



Poland Daily

HEADLINES:

POL: Yesterday Sejm appointed NBP President Adam Glapinski for his second six-year term. 234 members of parliament voted for and 223 members of parliament voted against, nobody abstained.

POL: In April CPI index rose by 2.0% m/m and increased by 12.4% y/y (versus initial estimate of 12.3% y/y). Food prices had the highest impact on inflation, rising 4.1% m/m and 12.7% y/y and contributing 1.09 perc. point to monthly inflation. Housing and energy costs were second source of inflation, rising 1.7% m/m and 8.6% y/y and contributing 0.38 perc. point to monthly inflation. In turn footwear and clothing prices added 0.13 perc. point to monthly inflation and were up 3.0% m/m and 3.7% y/y while prices of recreation and culture added 0.12 perc. point to monthly inflation, increasing 2.0% y/y and 9.3% y/y.

THE DAY AHEAD...

POL: Inflation (Apr), balance of payments (mar)

USA: Consumer confidence (May)

TODAY'S FOCUS:

Today economic calendar contains final CPI for April and balance of payments for March from Poland and University of Michigan consumer confidence for May.

Figure 1: WIBOR O/N

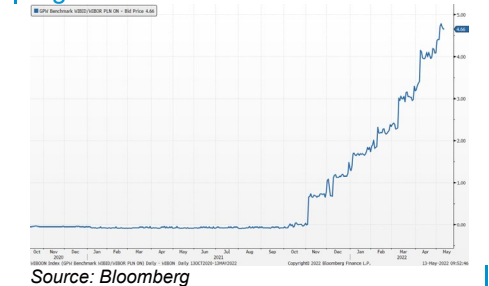


Figure 2: Yield on 5Y POLGB

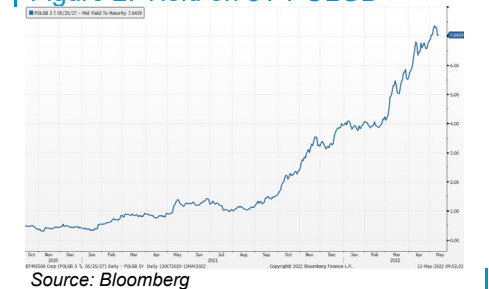
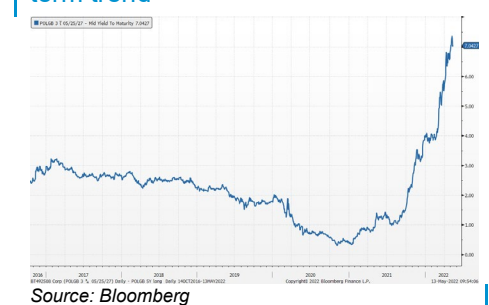


Figure 3: Yield on 5Y POLGB – long term trend



DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Inflation (Apr)	2.0% (12.3%)	2.0% (12.3%)	2.0% (12.3%)
POL	12:00	Current account (Mar)	-EUR2561m		-EUR2869m
POL	12:00	Trade balance (Mar)	-EUR2200m		-EUR2088m
USA	14:00	Consumer confidence (May)	64.0		64.0



Foreign Exchange

Today in the morning the zloty was 0.3% firmer versus the EUR and CHF and weakened by 0.1% versus the USD, compared to previous fixing.

The USD firmed by 0.3% versus the EUR. Yesterday EUR/USD fell to 1.0354, the lowest level in 5 years.

Fixed Income

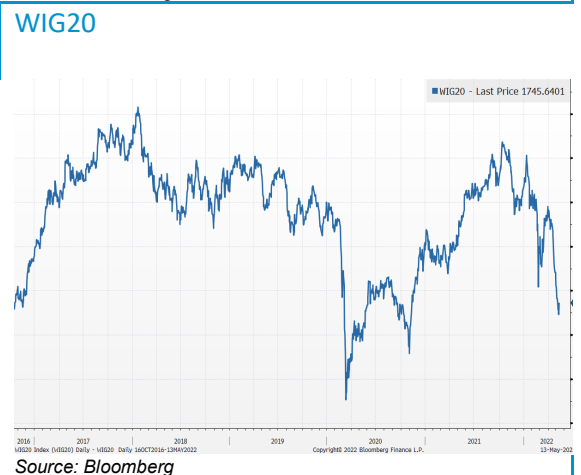
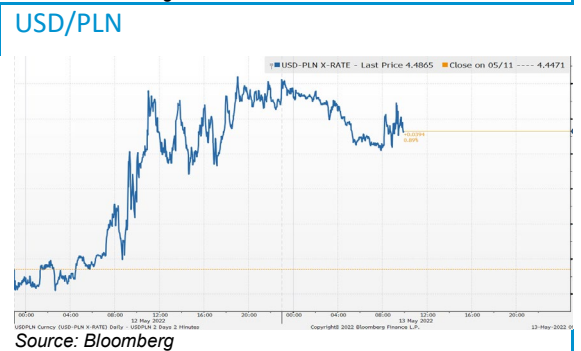
The yields on Poland's government bonds were 1 bps down in 2-year sector and fell by 3 and 2 bps respectively in 5-year and 10-year ones. Yesterday at switching auction the Finance Ministry sold POLGBs series OK0724, PS0527, WZ1127, WZ1131, WS0428 and DS0432 worth total PLN5.21bn versus PLN6.12bn demand.

Interest Rates

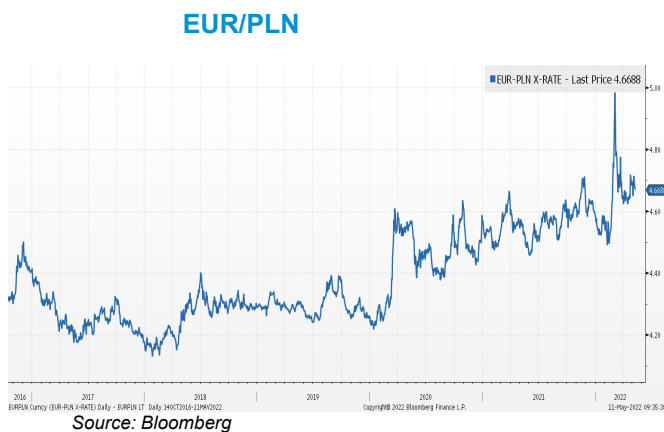
PLN swap rates were 4bps up in 2-year and 5-year sectors and rose by 5bps in 10-year one.

Equities

Yesterday the Dow Jones index closed 0.33% down and the S&P 500 index fell by 0.13%. Today in the morning the FTSE 100 index was 1.40% up, the CAC 40 index was 1.47% up and the DAX index was 1.43% up. The Nikkei index closed 2.64% up. Today in the morning the WIG index rose by 2.96% and the WIG20 index was 3.28% up. Stock markets were positively affected by comment from Fed Chairman Powell that 50 bps hikes would be appropriate at next two FOMC meetings.



Medium term FX trends:





Appendix 1

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