



## Poland Daily

### HEADLINES:

POL: Gabriela Masłowska from the Monetary Policy Council (RPP) stated that the Council could return to discussions about a rate cut this year if inflation remains below 3.5% for a longer period and the war in the Middle East does not escalate. In her opinion, the likelihood of rate hikes is currently lower after the unexpected slowdown in inflation in May. However, she added that the situation is so volatile that rate hikes cannot be completely ruled out. The RPP member emphasized that whether inflation will remain within the NBP's inflation target range will depend on whether the government extends the current fuel price regulations. According to the NBP, otherwise, inflation could rise to over 4%.

### THE DAY AHEAD...

DEU: Industrial production (Apr)

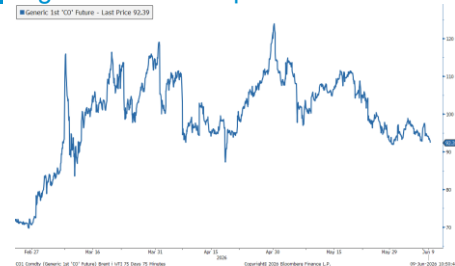
HUN: CPI (May)

USA: trade balance (Apr), existing home sales (May), wholesale inventories (Apr)

### TODAY'S FOCUS:

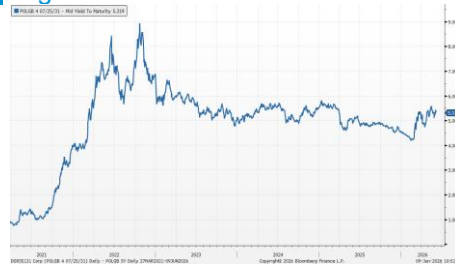
Today the economic calendar contains industrial production from Germany for April, CPI inflation from Hungary for May, and data from the USA: trade balance for April, home sales for May, and wholesale inventories for April.

Figure 1: Brent oil price



Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg

### DIARY (Today)

Country	CET	Release	DB Expected	Actual	Consensus
DEU	8:00	Industrial production (Apr)		0.4% (-0.5%)	0.4% (-1.1%)
HUN	8:30	CPI (Apr)		0.0% (1.8%)	0.3% (2.2%)
USA	14:30	Trade balance (Apr)	-USDS56.0bn		-USD56.1bn
USA	16:00	Existing home sales (May)	4.05m		4.07m
USA	16:00	Wholesale inventories (Apr)	1.4%		0.6%



## Foreign Exchange

This morning, the zloty was stronger by 0.6% against the USD and stronger by 0.2% against the EUR compared to yesterday's fixing. The zloty was weaker by 0.4% against the CHF and stronger by 0.1% against the GBP compared to yesterday's fixing.

This morning, the USD was weaker by 0.3% against the EUR, the CHF was weaker by 0.2% against the EUR, and the GBP was stronger by 0.4% against the USD compared to yesterday's fixing. Optimism appeared in the currency market that negotiations between the USA and Iran could enter a constructive phase..

## Fixed Income

This morning, the yield on Polish government bonds fell by 8 basis points in the 2-year and 10-year sectors and decreased by 9 basis points in the 5-year sector.

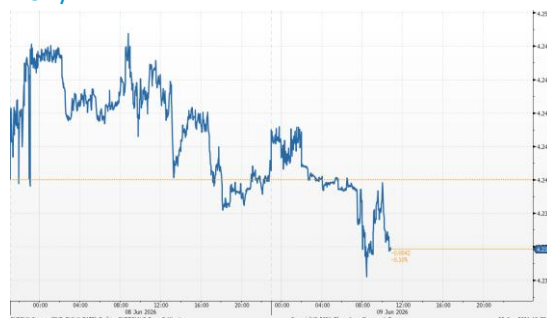
## Interest Rates

This morning, swap rates fell by 9 bps in the 2-year and 5-year sectors and decreased by 7 bps in the 10-year sector.

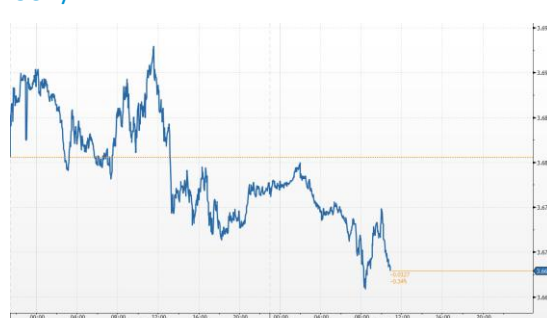
## Equities

Yesterday at the close, the Dow Jones index fell by 0.16%, the S&P 500 index rose by 0.30% and the NASDAQ rose by 0.86%. This morning, the FTSE 100 index fell by 0.34% and the CAC 40 index was higher by 0.78% and the DAX index rose by 0.41%. The Nikkei index rose by 2.17% at the close and the Hang Seng index fell by 0.37% today at the close. This morning, the WIG index rose by 0.78% and the WIG20 index was higher by 0.89%.

### EUR/PLN



### USD/PLN



### WIG20



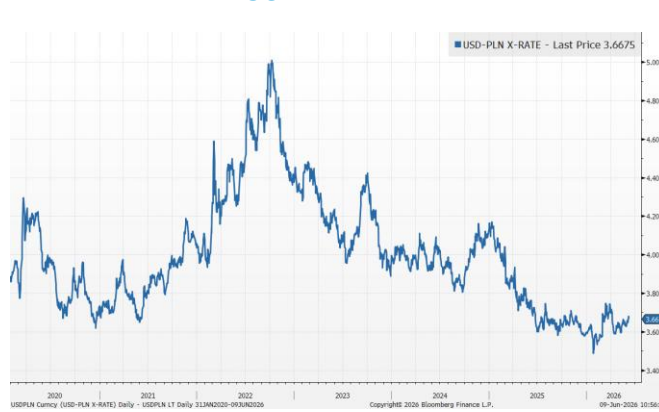
## Medium term FX trends:

### EUR/PLN



Source: Bloomberg

### USD/PLN



Source: Bloomberg



# Appendix 1

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