



Poland Daily

HEADLINES:

POL: The Korea Hydro&Nuclear Power informed that an offer for construction of nuclear power plants submitted to Poland's government in April contained also proposals for cooperation in other areas as semi-conductors or hydrogen. The KHNP is interested in participation in construction of nuclear plants in Poland at various levels of capital and operational involvement.

POL: Government works on amendment to bill on renewable energy sources that are intended to develop market of bio-methane and biogas. In agriculture and food processing industries potential for bio-methane and biogas production is estimated at 7-8bn of m3 per annum. Development of market for bio-methane and biogas to its full potential combined with imports via Baltic pipe and LNG terminal in Świnoujście may allow for full independence from gas from Russia. Another potential source of gas fuel may be process of gasification of coal directly within deposits, developed by AGH technical university.

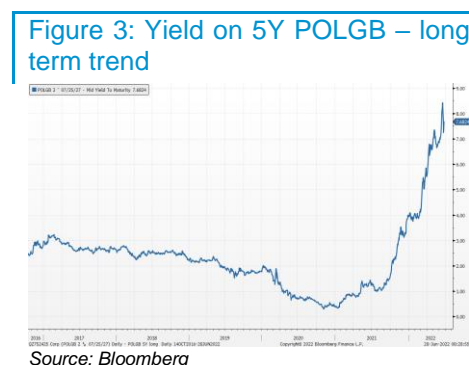
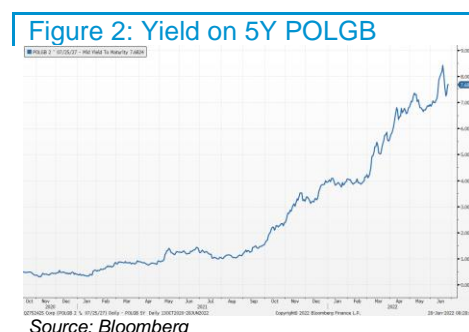
THE DAY AHEAD...

HUN: NBH decision

USA: Consumer confidence (Jun)

TODAY'S FOCUS:

Today Hungarian central bank holds policy meeting. DB expects the NBH to hike its policy rate by 50bps to 6.40%. In the US the Conference Board releases consumer confidence for June.



DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
HUN	12:00	NBH decision	6.40%		6.40%
USA	14:00	Consumer confidence (Jun)	99.9		100.0



Foreign Exchange

Today in the morning the zloty was 0.1% firmer versus the USD, the zloty was 0.2% weaker versus the CHF and was 0.1% firmer versus the EUR compared to the previous NBP fixing.

The USD was unchanged versus the EUR, compared to the previous NBP fixing.

Fixed Income

The yields on Poland's government bonds were 12 bps up in 2-year sector, rose by 17bps in 5-year one and increased by 15bps in 10-year sector. Yields on Poland's government bonds has been rising significantly for the second day in a row.

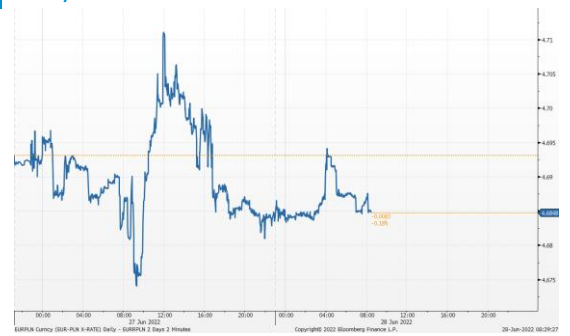
Interest Rates

PLN swap rates were 15-16bps up in all tenors following rise in yields on POLGBs.

Equities

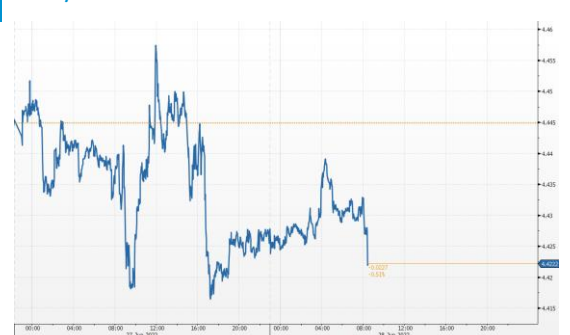
Yesterday the Dow Jones index closed 0.20% down and the S&P 500 index fell by 0.30%. Today in the morning the FTSE 100 index rose by 1.03%, the CAC 40 index was 1.14% up and the DAX index was 0.79% up. The Nikkei index closed 0.66% up. Today in the morning the WIG index rose by 1.26% and the WIG20 index was 1.72% up.

EUR/PLN



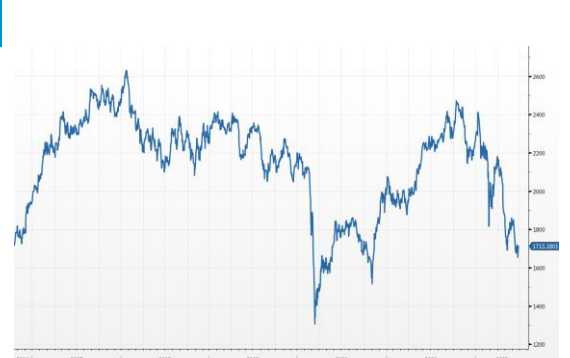
Source: Bloomberg

USD/PLN



Source: Bloomberg

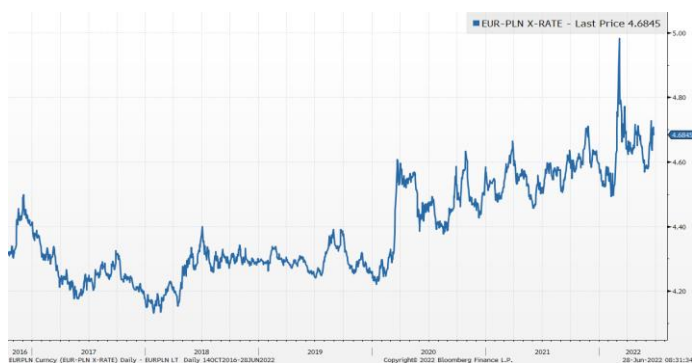
WIG20



Source: Bloomberg

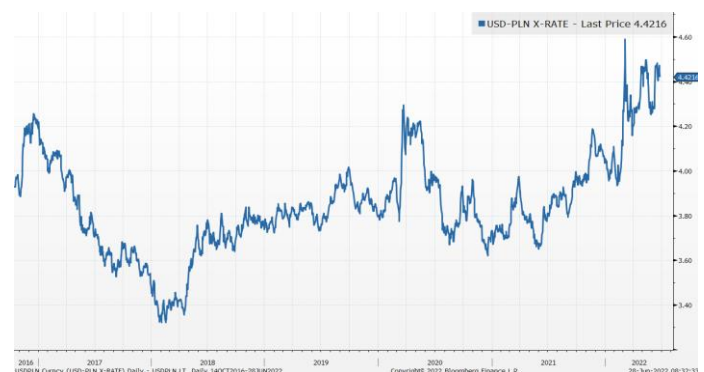
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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