



Poland Daily

HEADLINES:

POL: NBP President Adam Glapinski, informed at press conference that the MPC was determined to fight inflation and added that in the coming months one can expect further rate hikes. He said that while all MPC members were currently hawkish – there held different opinions concerning the pace of tightening and therefore further MPC decisions would be data-dependent. NBP President underlined that Poland couldn't afford for a rise in unemployment, due to high social costs. In NBP's opinion war in Ukraine will add two percentage points to Poland's inflation but won't cause recession. NBP still signals it may intervene in FX market, in order to counteract speculative movements in exchange rate. NBP President said the zloty exchange rate in longer term should return to its equilibrium, what would mean much stronger PLN than currently. NBP President informed that the NBP conducted talks with major central banks (Fed, ECB and SNB) on currency swaps in order to have more room for manoeuvre in FX market. In his opinion risk of stagflation now in Poland is low – high inflation can be expected but economic stagnation is unlikely unless there are further major external shocks to growth. NBP President informed that the MPC meetings might be held twice a month but there was no need for it then. March inflation report will be published this Friday.

THE DAY AHEAD...

POL: minutes from MPC meeting

EMU: ECB meeting

USA: CPI (Feb), initial jobless claims

TODAY'S FOCUS:

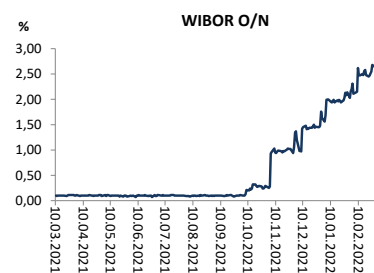
Today economic calendar contains ECB meeting, US CPI for February and initial jobless claims and Poland's minutes from MPC meeting. Important political events today comprise Russia-Ukraine talks in Turkey and EU summit in Versailles.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
EMU	12:45	ECB decision	0,00%		0,00%
POL	13:00	Minutes form MPC meeting			
USA	13:30	Initial jobless claims	222 tys.		217 tys.
USA	13:30	CPI (Feb)	0,7%		0,8% (7,9%)

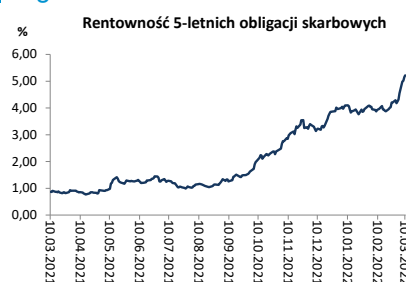
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



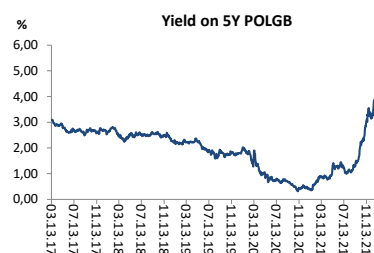
Source: Bloomberg

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 1.8% firmer versus the USD, firmed by 1.7% versus the CHF and was 1.0% firmer versus the EUR compared to previous NBP fixing. Market participants hopes for de-escalation of war in Ukraine.

Today in the morning the EUR firmed by 0.8% versus the USD as the risk of escalation of Russia-Ukraine war diminished.

Fixed Income

The yields on Poland's government bonds were 4-6bps up in all tenors. .

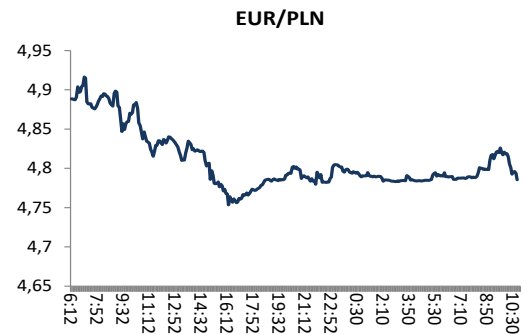
Interest Rates

Swap rates were 4bps up in 2-year tenor and rose by 2-3bps elsewhere.

Equities

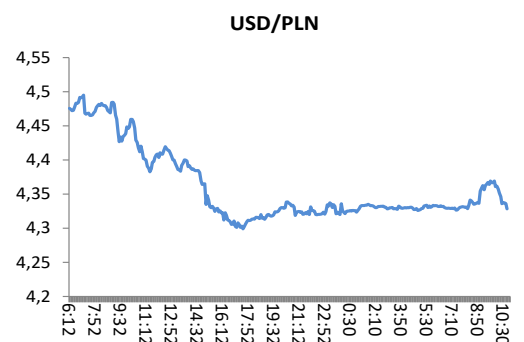
Yesterday the Dow Jones index closed 2.00% up and the S&P 500 index rose by 2.57%. Today in the morning the FTSE 100 index was 0.83% down, the CAC 40 index was 1.64% down and the DAX index was 1.75% down. The Nikkei index closed 3.94% up. Today in the morning the WIG index rose by 0.32% and the WIG20 index was 0.32% up.

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg

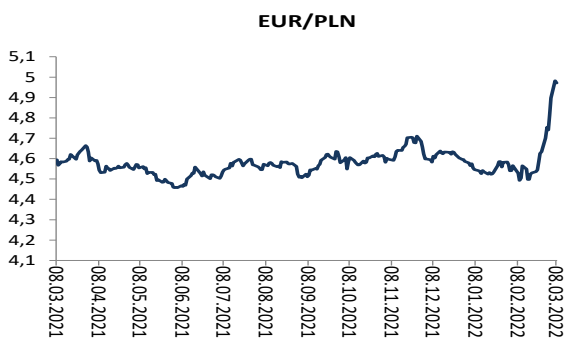
WIG20



Source: Bloomberg

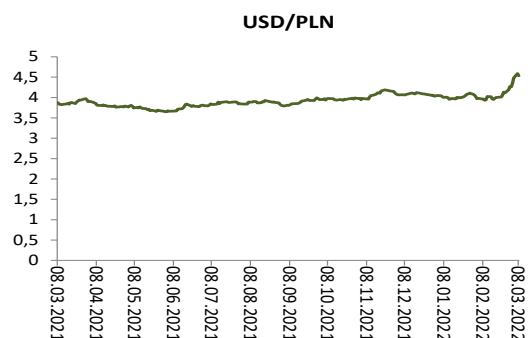
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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