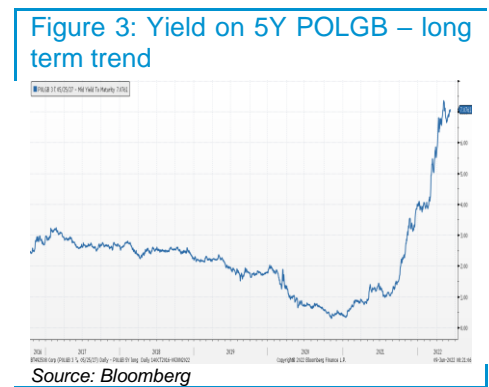
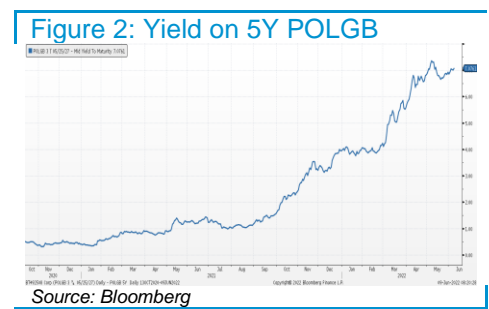




Poland Daily

HEADLINES:

POL: The MPC, as expected hiked interest rates by 75bps, increasing the main reference rate to 6.00%. The MPC underlined that economic activity in world's economy had decelerated while disruptions in supply chains continued, aggravated by the war in Ukraine. The MPC noted that the main central banks were tightening monetary policy due to increasing headline and core inflation. The MPC said that inflation in Poland stemmed mainly from hikes in energy and agricultural commodity prices, earlier hikes in regulated prices of electricity, heat and natural gas, disruptions in supply chains and high prices of transport in international trade. The MPC said that enterprises were able to pass increasing input costs to prices of final goods due to robust demand. The MPC expects that inflationary factors will persist in the coming quarters. The Council stressed that the NBP interest rates increases, together with fading of the impact of shocks currently boosting prices would contribute to a gradual fall in inflation in the coming years. The MPC added that the decrease in inflation should also be supported by appreciation of zloty exchange rate, which would be consistent with the fundamentals of the Polish economy. Next decisions of the MPC will be dependent on incoming data. Recent MPC decision is consistent with our scenario of reference rate peaking at 7.50% in September 2022.



THE DAY AHEAD...

EMU: ECB meeting

TODAY'S FOCUS:

Today market participants will be focusing on ECB policy meeting, as the beginning of hiking cycle in euro-zone approaches.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
EMU	11:45	Main refinancing rate	0.00%		0.00%
EMU	11:45	Deposit rate	-0.50%		-0.50%



Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD and the zloty was 0.1% firmer versus the CHF and was 0.1% weaker versus the EUR compared to the previous NBP fixing. The zloty weakened slightly versus euro ahead of the ECB meeting.

The USD weakened by 0.3% versus the EUR, compared to the previous NBP fixing, on expectations that the ECB will maintain the possibility of 50bps hike in July.

Fixed Income

The yields on Poland's government bonds were unchanged across the curve.

Interest Rates

PLN swap rates were 2bps down in long end of the curve and were unchanged elsewhere.

Equities

Yesterday the Dow Jones index closed 0.81% down and the S&P 500 index fell by 1.05%. Today in the morning the FTSE 100 index fell by 0.71%, the CAC 40 index was 0.72% down and the DAX index was 1.00% down. The Nikkei index closed 0.04% up. Today in the morning the WIG index fell by 0.22% and the WIG20 index was 0.30% down.

EUR/PLN



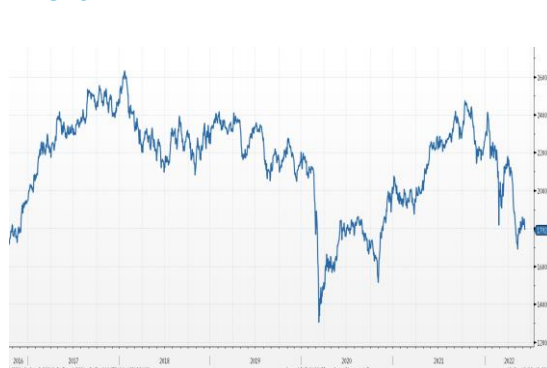
Source: Bloomberg

USD/PLN



Source: Bloomberg

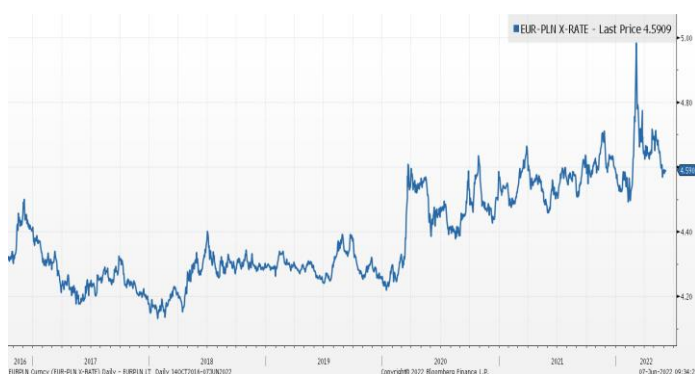
WIG20



Source: Bloomberg

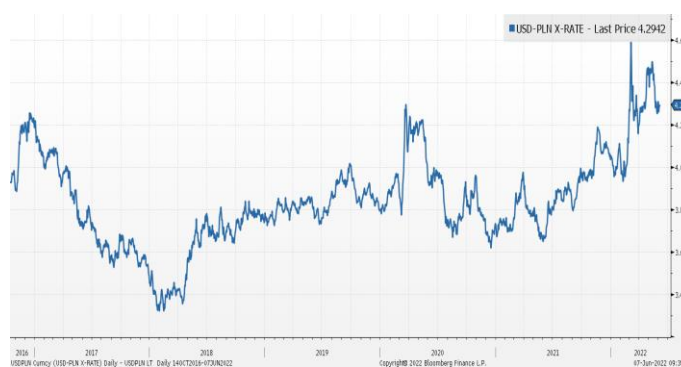
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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