



Poland Daily

HEADLINES:

POL: In February core inflation amounted to 0.5% m/m and 2.7% y/y in line with consensus forecast.

POL: In January 2021 there was an EUR3259mn surplus in the current account and EUR845mn trade surplus. Exports fell by 2.8% y/y to EUR19.1bn while imports declined by 5.3% y/y to EUR18.3bn. In January a surplus in trade in services was equal to EUR2.3bn while primary income surplus was equal to EUR574mn. In January there was an EUR528mn deficit in secondary income account.

POL: MPC member Lukasz Hardt said that inflation might exceed 4% in 2021. He added that market rates in the long end of the curve were more important for monetary policy than level of the exchange rate. He suggested that the NBP should start conducting long-term repo operations (LTRO like) at the cost below reference rate to provide banks with long-term financing for investment loans for enterprises.

THE DAY AHEAD...

POL: Average wage (Feb), average employment (Feb),

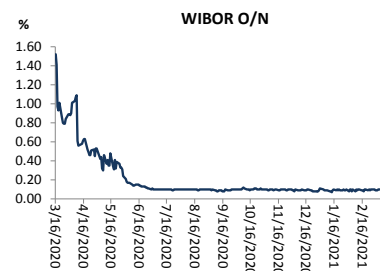
EMU: Inflation (Feb)

USA: Housing starts (Feb), FOMC decision

TODAY'S FOCUS:

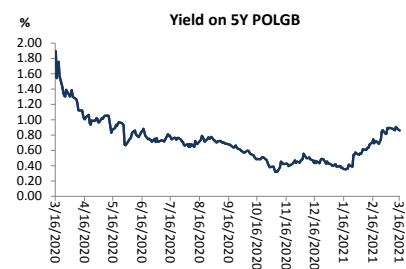
Today economic calendar average wage and average employment for February from Poland, inflation for February from euro-zone and US housing starts for February and FOMC meeting.

Figure 1: WIBOR O/N



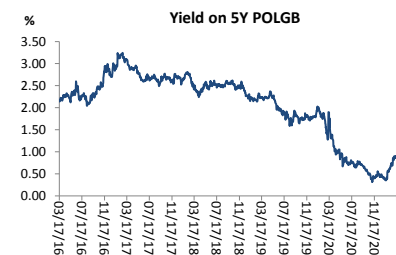
Source: Bloomberg

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	9:00	Average wage (Feb)	0.5% (4.4%)	0.6% (4.5%)	1.1 (4.9%)
POL	9:00	Average employment (Feb)	0.0% (-2.0%)	0.3% (-1.7%)	0.1% (-1.9%)
POL	9:00	Consumer confidence (Mar)	-22.5	-23.0	-25.5
EMU	10:00	Inflation (Feb)		0.9% (1.1%)	0.9% (1.1%)
USA	12:30	Housing starts (Feb)	-0.6%		-1.3%
USA	18:00	FOMC decision	0.00%-0.25%		0.00%-0.25%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.4% 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 4.5900-4.6200 PLN per EUR today. We expect the zloty to remain weak before Supreme Court guidance on FX mortgages on March 25.

The USD firmed by 0.2% versus the EUR and ahead of FOMC meeting today.

Fixed Income

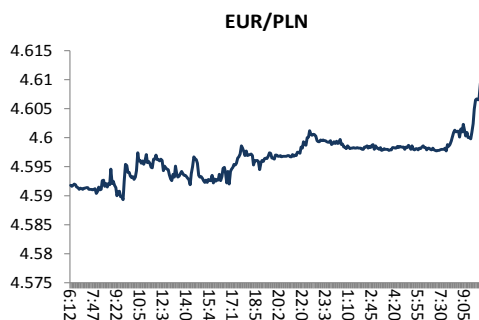
The yields on Poland's government bonds were practically unchanged in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 1-2ps up across the curve.

Equities

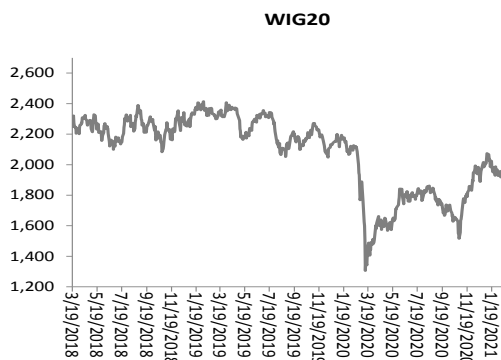
Yesterday the Dow Jones index closed 0.39% down and the S&P 500 index fell by 0.16%. Today in the morning the FTSE 100 index was 0.27% down, the CAC 40 index was 0.05% down and the DAX index was 0.03% down. The Nikkei index closed 0.02% down. Today in the morning the WIG index was 1.93% down and the WIG20 index was 2.48% down.



Source: Bloomberg

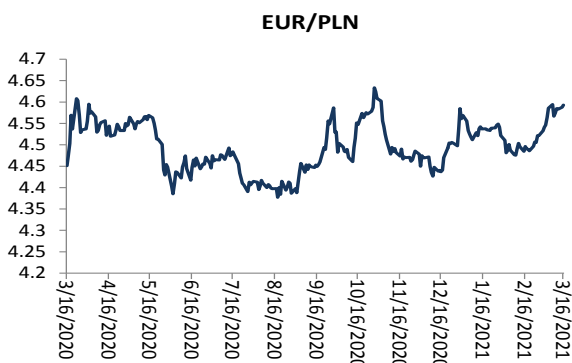


Source: Bloomberg

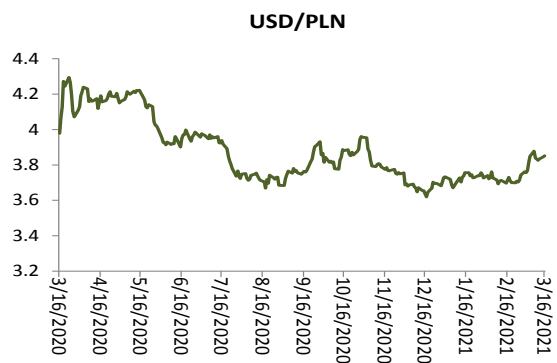


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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