



Poland Daily

HEADLINES:

POL: In May registered unemployment rate fell to 6.1% from 6.3% in April. In May number of registered unemployed amounted to 1026.7k persons.

POL; According to labour force Survey in Q1 2021 unemployment rate rose to 4.0% from 3.1% in Q4 2020. According to the survey in Q1 2021 there were 687k unemployed. Worth noting is strong increase in unemployment rate in group of 15-24 year old to 14.0% in Q1 2021 from 12.8% in Q4 2020 and compared to 7.9% before pandemics.

POL: MPC member Eugeniusz Gatnar said that 15bps hike would be a signal that the NBP started normalising monetary policy. In his opinion ending of structural purchases of bonds by the central bank would not be necessary before first hikes in interest rates. Gatner informed that according to June's forecasts inflation will amount to 4.6% in Q2 2021, 4.7% in Q3, 4.8% in Q4 and 4.1% in Q1 2022.

POL: NBP President Adam Glapinski said that the NBP couldn't allow for rapid changes in exchange rate or bond yields to limit prospects of economic growth in Poland.

THE DAY AHEAD...

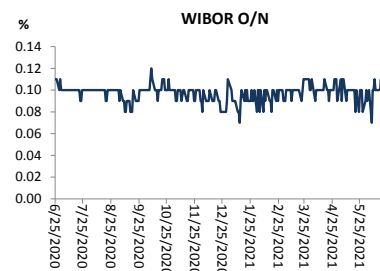
EMU: Money supply M3 (May)

USA: Univ. of Michigan consumer sentiment (Jun)

TODAY'S FOCUS:

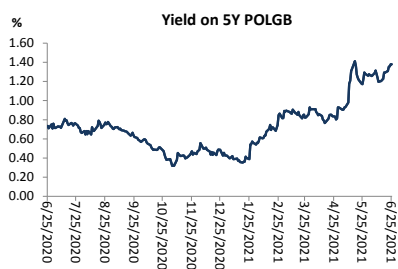
Today economic calendar contains euro-zone's money supply for May and US consumer sentiment for June.

Figure 1: WIBOR O/N



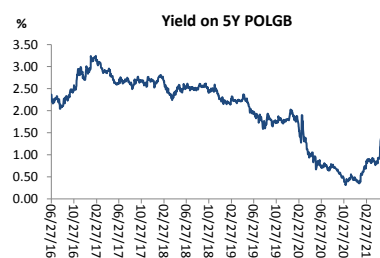
Source: Bloomberg

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
EMU	8:00	Money supply M3 (May)		(8.4%)	(8.5%)
USA	14:00	Consumer sentiment (Jun)	86.5		86.5



Foreign Exchange

Today in the morning the zloty was 0.7% firmer versus the USD and was 0.5% firmer versus the EUR compared to the previous NBP fixing. The zloty firmed as MPC Gątnar suggested that ending of bond purchases by the central bank were not necessary before first hike. The zloty should be moving in a range of 4.4900-4.5250 PLN per EUR today.

The USD was 0.2% weaker versus the EUR as German IFO index was above expectations and US initial jobless claims came above market consensus forecast.

Fixed Income

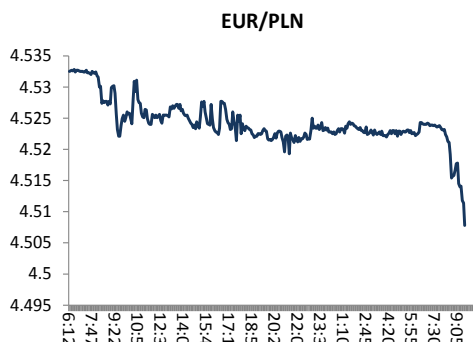
The yields on Poland's government bonds were practically unchanged in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were steady across the curve.

Equities

Yesterday the Dow Jones index closed 0.95% up and the S&P 500 index rose by 0.58%. Today in the morning the FTSE 100 index was 0.12% up, the CAC 40 index was 0.17% down and the DAX index was 0.18% down. The Nikkei 225 index closed 0.66% up. Today in the morning the WIG index was 0.05% up and the WIG20 index was 0.11% up. The WIG index is close to historic highs driven by small and medium cap stocks and banking stocks as regulator allowed for dividend payment by banks.



Source: Bloomberg

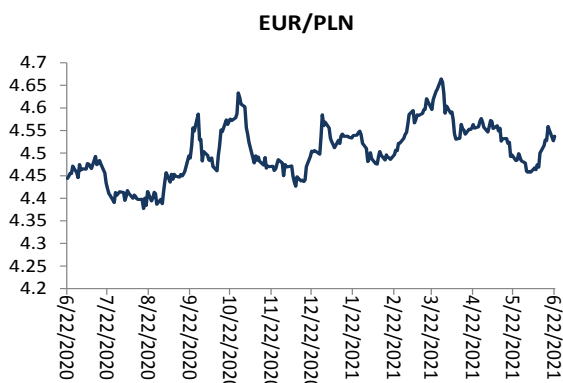


Source: Bloomberg

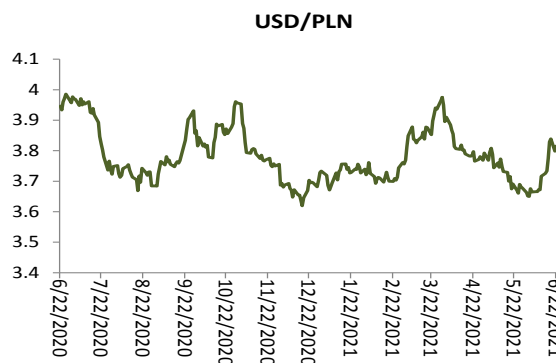


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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