



Poland Daily

HEADLINES:

POL: In December 2020 central government debt amounted to PLN1097bn what means an increase of PLN7.3bn (+0.7%) m/m and an increase of PLN124.1bn (up 12.8%) versus the end of 2019. In December 2020 a share of FX debt in total debt was 24.2% (up 0.4 p.p. m/m) and fell by 2.2 p.p. versus the end of 2019. In December 2020 non-residents held 34.0% of central government debt, 0.4% p.p. up m/m and 6.3% p.p. down versus the end of 2019.

POL: Manufacturing PMI rose by 53.4pts in February from 51.9pts in January signaling most significant improvement in business conditions since June 2018. In February new orders rose in the highest pace since July what stemmed mainly from inflow of foreign orders. Output rose in the highest pace since January 2007 signalling a pressure on potential production due to insufficient supplies of raw materials. In February companies increased employment and increased purchases of raw materials and intermediate goods. Costs of production rose in the strongest pace in ten years due to insufficient supply of raw materials in global markets, logistic problems on borders and weaker PLN. Companies expect economy to rebound after pandemics of coronavirus.

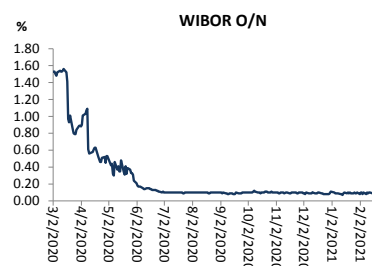
THE DAY AHEAD...

EMU: CPI (Feb), core CPI (Feb)

TODAY'S FOCUS:

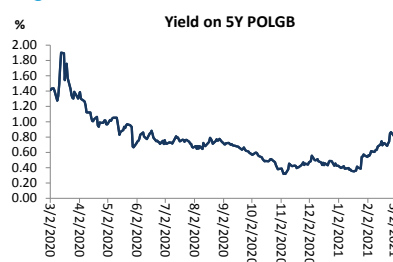
Today economic calendar contains inflation and core inflation from the euro-zone for February.

Figure 1: WIBOR O/N



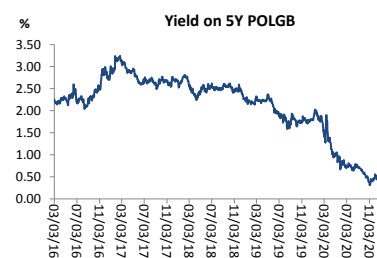
Source: Bloomberg

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	10:00	Inflation (Feb)	(0.8%)	(0.9%)	(0.9%)
EMU	10:00	Core inflation (Feb)	(0.9%)	(1.1%)	(1.1%)



Foreign Exchange

Today in the morning the zloty was 0.5% weaker versus the USD and was 0.3% weaker versus the EUR compared to the previous NBP fixing. The zloty should be moving in a range of 4.5150-4.5500 PLN per EUR today.

The USD firmed by 0.2% versus the EUR on rising risk aversion.

Fixed Income

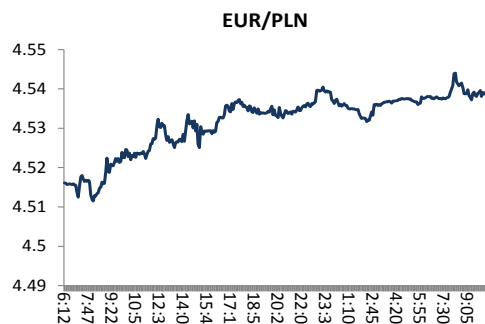
The yields on Poland's government bonds were 1bps up in 2-year and 5-year sectors and fell by 1bp in 10-year one.

Interest Rates

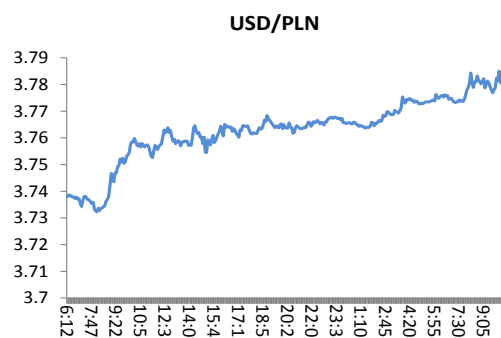
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were practically unchanged across the curve.

Equities

Yesterday the Dow Jones index closed 1.95% up and the S&P 500 index rose by 2.38%. Today in the morning the FTSE 100 index was 0.06% up, the CAC 40 index was 0.07% down and the DAX index was 0.03% down. The Nikkei index closed 0.86% down. Today in the morning the WIG index was 0.21% up and the WIG20 index was 0.19% up.



Source: Bloomberg

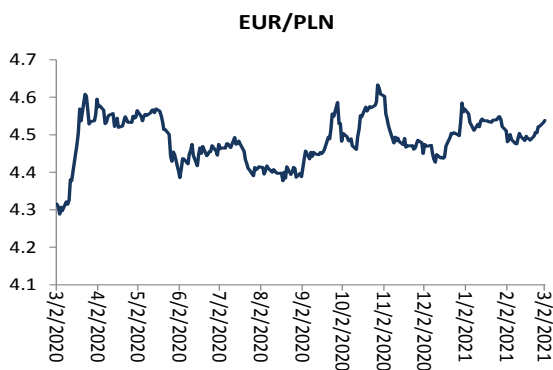


Source: Bloomberg

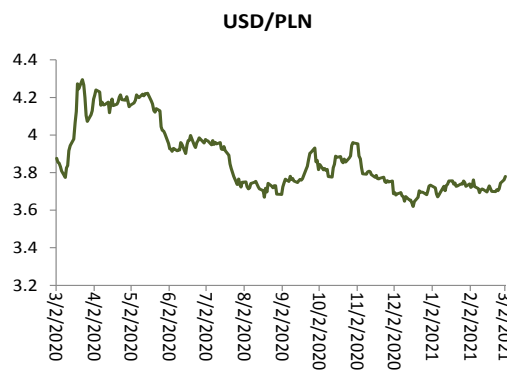


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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