



Poland Daily

HEADLINES:

POL: Industrial production in May fell by 0.8% month-on-month and increased by 4.1% year-on-year. Seasonally adjusted industrial production in May rose by 1.4% month-on-month and 4.4% year-on-year. According to preliminary data, in May this year, year-on-year growth in sold production (at constant prices) was recorded in 23 out of 34 industrial sectors, including the production of other transport equipment (up 60.5% year-on-year), waste management; recovery of raw materials (up 14.8% year-on-year), the generation and supply of electricity, gas, steam, and hot water (up 13.7% year-on-year), the production of products from other non-metallic mineral raw materials (up 12.2% year-on-year), beverages, and paper and paper products (both up 11.8% year-on-year), machinery and equipment (up 5.7% year-on-year), and computers, electronic and optical products (up 5.3% year-on-year). A drop in sold industrial production compared to May of last year occurred in 11 sectors, including the production of textiles (down 10.8% year-on-year), furniture (down 7.1% year-on-year), and motor vehicles, trailers, and semi-trailers (down 4.4% year-on-year).

THE DAY AHEAD...

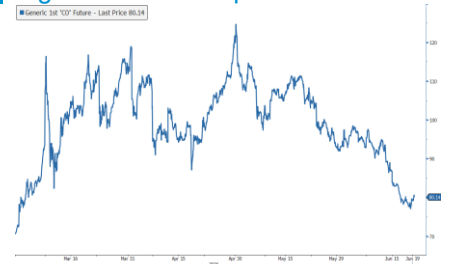
POL: Industrial production (May)

UK: Retail sales (May)

TODAY'S FOCUS:

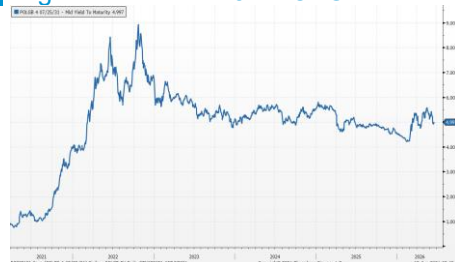
Today, the economic calendar contains Poland's industrial production for May and the UK's retail sales for May. Market participants are focusing on the postponement of the start of talks between the US and Iran regarding Iran's nuclear program.

Figure 1: Brent oil price



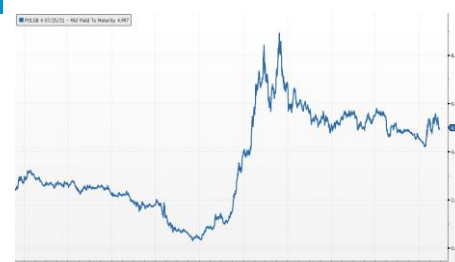
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

DIARY (Today)

Country	CET	Release	DB Expected	Actual	Consensus
UK	8:00	Retail sales (May)		1.2% (3.2%)	0.5% (1.8%)
POL	9:30	Industrial production (May)	(2.5%)	-0.8% (4.1%)	-2.2% (2.8%)



Foreign Exchange

This morning, the zloty was 0.5% weaker against the USD and 0.2% weaker against the EUR compared to yesterday's fixing. The zloty was 0.2% stronger against the CHF and 0.1% weaker against the GBP compared to yesterday's fixing.

This morning, the USD was 0.3% stronger against the EUR, the CHF was 0.3% weaker against the EUR, and the USD was 0.4% stronger against the GBP compared to yesterday's fixing. The USD is strengthening after the Fed's tone shifted towards a more hawkish stance.

Fixed Income

This morning, the yield on Polish government bonds went up by 4 basis points in the 2-year sector and increased by 5 and 3 basis points in the 5-year and 10-year sectors, respectively.

Interest Rates

This morning, swap rates went up by 4 bps in the 2-year sector, rose by 5 bps in the 5-year sector, and increased by 4 bps in the 10-year sector.

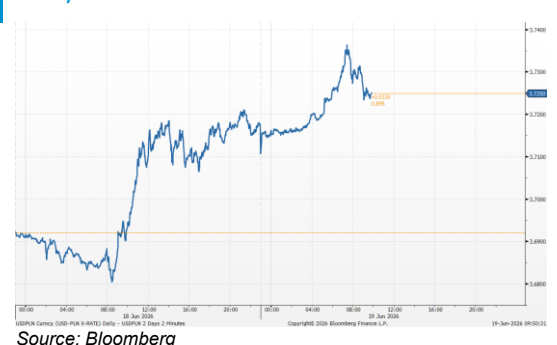
Equities

Yesterday at the close, the Dow Jones index rose by 0.14%, the S&P 500 went up 1.08%, and the NASDAQ increased by 1.91%. This morning, the FTSE 100 index rose by 0.06%, the CAC 40 was up 0.29%, and the DAX increased by 0.45%. The Nikkei index went up 0.28% at the close. This morning, the WIG index fell by 0.24%, and the WIG20 was down 0.29%.

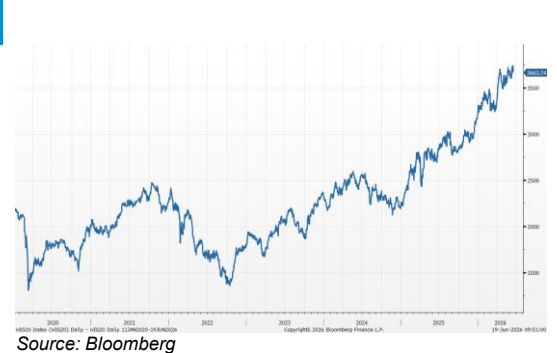
EUR/PLN



USD/PLN

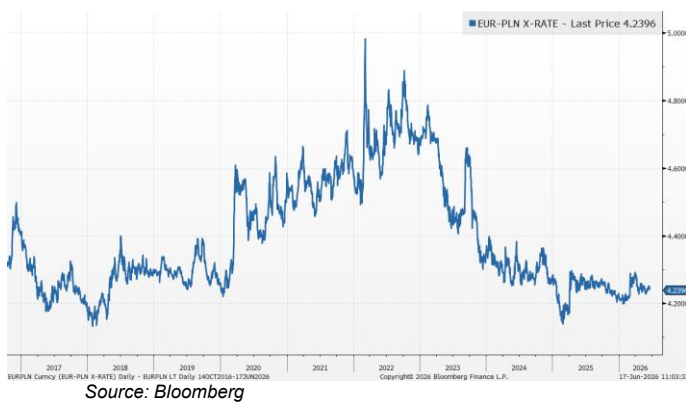


WIG20

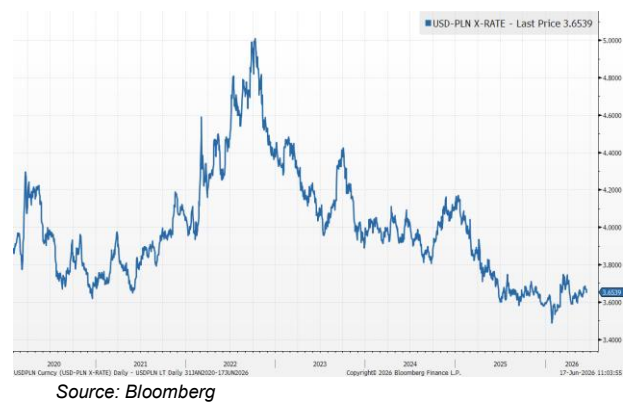


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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