



# Poland Daily

## HEADLINES:

**POL:** Core inflation for May amounted to 0.3% m/m and 4.0% y/y versus 3.9% y/y in April. Relatively robust increase in monthly core inflation stemmed from hikes in prices of services. Fuel prices that are excluded from core CPI, in May reduced monthly headline inflation and this effect was absent in core CPI. A rise in services' prices in May was particularly visible in hotels and restaurants, that were experiencing rising operating costs due to higher wages. Pent-up demand also had some influence on services' prices.

**USA:** At the meeting yesterday the FOMC changed its stance towards more hawkish one. Dot-plot revealed that consensus within the Fed shifted towards two rate hikes in 2023 from steady rates expected in 2023 in March. DB expects first hike in Q3 2023 and announcing of lift-off in the middle of 2021.

## THE DAY AHEAD...

CHF: SNB decision

NOK: Norges Bank decision

USA: initial jobless claims

## TODAY'S FOCUS:

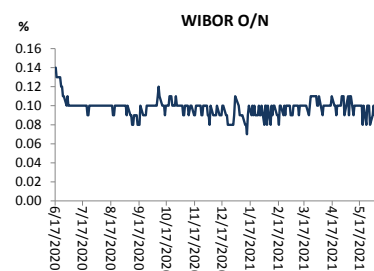
Today economic calendar contains monetary policy decisions from Switzerland and Norway (we expect a hike by Norges Bank this fall) and US initial jobless claims.

## DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
CHF	7:00	SNB decision	-0.75%	-0.75%	-0.75%
NOK	8:00	Norges Bank decision	0.00%	0.00%	0.00%
USA	12:30	Initial jobless claims	369k		360k.

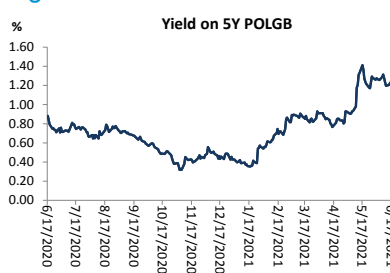
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



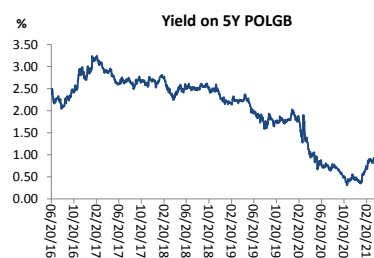
Source: Bloomberg

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 1.5% weaker versus the USD and was unchanged versus the EUR compared to the previous NBP fixing. The zloty sharply weakened versus the USD after the Fed changed its stance towards more hawkish one. The zloty should be moving in a range of 4.5200-4.5400 PLN per EUR today.

The USD firmed by 1.5% the EUR as the Fed changed assumed more hawkish stance at the meeting yesterday.

## Fixed Income

The yields on Poland's government bonds were 6bps up in 2-year and 5-year sectors and rose by 4bps in 10-year one following an increase in yields on US Treasuries.

## Interest Rates

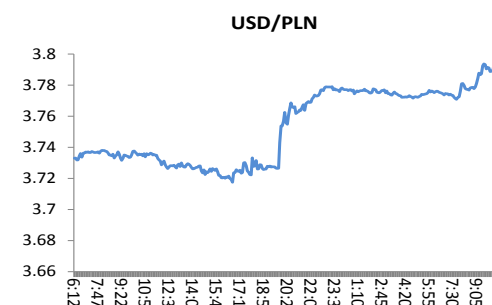
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 7bps up in 2-year and 5-year sectors and rose by 4bps in 10-year one.

## Equities

Yesterday the Dow Jones index closed 0.77% down and the S&P 500 index fell by 0.54%. Today in the morning the FTSE 100 index was 0.43% down, the CAC 40 index was 0.15% down and the DAX index was 0.18% down. The Nikkei 225 index closed 0.93% down. Today in the morning the WIG index was 0.46% down and the WIG20 index was 0.55% down. Equity indices fell as Fed assumed more hawkish stance.



Source: Bloomberg

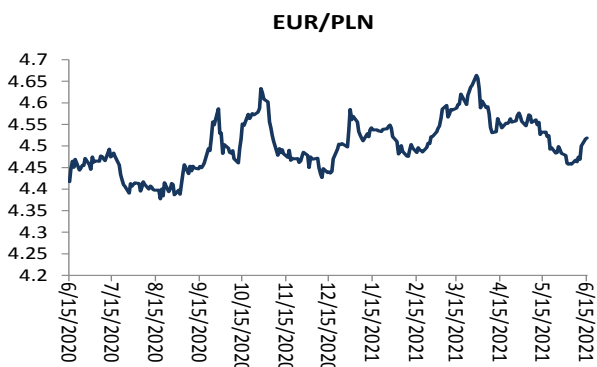


Source: Bloomberg

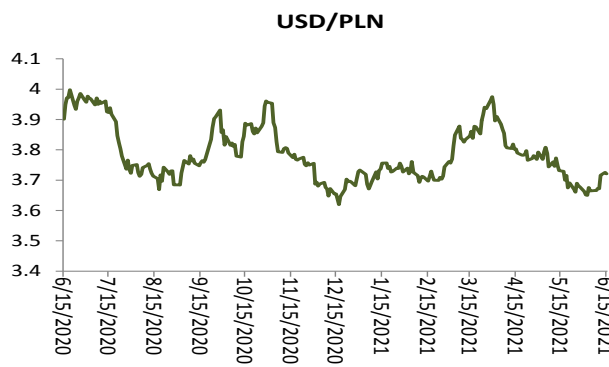


Source: Bloomberg

## Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., al. Armii Ludowej 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 1,744,449,384 paid up in full.

## Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krzeński