



# Poland Daily

## HEADLINES:

POL: The MPC surprised with 100bps hike, raising the main reference rate to 4.50%. In communique after the meeting the Council said that rise in inflation in March was driven mainly by rising fuel and energy prices caused by Russian military aggression on Ukraine. In the opinion of the MPC earlier significant rise in energy and agricultural commodity prices and increases in regulated tariffs on electricity, natural gas and thermal energy have continued to contribute to markedly elevated inflation. The MPC added that ongoing economic recovery supported by rising households' incomes was a factor that contributed to higher inflation. In turn, a curbing impact on inflation has been exerted by a reduction in some tax rates as part of the Anti-inflationary Shield. The Council expects inflation to remain elevated in coming quarters. The MPC decided to hike interest rates in order to diminish likelihood of inflation staying above the upper bound of inflation target in medium term and in order to diminish inflationary expectations. In the opinion of the Council, shocks to inflation will fade in coming years, and decline in inflation will be supported by appreciation of the zloty. MPC's decision to hike by 100bps means that the Council prefers to react quickly to rising inflation and will adjust the pace and size of further rate hikes to the actual inflationary pressure.

## THE DAY AHEAD...

POL: press conference of NBP President, official reserve assets (Mar)

USA: initial jobless claims

## TODAY'S FOCUS:

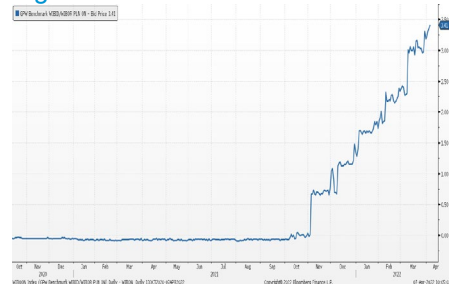
Today economic calendar contains press conference of NBP President, official reserve assets for March from Poland and US initial jobless claims.

## DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	12:00	Official reserve assets (Mar)			
USA	12:30	Initial jobless claims	210k		220k
POL	13:00	NBP President's press coference			

Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



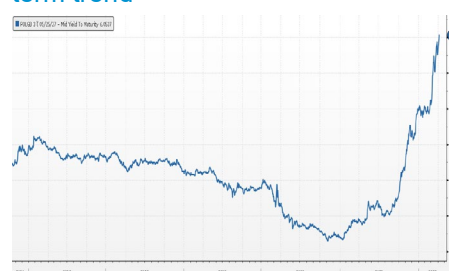
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg



### Foreign Exchange

Today in the morning the zloty was 0.2% weaker versus the USD, weakened by 0.2% versus the CHF and was 0.2% firmer versus the EUR compared to previous NBP fixing. The zloty initially firmed sharply after bigger than expected rate hike, but thereafter the PLN exchange rate stabilised at slightly weaker level than before MPC decision.

Today in the morning the EUR weakened by 0.2% versus the USD. RUB returned to its pre-invasion level versus the USD.

### Fixed Income

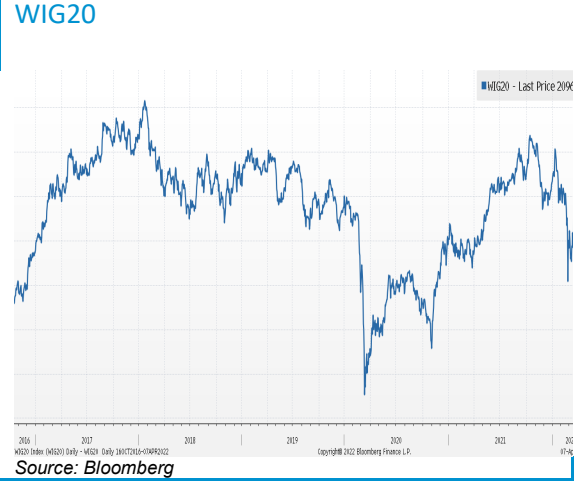
The yields on Poland's government bonds were 1-2bps up in all tenors.

### Interest Rates

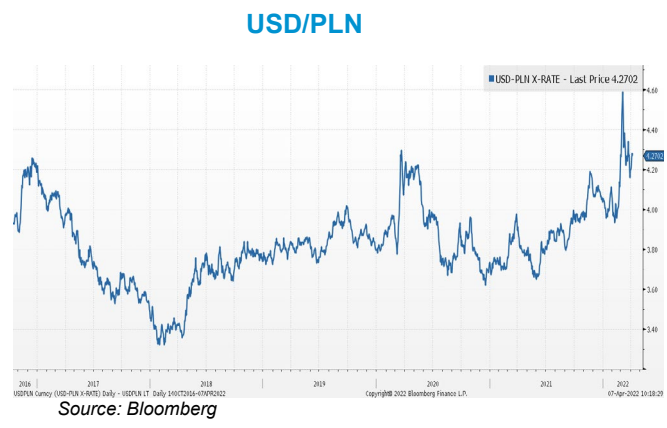
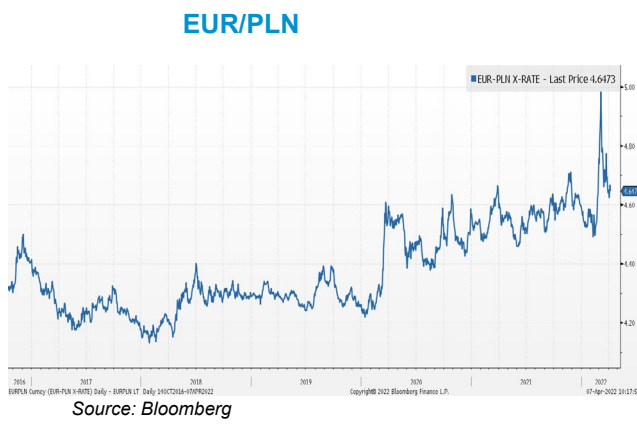
Swap rates were 3-5bps up across the curve.

### Equities

Yesterday the Dow Jones index closed 0.42% down and the S&P 500 index fell by 0.97%. Today in the morning the FTSE 100 index was 0.44% down, the CAC 40 index was 0.22% up and the DAX index was 0,02% up. The Nikkei index closed 1.69% down. Today in the morning the WIG index fell by 0.42% and the WIG20 index was 0.59% down.



### Medium term FX trends:





# Appendix 1

## Important Disclosures

### Additional information available upon request

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