



Poland Daily

HEADLINES:

POL: MPC member Eugeniusz Gatnar expressed a view that rate hike of 10-15bps would be recommended in the second half of 2021. to signal market participants that the NBP would be counteracting inflation. Gatnar also supported proposition to hike mandatory reserve rate suggested by MPC member Lukasz Hardt. MPC Gatnar expects inflation to increase to 3.5 per cent in April and to top 4 per cent in the second half of the year.

POL: MPC member Lukasz Hardt said that inflation would rise as the economy accelerated. He added that even if inflation was driven by factors outside control of the monetary policy central bank should not signal possibility of rate cut.

THE DAY AHEAD...

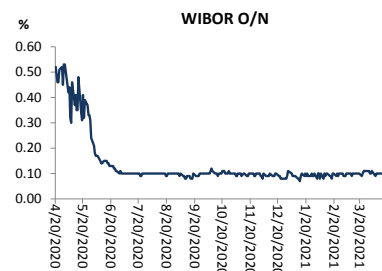
DEU: PPI (Mar)

CZK: PPI (Mar)

TODAY'S FOCUS:

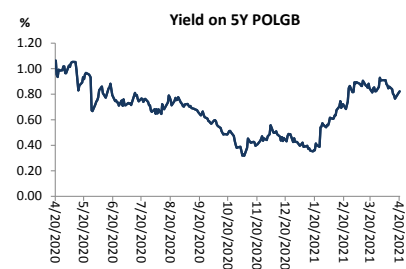
Today economic calendar contains producer prices for March from Germany and Czechia.

Figure 1: WIBOR O/N



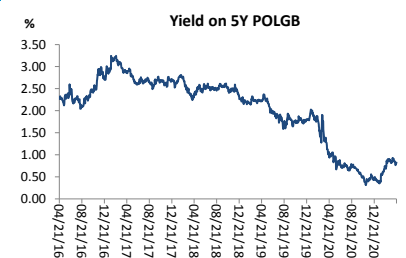
Source: Bloomberg

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 |
|---------|------|-----------|-------------|-------------|-------------|
| DEU | 7:00 | PPI (Mar) | | 0.9% (3.7%) | 0.6% (3.3%) |
| CZK | 8:00 | PPI (Mar) | | 1.4% (3.3%) | 0.8% (2.6%) |



Foreign Exchange

Today in the morning the zloty was 0.3% 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 4.5400-4.5600 PLN per EUR today.

The USD weakened by 0.4% versus the EUR as market participants focused on accelerated quantitative easing by the ECB and as EUR/USD broke 1.20 level.

Fixed Income

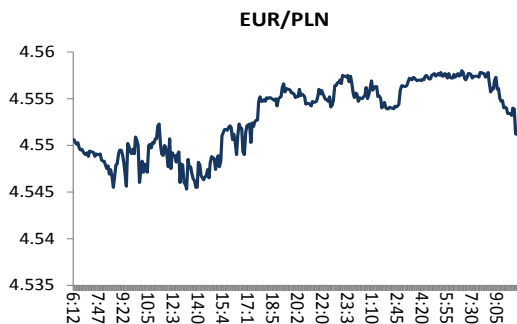
Today in the morning the yields on Poland's government bonds were 1bp up in 5-year and 10-year segments.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 2-3bps up in 5-year and 10-year tenors.

Equities

Yesterday the Dow Jones index closed 0.36% down and the S&P 500 index fell by 0.53%. Today in the morning the FTSE 100 index was 0.48% down, the CAC 40 index was 0.74% down and the DAX index was 0.19% down. The Nikkei index closed 1.97% down. Today in the morning the WIG index was 0.07% up and the WIG20 index was 0.31% up.



Source: Bloomberg

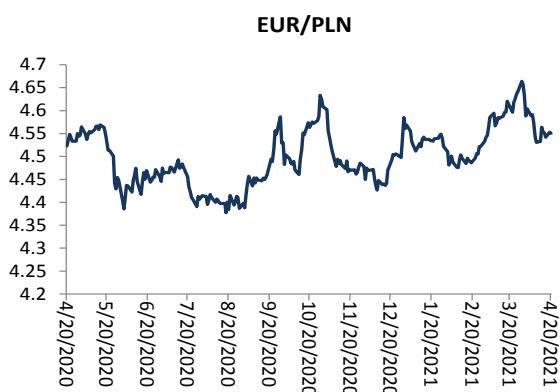


Source: Bloomberg

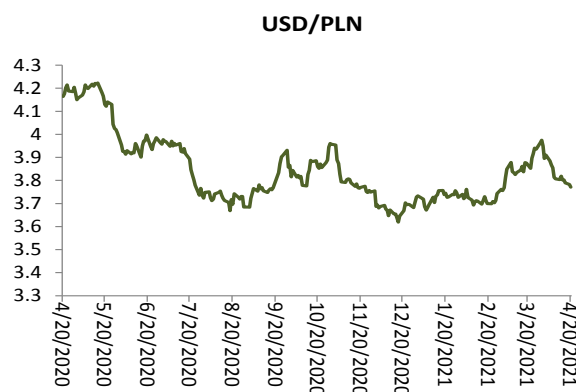


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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