

29 January 2021

# Eyeopener

## Today Poland's GDP in 2020

### Dynamic mood swings

Shopping malls to open on 1st February, other restrictions remain in place

Zloty temporarily weaker

Profit taking at Polish bond market

Today Poland's GDP in 2020 and US data

At the start of the Thursday session the poor sentiment from Wednesday was still present on global markets. The negative mood was caused by worries about consequences of Covid-19 vaccine delivery delays in Europe. At the bottom of yesterday trading, the main European stock indexes were 5-6% lower than at the start of the year when new multi-month or all-time highs had been set. It seems that investors saw such decline as sufficient, because in the hours that followed the risk aversion was gradually easing. Some EM currencies took this opportunity to partially recover from the early trade losses.

Health Minister Adam Niedzielski announced yesterday that **on 1st February, shopping malls, museums and art galleries will reopen**. The other restrictions remain in place including the closure of restaurants, hotels and sport objects. The next restrictions review is planned for mid-February.

**The ESI indicators for Poland** in January showed an improvement in sentiment in manufacturing and retail trades, while a deterioration in services. In manufacturing both the sectoral indicator as well as its components are at their highest levels since the start of pandemic. For the first time in roughly a year the corporates were pointing to the lack rather than the abundance of finished goods inventories. In the retail trade sector the current activity indicators as well as expectations regarding future orders and price expectations – all increased. In the services sector, the expected employment index decreased to the lowest level since May 2019 and the third lowest since 2004. In quarterly series of questions, we noticed an unusually strong rise in consumers' declarations regarding the willingness to purchase a car, a flat or having a flat refurbished.

**EURUSD** was hovering for the nearly whole day around 1.21 and only just before the end of the session rose to 1.214. Since Monday's session, the exchange rate is hovering between the previous week's high and low, currently is closer to the upper end of this range. Today the situation should not change much.

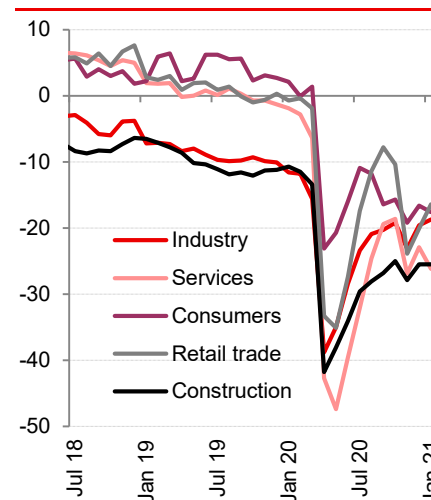
**EURPLN** was testing peak from the first week of the year and rose slightly above 4.56 for a while. Later in the day, a correction to 4.54 was recorded. **USDPLN** was hovering between Wednesday's low (3.73) and high (3.774).

Among **other CEE currencies**, the forint performed the best. It fully recovered from the Wednesday loss. Yesterday **EURHUF** went slightly below 359. **USDRUB** continued along the upside trend that had started on Thursday last week and reached c.76.5, a new year-to-date high. **EURCZK** could not hold long below the support at 26 and yesterday it was already stayed above the level.

On the **domestic interest rate market**, IRS and bond yields rose by 2bp on the belly and the long end of the curve, while Bund was stable. As a result the 10Y spread of bond yields in Poland and Germany rose to 172bp. The 10Y asset swap spread held above 0bp.

Today at 10:00 CET GUS will release **flash estimate of 2020 GDP**. After the December positive surprises with retail sales and industrial output we see a high chance of a positive surprise and a smaller decline than the consensus forecast of -2.7%.

### ESI sentiment indicators



Source: European Commission, Santander

### Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa  
 email: [ekonomia@santander.pl](mailto:ekonomia@santander.pl)  
 website: [santander.pl/en/economic-analysis](https://santander.pl/en/economic-analysis)  
 Piotr Bielski +48 22 534 18 87  
 Marcin Łuziński +48 22 534 18 85  
 Wojciech Mazurkiewicz +48 22 534 18 86  
 Grzegorz Ogonek +48 22 534 19 23  
 Marcin Sulewski, CFA +48 22 534 18 84

## FX market

### Today's opening

EURPLN	4.5374	CZKPLN	0.1737
USDPLN	3.7511	HUFPLN*	1.2515
EURUSD	1.2100	RUBPLN	0.0492
CHFPLN	4.2162	NOKPLN	0.4336
GBPPLN	5.1386	DKKPLN	0.6102
USDCNY	6.4611	SEKPLN	0.4480

\*for 100HUF

### Last session in the FX market

28.01.2021

	min	max	open	close	fixing
EURPLN	4.538	4.562	4.547	4.541	4.548
USDPLN	3.741	3.772	3.756	3.746	3.757
EURUSD	1.208	1.214	1.210	1.212	-

## Interest rate market

28.01.2021

### T-bonds on the interbank market\*\*

Benchmark (term)	%	Change (bps)
WS0922 (2Y)	0.07	1
DS0725 (5Y)	0.46	4
DS1030 (10Y)	1.18	3

### IRS on the interbank market\*\*

Term	PL	US	EZ
	%	%	%
	Change (bps)	Change (bps)	Change (bps)
1L	0.16	0	-0.56
2L	0.27	3	-0.54
3L	0.38	3	-0.52
4L	0.53	4	-0.49
5L	0.67	4	-0.45
8L	1.01	3	-0.31
10L	1.18	3	-0.20

