



Poland Daily

HEADLINES:

POL: NBP President Adam Glapinski at press conference informed that the MPC didn't end tightening cycle and added that the NBP decisions would continue to be data dependent. He said that if inflation fell below 10%, the central bank would start discussing rate cut that might happen in Q4 this year. NBP President Glapinski expects CPI to reach peak in February and then to start falling rapidly in the coming months. He expect inflation to decline to 6-7% range in the year end versus 7.5% level envisaged by the NBP. NBP President expressed a view that core inflation won't rise significantly and added that core CPI was not a cause of inflationary pressure in Poland. In his view the zloty will remain firm due to strong fundamentals of Poland's economy.

THE DAY AHEAD...

POL: NBP Inflation report, minutes from MPC meeting

DEU: CPI (Feb)

CZK: CPI (Feb)

USA: Employment report (Feb)

TODAY'S FOCUS:

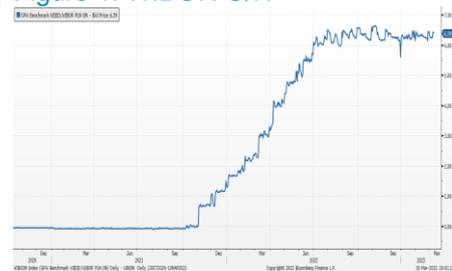
Today market participants will focus on US employment report for February, CPI for February from Germany and Czechia and on NBP Inflation report.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	7:00	CPI (Feb)		0.8% (8.7%)	0.8% (8.7%)
CZK	8:00	CPI (Feb)		0.6% (16.7%)	0.5% (16.6%)
POL	9:00	Inflation report (Mar)			
POL	13:00	Minutes from MPC meeting			
USA	13:30	Change in non-farm payrolls (Feb)	300k		225k
USA	13:30	Unemployment rate (Feb)	3.4%		3.4%

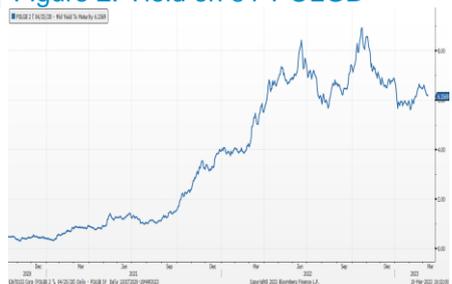
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



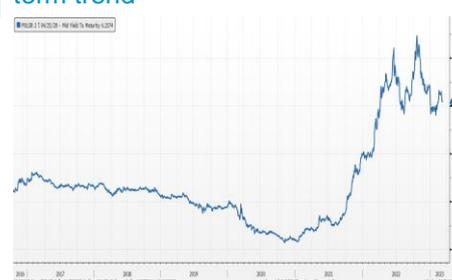
Source: Bloomberg

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 0.3% firmer versus the USD, remained unchanged versus the EUR and was 0.5% weaker versus the CHF compared to the previous NBP fixing. The zloty was 0.4% weaker versus the GBP.

The USD was 0.3% weaker versus the EUR, compared to the previous NBP fixing.

Fixed Income

The yields on Poland's government bonds fell by 5bps in 2-year sector, fell by 3bps in 5-year sector and fell by 6bps in 10-year one.

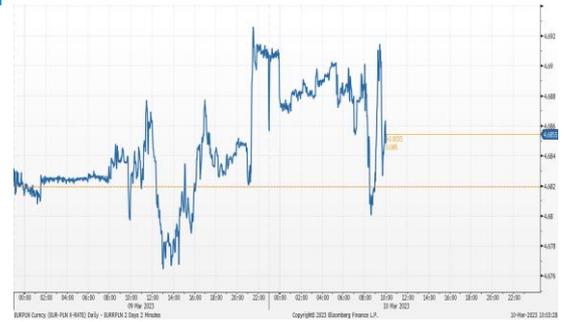
Interest Rates

PLN swap rates were 6bps down in 2-year sector and declined by 10bps in 5-year and 10-year ones.

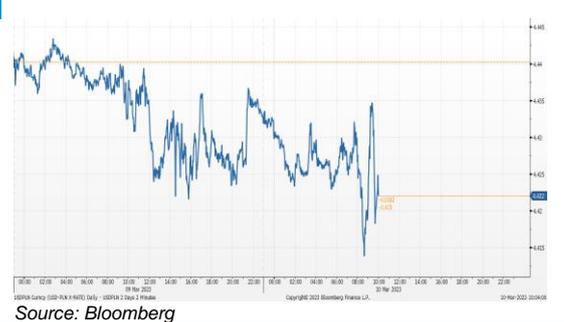
Equities

Yesterday the Dow Jones index closed 1.66% down and the S&P 500 index closed 1.85% down. Today in the morning the FTSE 100 index fell by 1.88%, the CAC 40 index was 1.73% down and the DAX index was 1.68% down. The Nikkei index closed 1.67% down. Today in the morning the WIG index fell by 1.47% and the WIG20 index was 1.63% down. Equity indices were falling ahead of release US employment report and on concerns in US banking system.

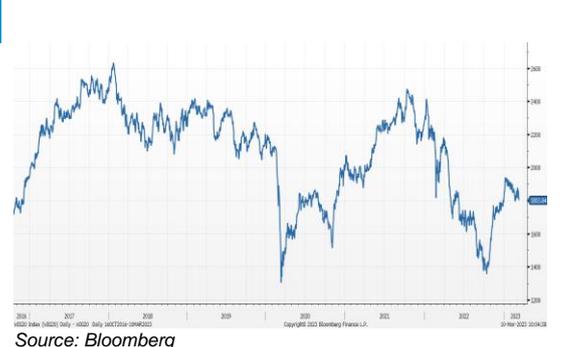
EUR/PLN



USD/PLN



WIG20



Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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