slightly below market consensus view.

THE DAY AHEAD...

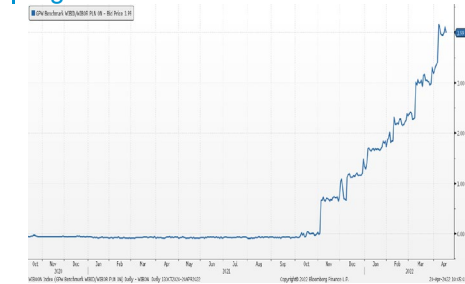
CZK: PPI (Mar)

USA: Existing Home Sales (Mar)

TODAY'S FOCUS:

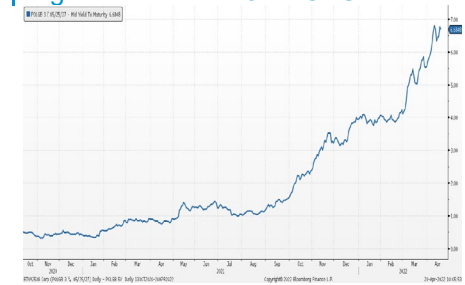
Today economic calendar contains PPI for March from Czech Republic and existing home sales for March from the US.

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
CZK	7:00	PPI (Mar)		4.2% (24.7%)	1.9% (23.3%)
USA	14:00	Existing Home Sales (mar)	5.75mn		5.77mn



Foreign Exchange

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

Today in the morning the USD weakened by 0.1% versus the EUR.

Fixed Income

The yields on Poland's government bonds were 8bps down in 2-year sector, declined by 9bps in 5-year one and fell by 11bps in 10-year one. On Thursday at auction the Finance Ministry will offer government bonds series OK0724, PS0527, PS1024, WZ1127, WZ1131 and DS0432 worth total PLN3-7bn.

Interest Rates

Swap rates were 3-4bps down across the curve.

Equities

Yesterday the Dow Jones index closed 1.45% up and the S&P 500 index rose by 1.01%. Today in the morning the FTSE 100 index was 0.15% up, the CAC 40 index was 0.54% up and the DAX index was 0.25% up. The Nikkei index closed 0.86% up. Today in the morning the WIG index rose by 0.70% and the WIG20 index was 0.65% up.

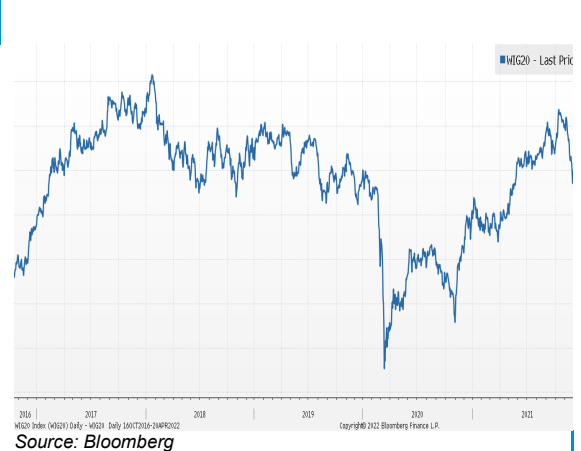
EUR/PLN



USD/PLN



WIG20



Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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