



# Poland Daily

## HEADLINES:

POL: In January inflation amounted to 1.2% m/m and 2.7% y/y, increasing from 2.4% y/y in December. In January food prices rose by 1.6% m/m and were 1.3% up y/y, housing prices rose by 2.5% m/m and were 6.4% up y/y while transport prices rose by 1.3% m/m and were 3.7% down y/y. An increase in food prices in January stemmed partially from introduction of sugar tax while rising fuel prices were caused by rising oil prices due to improving demand. An increase in inflation in January will shift up whole inflation path for 2021 – we estimate that inflation in 2H2021 will be moving within a range of 3.0%-3.6% y/y and should amount to 3.1% y/y in December 2021.

POL: In the period of January-December 2020 exports (calculated on a customs basis) fell by 0.3% y/y to EUR237.5bn while imports fell by 4.8% y/y to EUR225.2bn what resulted in trade surplus of EUR12.0bn. In 2020 Poland's trade surplus in trade with the European Union was EUR51.2bn while Poland's trade surplus in trade with euro-zone was EUR34.5bn.

POL: In December there was EUR430mn surplus in the current account and EUR333mn trade surplus, much below market expectations.

## THE DAY AHEAD...

EMU: GDP (Q4)

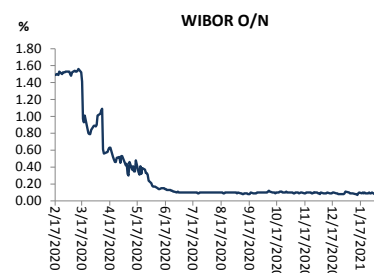
HUN: GDP (Q4)

DEU: ZEW (Feb)

## TODAY'S FOCUS:

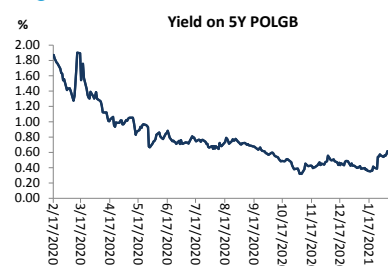
Today economic calendar contains Q4 GDP from euro-zone and Hungary and ZEW economic expectations index from Germany for February.

Figure 1: WIBOR O/N



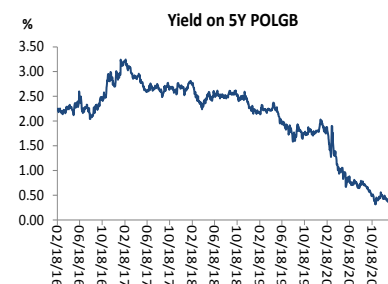
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

## DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
HUN	8:00	GDP (Q4)		1.1% (-3.7%)	-0.5% (-5.6%)
EMU	10:00	GDP (Q4)	-0.7% (-5.1%)	-0.6% (-5.0%)	-0.7% (-5.1%)
DEU	10:00	ZEW expectations (Feb)		71.2	59.5



### Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.1% weaker versus the EUR compared to the previous NBP fixing. The zloty should be moving in a range of 4.4800-4.5000 PLN per EUR today.

Today in the morning the EUR firmed by 0.1% versus the USD.

### Fixed Income

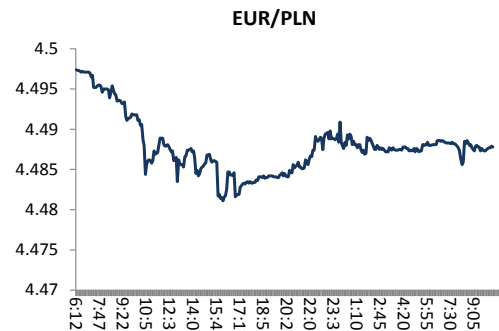
The yields on Poland's government bonds stabilised after rising by 5 bps as inflation for January surprised on the upside.

### Interest Rates

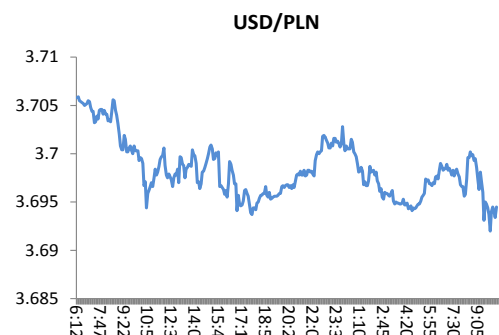
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were unchanged after upward move yesterday in tandem with yields on POLGBs.

### Equities

Today in the morning the FTSE 100 index was 0.38% up, the CAC 40 index was 0.03% up and the DAX index was 0.11% down. The Nikkei index closed 1.28% up. Today in the morning the WIG index was 1.08% up and the WIG20 index was 1.17% up.



Source: Bloomberg

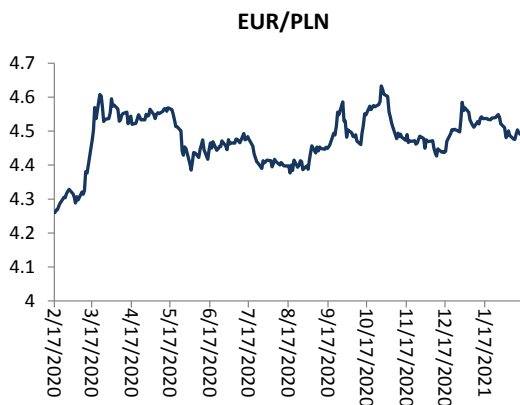


Source: Bloomberg



Source: Bloomberg

### Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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