



Poland Daily

HEADLINES:

POL: Today the MPC ends two-day policy meeting. We expect the Council to maintain settings of monetary policy unchanged. Most likely the MPC will confirm its stance that the current level of interest rates was appropriate and future decisions will be dependent on incoming data. The Council is likely to keep interest rates at the current level until inflation drops significantly and this will happen, in our view, in Q4 this year.

POL: The Ministry of Finance estimates that the real GDP growth rate in the fourth quarter of 2022 amounted to 2.1% y/y, consumption in the household sector decreased by 1.7% y/y in real terms and investments in fixed assets increased by 5.2% y/y in real terms.

THE DAY AHEAD...

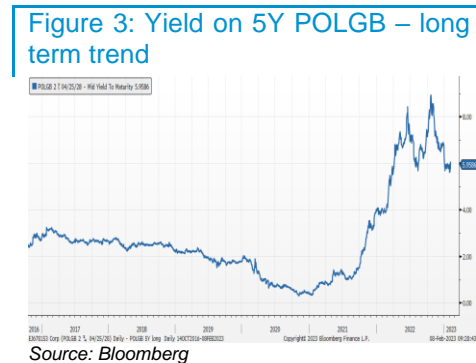
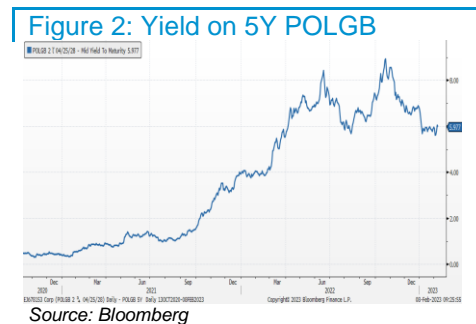
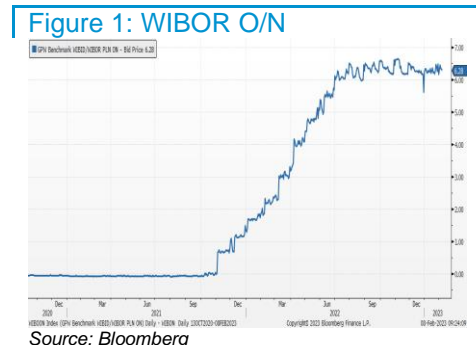
POL: MPC decision

HUN: Trade balance (Dec)

CZK: Unemployment rate (Jan)

TODAY'S FOCUS:

Today market participants will be focusing on MPC decision – a strong consensus prevails that the MPC won't change interest rates today. Today's economic calendar contains trade balance from Hungary and unemployment rate from Czech Republic.



DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
HUN	7:30	Trade balance (Dec)		-EUR154mn	
CZK	8:00	Unemployment rate (Jan)		3.9%	3.9%
POL		MPC decision	6.75%		6.75%



Foreign Exchange

Today in the morning the zloty was 0.5% firmer versus the USD, firmed by 0.1% versus the EUR and was 0.4% weaker versus the CHF compared to the previous NBP fixing. The zloty was 0.2% weaker versus the GBP. The zloty recovered part of its losses versus USD and EUR as EUR/USD rose to above 1.07 from a low of 1.0670 yesterday.

The USD weakened by 0.4% versus the EUR, despite comments from FOMC Chairman Powell that the Fed would likely hike more than market expected if CPI remained high or US labour market continued to be strong. Markets are in risk seeking mode due to signs of strength of US economy.

Fixed Income

The yields on Poland's government bonds were 10bps down in 2-year sector and fell by 15bps in 5-year and 10-year ones.

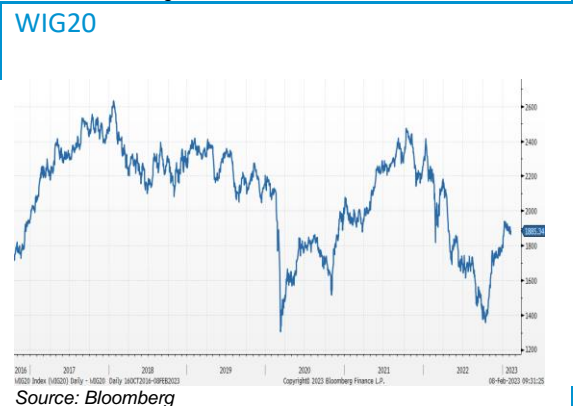
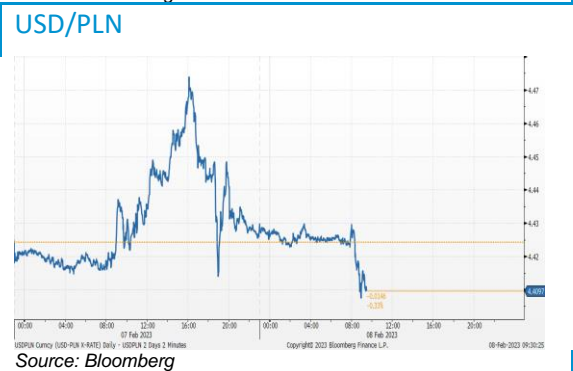
Poland priced EUR3.5bn of bonds denominated in EUR (EUR2.25bn of 10-year bonds priced 115bps above mid-swaps and EUR1.25bn of 20-year bonds priced 155bps above mid-swaps)

Interest Rates

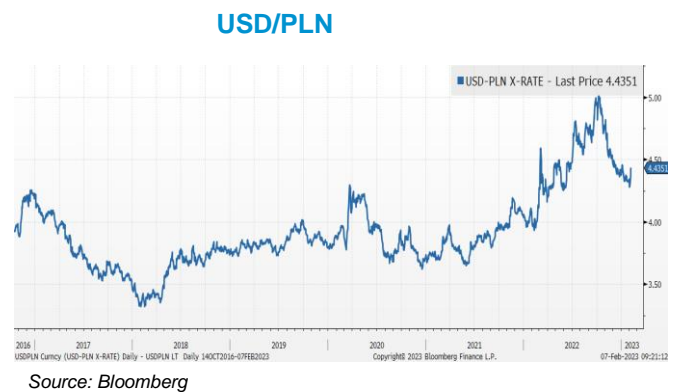
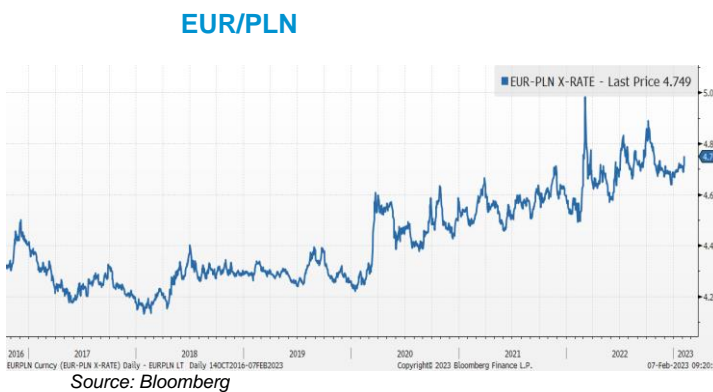
PLN swap rates were 6bps down in 2-year sector and fell by 10bps in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index closed 0.78% up and the S&P 500 index closed 1.29% up. Today in the morning the FTSE 100 index rose by 0.65%, the CAC 40 index was 0.48% up and the DAX index was 0.78% up. The Nikkei index closed 0.29% down. Today in the morning the WIG index rose by 0.95% and the WIG20 index was 1.12% up. Stock indices in Europe were rising today after robust earnings of companies in energy and banking sectors.



Medium term FX trends:





Appendix 1

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