



Poland Daily

HEADLINES:

POL: Real GDP growth for Q4 2022 was confirmed at -2.4% q/q and 2.0% y/y. In Q4 consumption in households' sector fell by 1.5% y/y and consumption in public sector declined by 1.6% y/y. Accumulation rose by 8.0% y/y due to strong increase in inventory investments while investments in fixed assets rose by 4.6% y/y. In Q4 2022 exports rose by 2.0% y/y while imports increased by only 0.2% y/y what resulted in net exports contribution to GDP growth of 0.9 percentage points. In Q4 private demand was cooled down as households' purchasing power was reduced by high inflation of prices of necessities (energy, housing, food) and public demand was reduced by declining tax revenues and high energy costs.

POL: In December 2022 State Treasury debt amounted to PLN1238.5bn (40.4% of GDP) and increased by PLN27.6bn (up 2.3% m/m) in December and rose by PLN100.4bn (up 8.8% y/y) versus December 2021. In December 2022 a share of FX debt in total debt was 23.3% remaining unchanged m/m and versus the end of 2021. In December 2022 State Treasury debt held by non-residents amounted to 33.2% and fell by 0.5 perc. point m/m and rose by 1.1 perc. points versus the end of 2021.

THE DAY AHEAD...

POL: PMI manufacturing (Feb)

HUN: PMI manufacturing (Feb)

CZK: PMI manufacturing (Feb)

DEU: PMI manufacturing (Feb), CPI (feb)

EMU: PMI manufacturing (Feb)

TODAY'S FOCUS:

Today economic calendar contains a series of manufacturing PMIs for February (from Poland, Hungary, Czechia, Germany and euro-zone) and CPI for February from Germany.

DIARY (Today)

Figure 1: WIBOR O/N

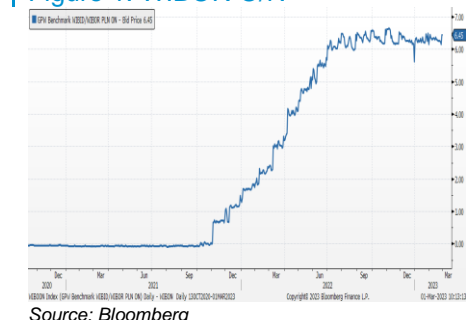
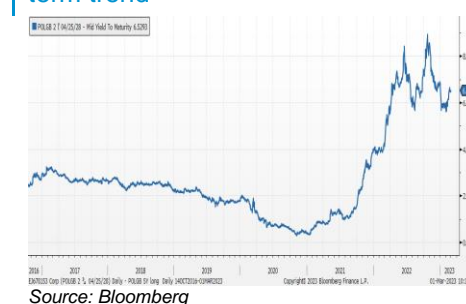


Figure 2: Yield on 5Y POLGB



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



Country	GMT	Release	DB Expected	Actual	Consensus
HUN	8:00	PMI manufacturing (Feb)		56.5	53.3
POL	8:00	PMI manufacturing (Feb)	47.3	48.5	48.0
CZK	8:30	PMI manufacturing (Feb)		44.3	45.0
DEU	8:55	PMI manufacturing (Feb)		46.3	46.5
EMU	9:00	PMI manufacturing (Feb)		48.5	48.5
DEU	13:00	CPI (Feb)			0.5% (8.5%)



Foreign Exchange

Today in the morning the zloty was 0.9% firmer versus the USD, firmed by 0.5% versus the EUR and was 0.9% firmer versus the CHF compared to the previous NBP fixing. The zloty was 0.9% firmer versus the GBP. PLN firmed after better than expected manufacturing PMI for February.

The USD weakened by 0.4% versus the EUR, compared to the previous NBP fixing ahead of release of preliminary CPI for February from Germany.

Fixed Income

The yields on Poland's government bonds were 2bps up in 2-year sector, rose by 6bps in 5-year one and were 8bps up in 10-year one. At auction yesterday BGK bank sold covid-relief bonds worth total PLN1.32bn. The Finance Ministry informed that Poland financed 61% of its funding needs for 2023 and liquidity buffer amounted to PLN113bn in the end of February.

Interest Rates

PLN swap rates were 7bps up in 2-year sector and rose by 10bps in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index closed 0.71% down and the S&P 500 index closed 0.30% down. Today in the morning the FTSE 100 index rose by 0.43%, the CAC 40 index was 0.40% up and the DAX index was 0.41% up. The Nikkei index closed 0.26% up. Today in the morning the WIG index rose by 0.14% and the WIG20 index was 0.77% up.

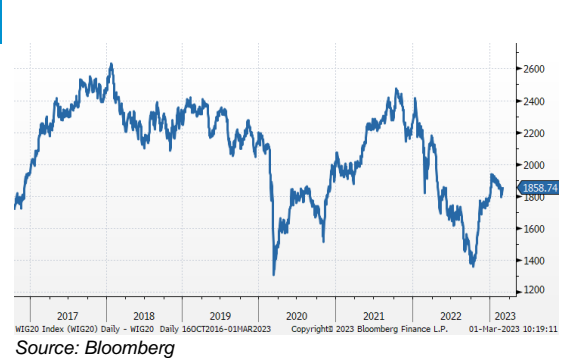
EUR/PLN



USD/PLN

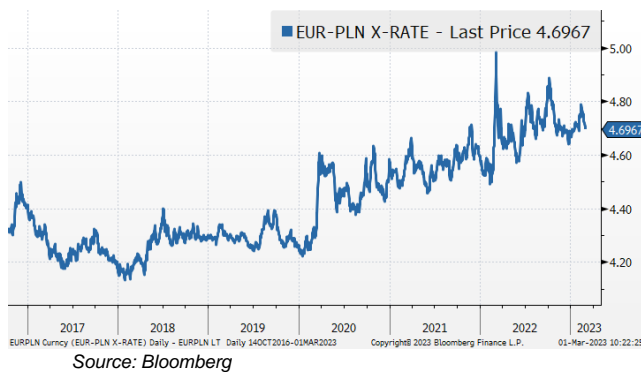


WIG20

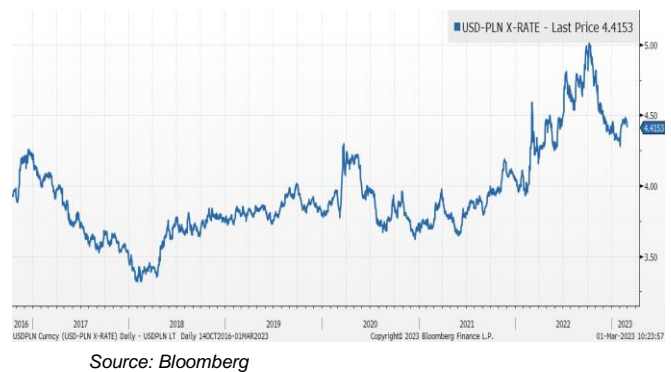


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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