



Poland Daily

HEADLINES:

POL: In June construction output rose by 4.4% y/y and increased by 12.2% y/y. Year-on-year growth in construction output resulted mainly from 18.3% y/y increase in specialized works. On a monthly basis acceleration was visible in buildings construction and (up 15.0% m/m) and infrastructure investments (up 13.2% m/m). In June growth in construction output was below market consensus expectations.

POL: In June real retail sales rose by 3.5% m/m and increased by 8.6% y/y. In the current prices retail sales rose by 3.4% m/m and increased by 13.0% y/y in June. June's data on retail sales were close to market consensus view.

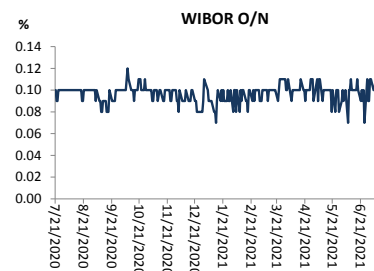
THE DAY AHEAD...

POL: Retail sales (Jun), construction output (Jun).

TODAY'S FOCUS:

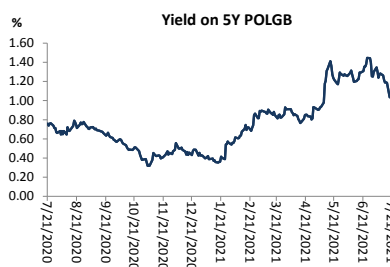
Today economic calendar contains retail sales for June and construction output for June from Poland. There are no important economic releases from abroad.

Figure 1: WIBOR O/N



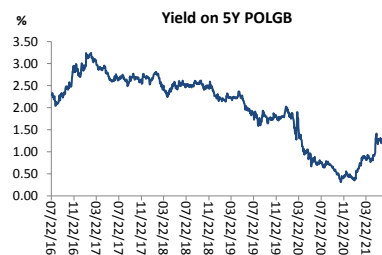
Source: Bloomberg

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 |
|---------|------|---------------------------|--------------|--------------|-----------|
| POL | 8:00 | Retail sales (Jun) | 3.0% (12.6%) | 3.4% (13.0%) | (13.1%) |
| POL | 8:00 | Construction output (Jun) | (6.5%) | 12.2% (4.4%) | (7.0%) |



Foreign Exchange

Today in the morning the zloty was 0.1% weaker versus the USD and was unchanged versus the EUR compared to the previous NBP fixing. The zloty remained weak after NBP President Glapinski's comment that it was too early to consider monetary tightening and as he underlined NBP's preference for the weak currency. The zloty should be moving in a range of 4.5850-4.6100 PLN per EUR today.

The USD was 0.1% firmer versus the EUR on concerns that Delta variant may hamper economic recovery in Europe. USD index reached 4-month high.

Fixed Income

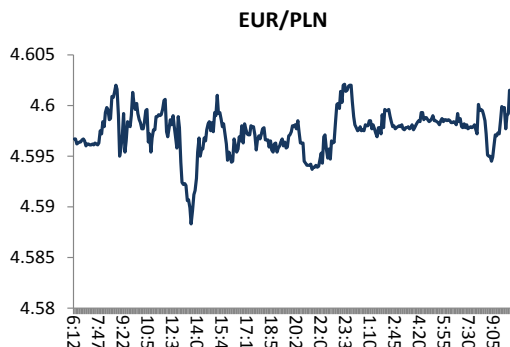
The yields on Poland's government bonds were 3-5bps up in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 4-5bps up across the curve.

Equities

Yesterday the Dow Jones index closed 1.62% up and the S&P 500 index rose by 1.52%. Today in the morning the FTSE 100 index was 1.60% up, the CAC 40 index was 1.49% up and the DAX index was 0.92% up. The Nikkei 225 index closed 0.58% up. Today in the morning the WIG index was 1.40% up and the WIG20 index was 1.00% up. Stock indices rose as robust Q2 company profits in Europe overshadowed concerns with Delta variant.



Source: Bloomberg

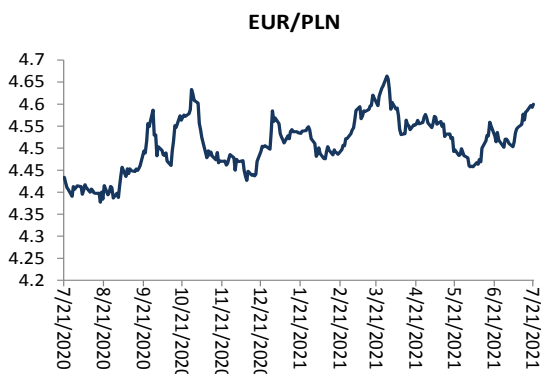


Source: Bloomberg

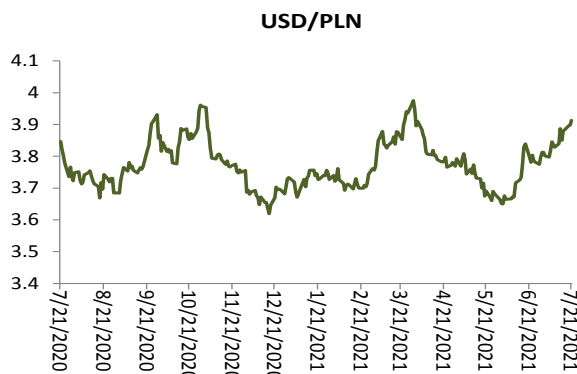


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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