



Poland Daily

HEADLINES:

POL: Polish Financial Supervision Authority (PFSA) estimated impact of potential changes in regulatory environment on portfolios of CHF denominated mortgages held by banks operating in Poland. The lowest cost (PLN34.5bn), according to the PFSA would be associated with solution proposed by the PFSA in December 2020 that would comprise settlements with clients to clear FX mortgage as if it were PLN mortgages from the date of their release. Most pessimistic and costly scenario (from PLN70bn to PLN234bn) pertains to situation in which FX mortgage would be annulled.

POL: Today the MPC will take decision on monetary policy. We expect the Council to keep settings of monetary policy (including interest rates) unchanged today. The MPC will also release central paths of inflation and GDP from March Inflation report. It is very likely that central path of GDP will be shifted up due to smaller than expected decline in GDP growth in Q4 2020. Central path of inflation should also be shifted up due to higher than expected inflation in Q1 2021.

THE DAY AHEAD...

POL: MPC decision

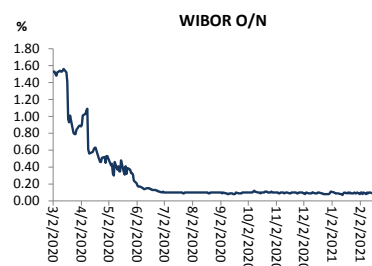
EMU: Services PMI (Feb)

USA: Services PMI (Feb), ADP employment change (Feb)

TODAY'S FOCUS:

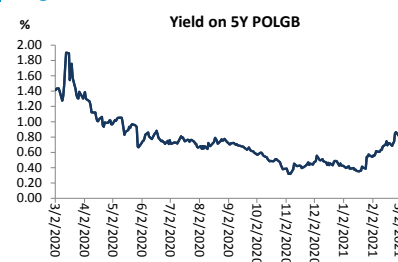
Today economic calendar contains MPC policy decision, services PMIs from Europe and the US for February and US ADP employment report for February.

Figure 1: WIBOR O/N



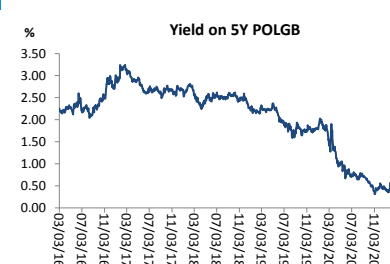
Source: Bloomberg

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
EMU	9:00	PMI services (Feb)	44.7	45.7	44.7
POL		MPC decision	0.10%		0.10%
USA	13:15	ADP employment change (Feb)	225k		200k
USA	14:45	PMI services (Feb)			58.9



Foreign Exchange

Today in the morning the zloty was 0.5% firmer versus the USD and was 0.1% weaker versus the EUR compared to the previous NBP fixing. The zloty should be moving in a range of 4.5150-4.5450 PLN per EUR today.

The USD weakened by 0.6% versus the EUR as yields on US Treasuries declined and risk appetites increased.

Fixed Income

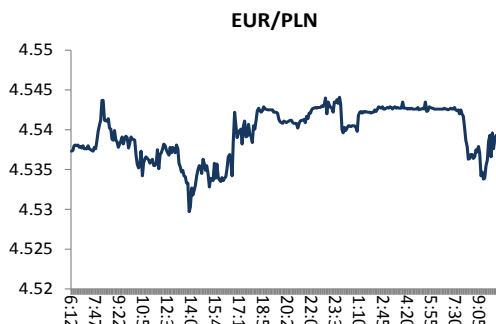
The yields on Poland's government bonds were 1bps up in 2-year and 10-year sectors and rose by 2bps in 5-year one.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 2-3bps up across the curve.

Equities

Yesterday the Dow Jones index closed 0.46% down and the S&P 500 index fell by 0.81%. Today in the morning the FTSE 100 index was 1.35% up, the CAC 40 index was 1.04% up and the DAX index was 1.10% up. The Nikkei index closed 0.51% up. Today in the morning the WIG index was 1.04% up and the WIG20 index was 1.33% up.



Source: Bloomberg

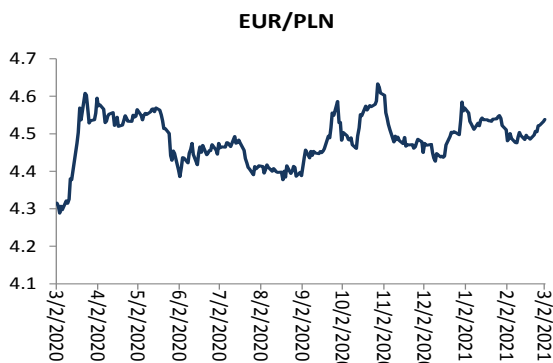


Source: Bloomberg

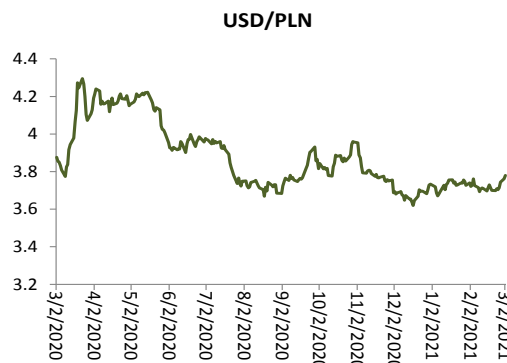


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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