



Poland Daily

HEADLINES:

POL: New orders in industry increased in May this year by 143.3% year-on-year and went up by 135.1% month-on-month after a rise of 1.7% year-on-year in April. The strong growth in new industrial orders concerns the domestic market, as new export orders in May went up by 6.2% year-on-year and increased by 2.1% month-on-month.

POL: The M3 money supply rose in May by 0.7% month-on-month and increased by 11.0% year-on-year.

POL: The registered unemployment rate in May fell to 5.9% from 6.0% in April, due to seasonal work in catering and agriculture.

THE DAY AHEAD...

POL: Unemployment rate (May)

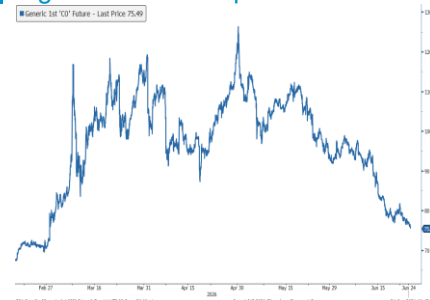
DEU: IFO (Jun)

USA: New home sales (maj)

TODAY'S FOCUS:

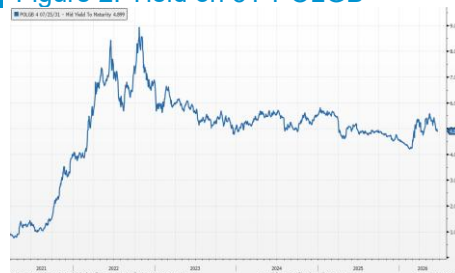
Today, the economic calendar contains Poland's registered unemployment rate for May, German IFO for June and US new home sales for May.

Figure 1: Brent oil price



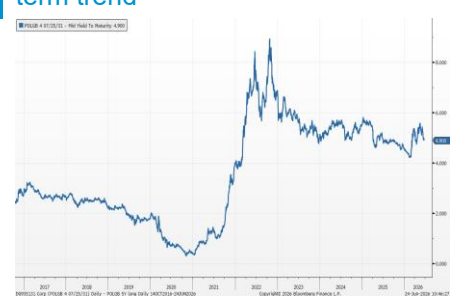
Source: Bloomberg

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
POL	9:30	Unemployment rate (May)	5,9%	5,9%	5,9%
DEU	10:00	IFO (Jun)		85,6	85,5
USA	16:00	New home sales (May)	650k		640k.



Foreign Exchange

This morning, the zloty was weaker by 0.6% against the USD and 0.1% weaker against the EUR compared to yesterday's fixing. The exchange rate was 0.4% weaker against the CHF and 0.4% weaker against the GBP compared to yesterday's fixing. The zloty weakened in response to a strengthening US dollar.

This morning, the USD was 0.5% stronger against the EUR, the CHF was 0.3% stronger against the EUR, and the USD strengthened by 0.2% against the GBP compared to yesterday's fixing. The USD is gaining on expectations that the Fed's next move could be an interest rate hike.

Fixed Income

This morning, the yield on Polish government bonds fell by 1 basis point in the 2-year and 5-year sectors. At today's auction, the Ministry of Finance is offering government bonds with a total value of 7-12 billion PLN.

Interest Rates

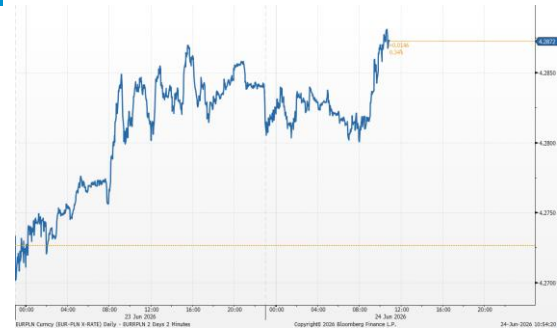
This morning, swap rates fell by 1-2 basis points across the entire curve.

Equities

Yesterday at the close, the Dow Jones fell by 0.09%, the S&P 500 dropped by 1.44%, and the NASDAQ fell by 2.21%. US indices were down due to a sell-off in tech stocks. This morning, the FTSE 100 fell by 0.06%, the CAC 40 was up by 0.09%, and the DAX dropped by 0.77%. The Nikkei fell by 0.88% at the close, while the Hang Seng closed 0.33% higher. This morning, the WIG fell by 0.54% and the WIG20 was down 0.75%.

Medium term FX trends:

EUR/PLN



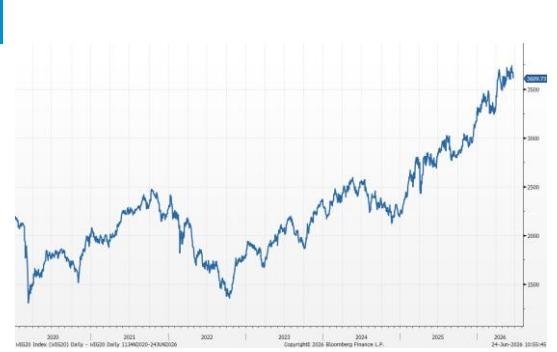
Source: Bloomberg

USD/PLN



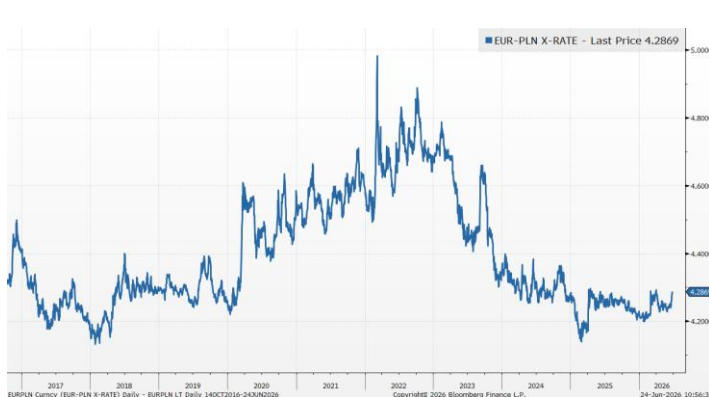
Source: Bloomberg

WIG20



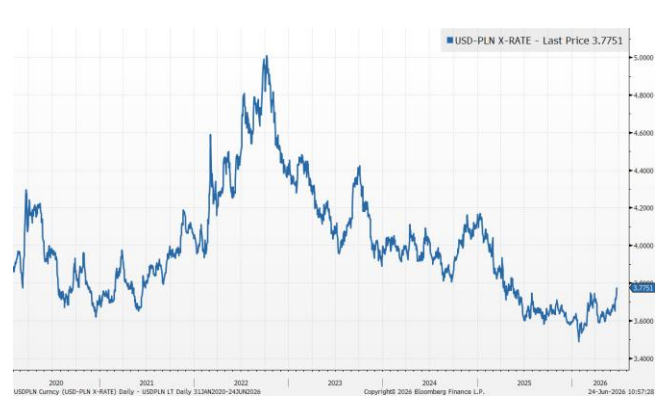
Source: Bloomberg

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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