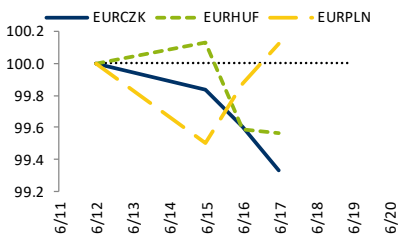




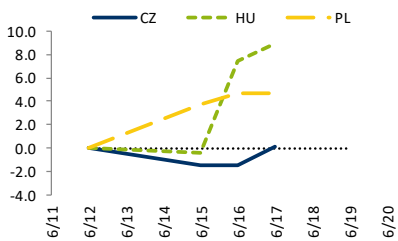
Wednesday, 17 June 2020

Forex markets (index)



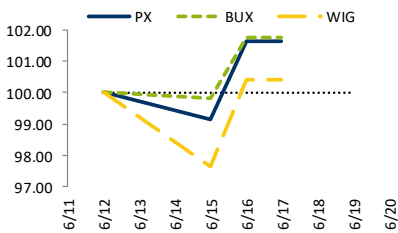
	LAST	PREVIOUS	CHANGE (%)
EURCZK	26.57	26.64	-0.27
EURHUF	345.2	345.3	-0.02
EURPLN	4.457	4.446	0.25

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	0.877	0.861	1.6
HUGB 10Y	2.29	2.27	0.7
PLGB 10Y	1.37	1.37	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	946.4	946.4	0.00
BUX	38061	38061	0.00
WIG	50385	50385	0.00

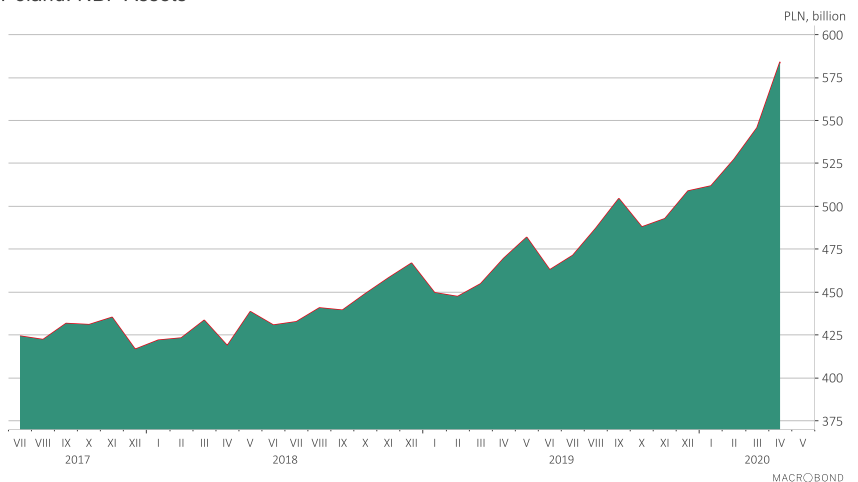
Our regional insights:

The NBP does not like a strong(er) zloty

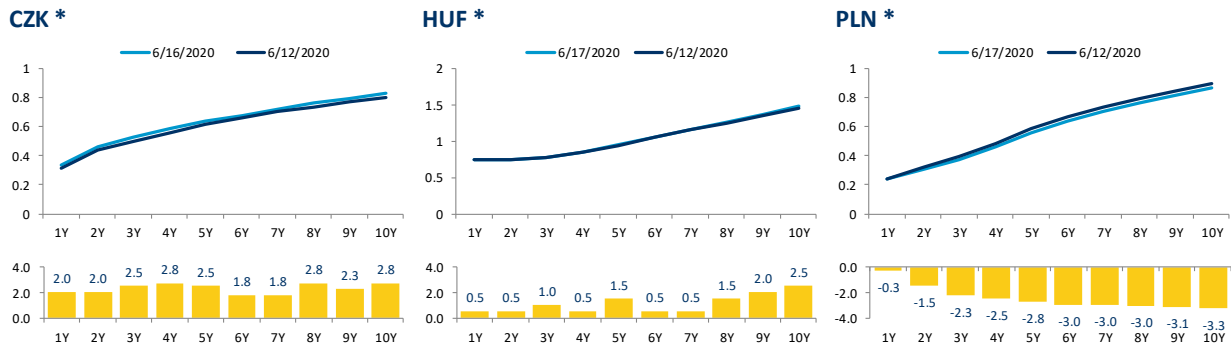
This time – as expected, the National Bank of Poland left its monetary policy unchanged. Hence, the Polish Monetary Policy Council has not changed the main policy rate yesterday, which has been sitting at 0.1%, while the NBP confirmed that it would continue in its version of a credit/quantitative easing program. Recall that the NBP has been purchasing treasury securities and government-guaranteed debt securities (namely of the Polish Development Fund and Bank Gospodarstwa Krajowego) since the start of the epidemic, so its balance sheet has already risen by PLN 94bn due these operations.

A new and very interesting element, which can be found in the latest MPC statement, is the sentence referring to the exchange rate of the zloty. According to this sentence the MPC thinks that ‘... the pace of the economic recovery could also be mitigated by the lack of visible zloty exchange rate adjustment to the global pandemic shock and to the monetary policy easing introduced by NBP’. It seems that the MPC is afraid of a strong(er) zloty and eventual tightening of monetary conditions implied by currency’s appreciation. In this respect, one cannot rule out more verbal interventions against the zloty, if the Polish currency joins other risky assets and continues to extend its gains. On the other hand, we do not think that the NBP is ready now to come up with a real intervention against its currency (e.g. in a form as the Czech National Bank did four years ago).

Poland: NBP Assets



Interest-rate Swap Curves



Calendar

Country	Date	Time	Indicator	Period	Forecast		Actual		Consensus		Previous	
					m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y
PL	06/18	10:00	Wages	%	05/01/2020				-2.3	1.6	-3.7	1.9
PL	06/19	10:00	Industrial output	%	05/01/2020				8.9	-18.0	-25.5	-24.6
PL	06/19	10:00	PPI	%	05/01/2020				0.1	-1.5	-0.6	-1.3

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