



# Poland Daily

## HEADLINES:

POL: In January money supply M3 fell by 1.2% m/m and rose by 7.7% y/y. In January cash in circulation rose by 9.4% y/y, demand deposits of households increased by 12.1% y/y and demand deposits of companies rose by 6.2% y/y while term deposits of households fell by 17.5% y/y and term deposits of companies rose by 14.7% y/y. In January loans to households increased by 4.7% y/y while loans to enterprises rose by 4.0% y/y.

## THE DAY AHEAD...

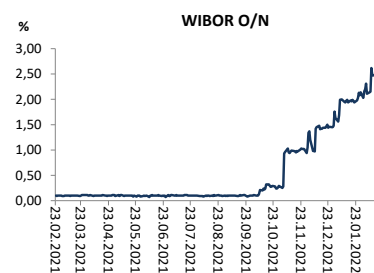
POL: Consumer confidence (Feb), unemployment rate (Jan), unemployment rate (Q4)

EMU: Inflation (Jan)

## TODAY'S FOCUS:

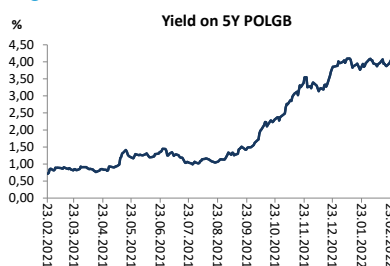
Today economic calendar contains consumer confidence for February and unemployment rate for Q4 and January from Poland and euro-zone's CPI for January. Financial markets will be focusing on situation in Ukraine. Initial negative reaction of financial markets to escalation of conflict as Russian troops were ordered to enter separatist republics proved moderate. US and EU sanctions imposed on Russia leaves further room for manoeuvre if conflict in Ukraine escalates further. Market prices in a scenario of limited military conflict with the main economic risks transmitted through the channel of higher prices of energy commodities – oil and natural gas.

Figure 1: WIBOR O/N



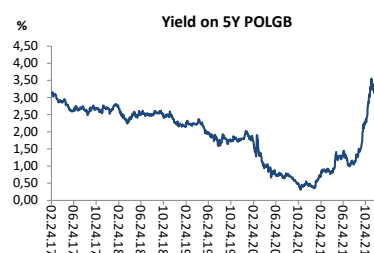
Source: Bloomberg

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	Consumer confidence (Feb)	-30.7	-27.7	-29.9
POL	9:00	Unemployment rate (Jan)	5.6%	5.5%	5.6%
POL	9:00	Unemployment rate (Q4)	3.0%	3.0%	3.0%
EMU	10:00	Inflation (Jan)		0.3% (5.1%)	0.3% (5.1%)



### Foreign Exchange

Today in the morning the zloty was 0.5% firmer versus the USD and was 0.3% firmer versus the EUR compared to previous NBP fixing. The zloty recovered part of its losses of yesterday due to limited escalation of conflict between Russia and Ukraine and as economic sanctions imposed on Russia by USA and the EU were moderate. The zloty should be moving within a wide range of 4.5150-4.5600 PLN per EUR today.

The USD was 0.2% weaker versus the EUR after firming to 1,2090 yesterday as Russia-Ukraine conflict had escalated.

### Fixed Income

The yields on Poland's government bonds rose by 5bps in 2-year and 5-year tenors and rose by 8bps in 10-year one.

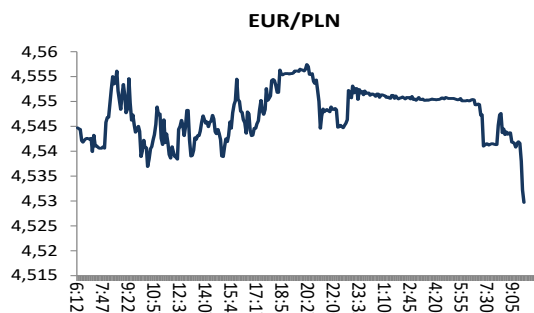
### Interest Rates

Today the O/N bid rate should be within a range of 2.40% - 2.60%. Swap rates were 3-6bps up in all tenors following a rise in yields on POLGBs.

### Equities

Yesterday the Dow Jones index closed 1.42% down and the S&P 500 index fell by 1.01%. Today in the morning the FTSE 100 index was 0.67% up, the CAC 40 index was 1.58% up and the DAX index was 1.30% up. Today in the morning the WIG index was 0.06% up and the WIG20 index was 0.02% up.

#### EUR/PLN



Source: Bloomberg

#### USD/PLN



Source: Bloomberg

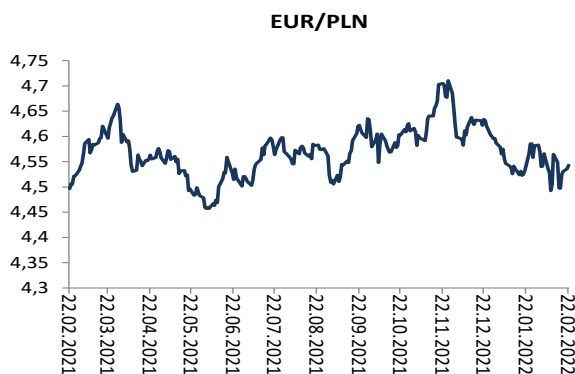
#### WIG20



Source: Bloomberg

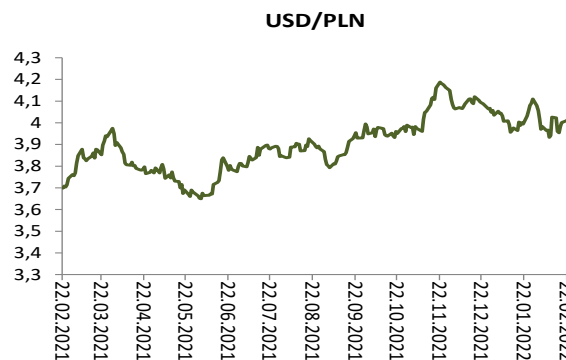
### Medium term FX trends:

#### EUR/PLN



Source: Bloomberg

#### USD/PLN



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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