



Poland Daily

HEADLINES:

POL: The MPC, as expected, kept monetary policy settings unchanged. The Council informed that it would continue purchases of POLGBs and bonds guaranteed by State Treasury in the secondary market under structural open market operations. The MPC also reiterated that the pace of the economic recovery in Poland might be reduced by the lack of a visible and more durable zloty exchange rate adjustment to the global pandemic shock and to the monetary policy easing introduced by NBP. In line with the projection of March prepared under the assumption of unchanged NBP interest rates and taking into account data available until 16 February 2021 there is a 50-percent probability that the annual price growth will be in the range of 2.7–3.6% in 2021 (against 1.8–3.2% in the November 2020 projection), 2.0– 3.6% in 2022 (compared to 1.6–3.6%) and 2.2–4.2% in 2023. At the same time, the annual GDP growth – according to this projection – will be with a 50-percent probability in the range of 2.6–5.3% in 2021 (against 0.8–4.5% in the November 2020 projection), 4.0–6.9% in 2022 (compared to 3.8–7.8%) and 4.0–6.8% in 2023. The central path of inflation was hiked by 0.7 perc. point and 0.2 p.p. respectively in 2021 and 2022 while the central path of GDP growth was shifted up by 1.3 p.p. in 2021 and was shifted down by 0.4 p.p. in 2022.

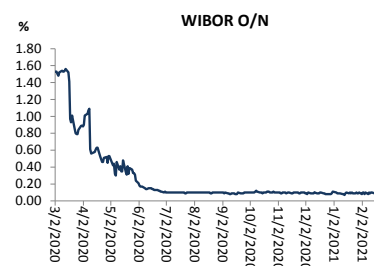
THE DAY AHEAD...

USA: Initial jobless claims, factory orders (Feb)

TODAY'S FOCUS:

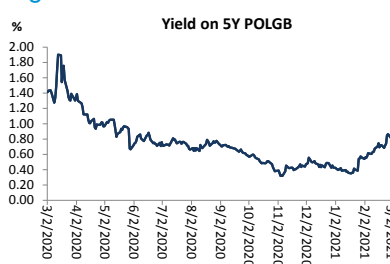
Today economic calendar contains US initial jobless claims and factory orders for February.

Figure 1: WIBOR O/N



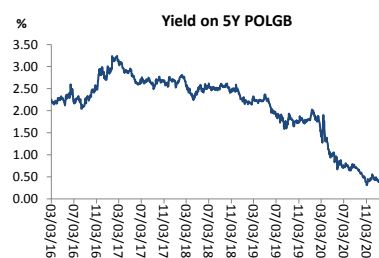
Source: Bloomberg

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
USA	13:30	Initial jobless claims	250k		250k
USA	15:00	Factory orders (Feb)	3.0%		2.1%



Foreign Exchange

Today in the morning the zloty was 0.8% weaker versus the USD and was 0.3% weaker versus the EUR compared to the previous NBP fixing. The zloty weakened as the MPC reiterated in the communique that the zloty hadn't weakened adequately to monetary policy easing done by the NBP. The zloty should be moving in a range of 4.5400-4.5650 PLN per EUR today.

The USD firmed by 0.5% versus the EUR ahead of speech of FOMC Chairman Powell at press conference on labour market.

Fixed Income

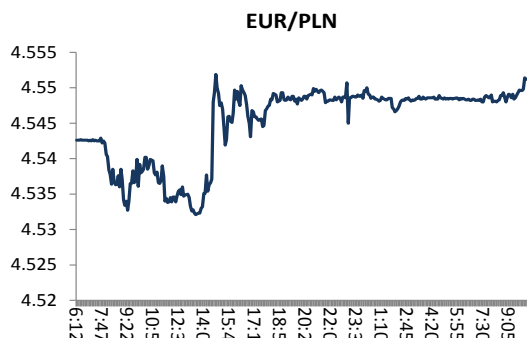
The yields on Poland's government bonds were 3-4bps up in 5-year and 10-year sectors.

Interest Rates

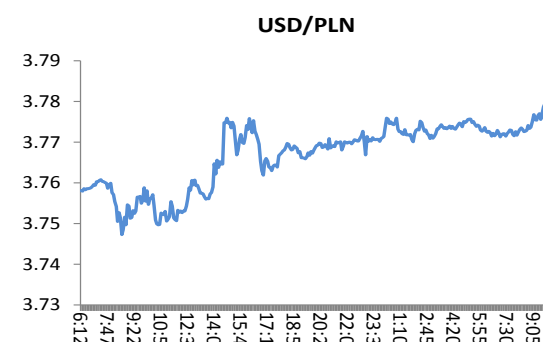
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 3-7bps up across the curve.

Equities

Yesterday the Dow Jones index closed 0.39% down and the S&P 500 index fell by 1.31%. Today in the morning the FTSE 100 index was 0.73% down, the CAC 40 index was 0.09% down and the DAX index was 0.44% down. The Nikkei index closed 2.13% down. Today in the morning the WIG index was 0.51% down and the WIG20 index was 0.57% down.



Source: Bloomberg

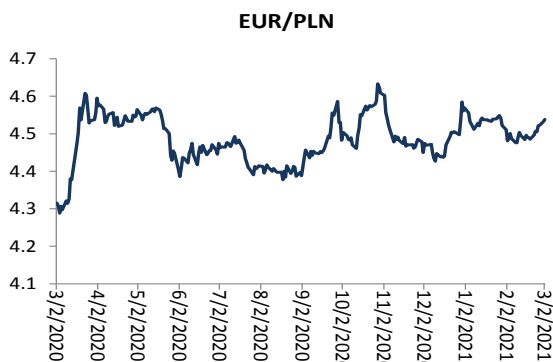


Source: Bloomberg

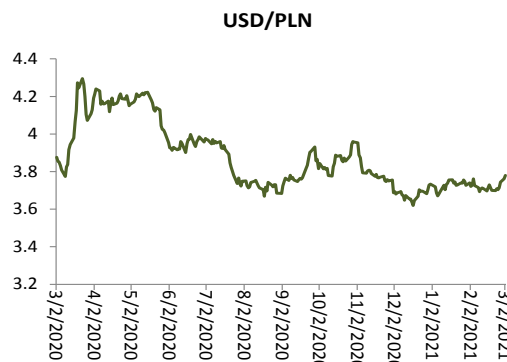


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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