



Poland Daily

HEADLINES:

EU: EU countries agreed on partial ban on Russian oil by year-end. The ban will be imposed on Russian oil delivered via maritime transport, but it will still be possible to import Russian oil via pipelines. It means that oil from Russia will be delivered via pipelines to Hungary, Czech Republic and Slovakia. Poland and Germany voluntarily decided to resign from Russian oil deliveries via pipelines by year-end.

POL: According to preliminary data, in May consumer prices rose by 1.7% m/m and 13.9% y/y. In May food prices were 1.3% m/m up and rose by 13.5% y/y, energy prices rose by 3.4% m/m and were 31.4% up y/y and fuel prices rose by 5.0% m/m and 35.4% y/y.

POL: In Q1 2022 real GDP growth amounted to 2.5% q/q and 8.5% y/y. in Q1 GDP growth was generated mainly by inventory investments, that added as much as 7.7 percentage points to GDP growth. Real households' consumption rose by 6.6% y/y (adding 3.9 p.p. to GDP growth) while investments in fixed assets rose by 4.3% y/y (adding 0.6 p.p. to GDP growth). Net exports subtracted 3.8 p.p. from GDP growth in Q1.

THE DAY AHEAD...

POL: Inflation (May, prel.), GDP (Q1)

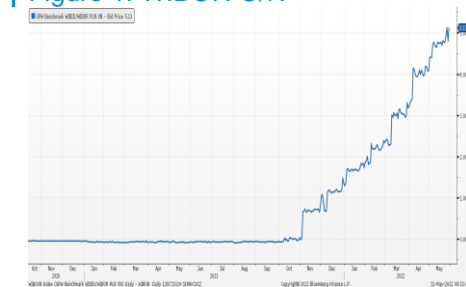
HUN: NBH decision

USA: Chicago PMI (May), consumer confidence (May)

TODAY'S FOCUS:

Today economic calendar contains preliminary inflation for May and GDP for Q1 from Poland and Chicago PMI and consumer confidence for May from the US. At policy meeting today, Hungarian central bank is likely to hike policy rate by 65bps to 6.05%.

Figure 1: WIBOR O/N



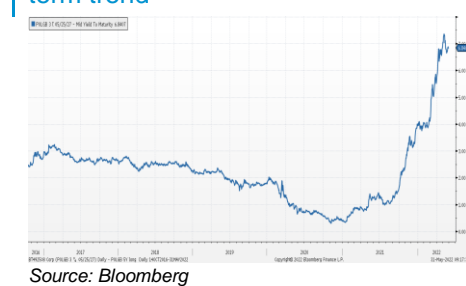
Source: Bloomberg

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	8:00	GDP (Q1)	2.4% (8.5%)	2.5% (8.5%)	2.4% (8.5%)
POL	8:00	Inflation (May, prel.)	1.5% (13.8%)	1.7% (13.9%)	1.5% (13.6%)
HUN	12:00	NBH decision	6.05%		5.90%
USA	13:45	Chicago PMI (May)	55.1		55.1
USA	14:00	Consumer confidence (May)	103.9		103.8

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.1% weaker versus the USD and the zloty was 0.4% firmer versus the CHF and firmed by 0.1% versus the EUR compared to the previous NBP fixing.

The USD firmed by 0.2% versus the EUR, compared to the previous NBP fixing as oil prices rose.

Fixed Income

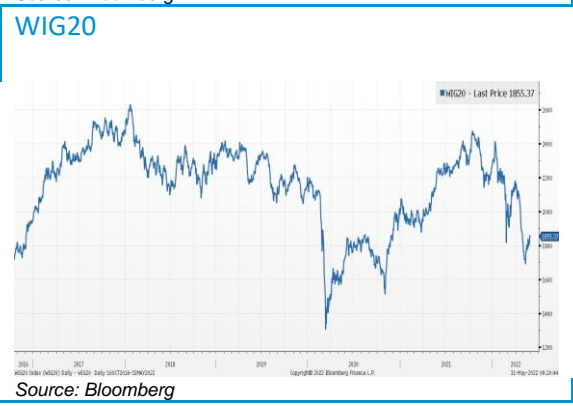
The yields on Poland's government bonds were 3-5 bps up across the curve.

Interest Rates

PLN swap rates were 4-6 bps up in all tenors.

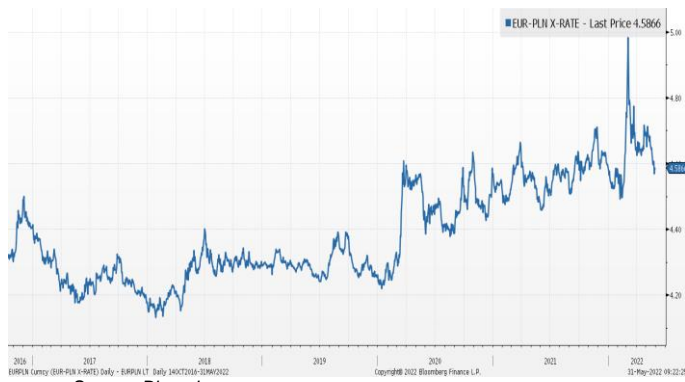
Equities

Today in the morning the FTSE 100 index was 0.15% up, the CAC 40 index was 0.65% down and the DAX index was 0.73% down. The Nikkei index closed 0.33% down. Today in the morning the WIG index fell by 0.65% and the WIG20 index was 0.81% down. Stock indices in Europe were negatively affected by expectations that high inflation and resulting rate hikes by central banks would hamper company profits, as price of Brent oil rose to USD123 per barrel after the news that EU would ban imports of oil from Russia via maritime transport.

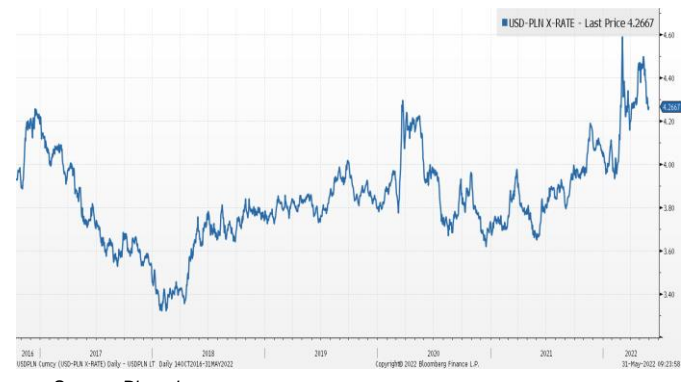


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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