



Poland Daily

HEADLINES:

POL: Today market participants will focus on press conference of NBP President Adam Glapinski. Market participants will be particularly interested in his comments concerning fast increasing inflation and potential reaction of the central bank to it. It follows from communique after the MPC meeting that the Council is ready to accept transitory rise in inflation, if only inflation starts to stabilize in coming quarters. An open question remains, how long the MPC may tolerate rising inflation, keeping real interest rates at record low levels. Due to the fact that monetary policy actively joined to government's policy of alleviating negative effects of lockdowns through (1) cuts in interest rates and (2) funding of government's rescue programmes via structural operations, for the NBP it will be very difficult to react to rising inflation regardless its causes are dependent or independent from monetary policy.

THE DAY AHEAD...

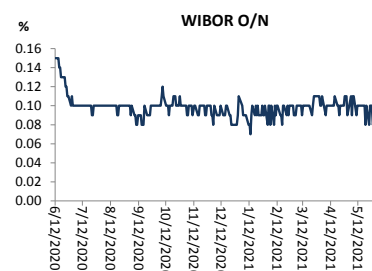
POL: press conference of NBP President, minutes from MPC meeting

USA: Univ. of Michigan consumer sentiment (Jun)

TODAY'S FOCUS:

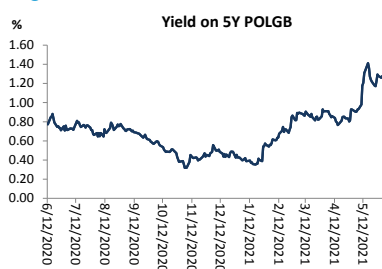
Today economic calendar contains press conference of NBP President, publication of minutes from MPC meeting and US consumer confidence for June.

Figure 1: WIBOR O/N



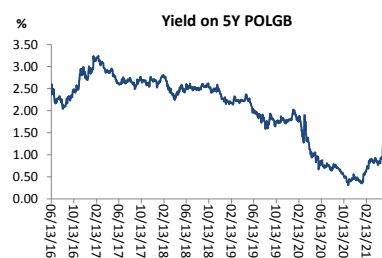
Source: Bloomberg

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
POL	12:00	Minutes from MPC meeting			
POL	13:00	Press conference of NBP President			
USA	14:00	Univ. of Michigan consumer sentiment (Jun)	89.0		84.4



Foreign Exchange

Today in the morning the zloty was 0.2% firmer 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 4.4600-4.4850 PLN per EUR today.

Today in the morning the USD remained steady versus the EUR despite much higher than expected US inflation and core inflation for May.

Fixed Income

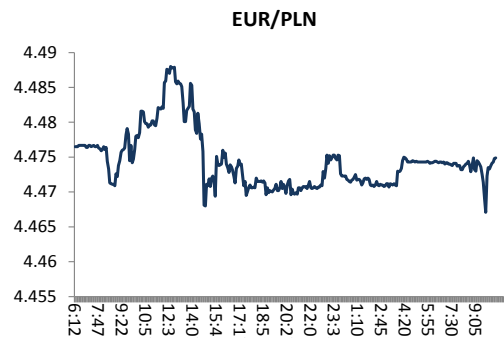
The yields on Poland's government bonds were 3bps down in 2-year and 5-year sectors and were 4bps down in 10-year sector. Today at switching auction the Finance Ministry will offer government bonds series OK0423, PS1026, WZ1126, DS0432 and WZ1131.

Interest Rates

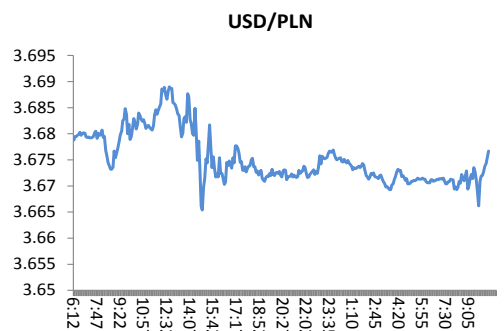
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 5-6bps down in all tenors.

Equities

Yesterday the Dow Jones index closed 0.06% up and the S&P 500 index rose by 0.47%. Today in the morning the FTSE 100 index was 0.51% up, the CAC 40 index was 0.38% up and the DAX index was 0.05% up. The Nikkei 225 index closed 0.03% down. Today in the morning the WIG index was 0.11% down and the WIG20 index was 0.21% down.



Source: Bloomberg

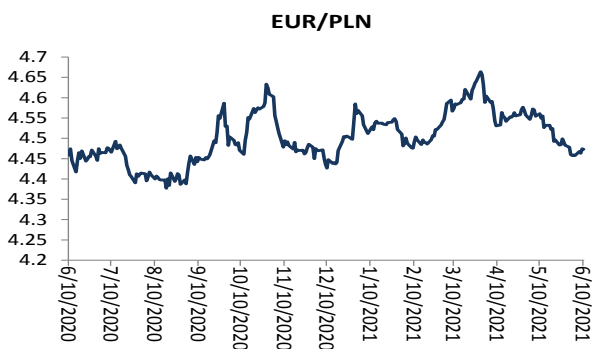


Source: Bloomberg

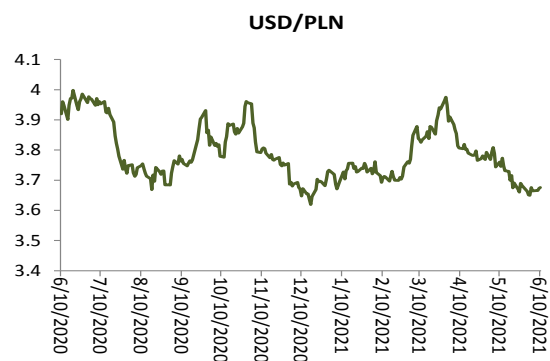


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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