## WIBOR rates

Term	%	Change (bps)
O/N	0.09	0
T/N	0.10	1
SW	0.11	0
2W	0.17	0
1M	0.19	0
3M	0.21	0
6M	0.25	0
1Y	0.25	0

## FRA rates on the interbank market\*\*

Term	%	Change (bps)
1x4	0.18	0
3x6	0.15	1
6x9	0.17	2
9x12	0.19	3
3x9	0.19	1
6x12	0.22	2

## Measures of fiscal risk

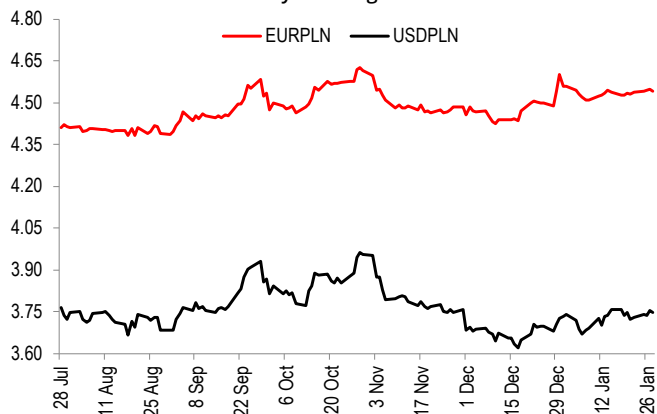
Country	CDS 5Y USD	10Y spread*
	Level	Level
	Change (bps)	Change (bps)
Poland	50	172
France	9	23
Hungary	64	288
Spain	43	62
Italy	64	118
Portugal	28	57
Ireland	12	32
Germany	9	-

\* 10Y treasury bonds over 10Y Bunds

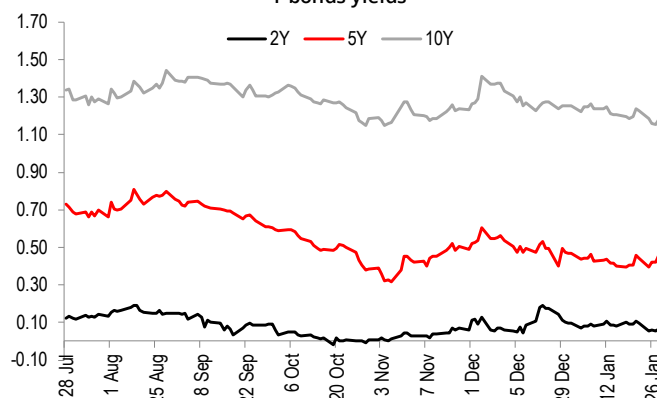
\*\*Information shows bid levels on the interbank market at the end of the trading day

Source: Refinitiv, Datastream

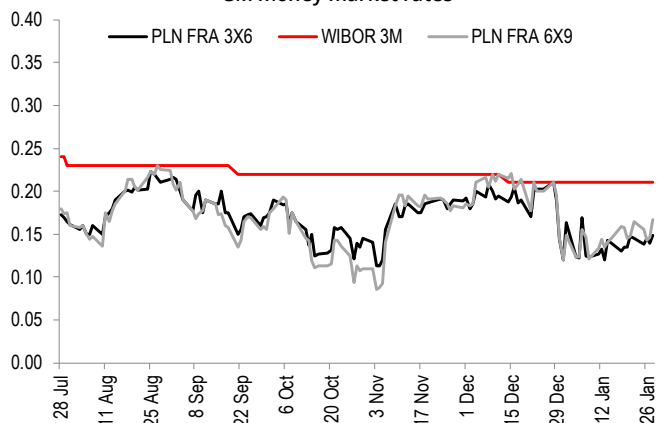
## Zloty exchange rate



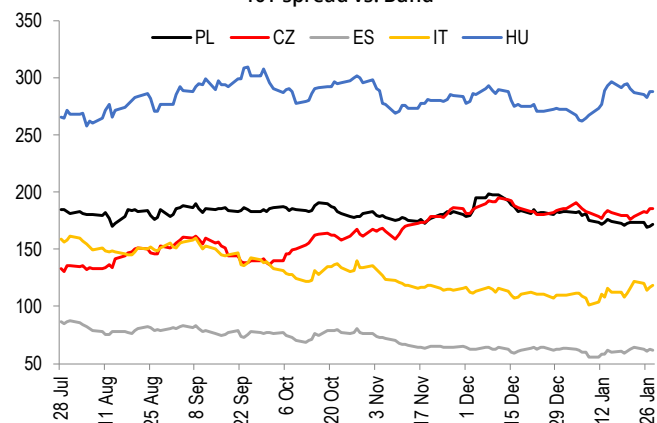
## T-bonds yields



## 3M money market rates



## 10Y spread vs. Bund



## Economic Calendar

TIME	COUNTRY	INDICATOR	PERIOD	FORECAST		ACTUAL	LAST
				MARKET	SANTANDER		
CET						VALUE	VALUE*
<b>FRIDAY (22 January)</b>							
09:30	DE	Germany Manufacturing PMI	Jan pts	57.5	-	57.0	58.3
09:30	DE	Markit Germany Services PMI	Jan pts	45.3	-	46.8	47.0
10:00	EZ	Eurozone Manufacturing PMI	Jan pts	54.5	-	54.7	55.2
10:00	EZ	Eurozone Services PMI	Jan pts	44.5	-	45.0	46.4
<b>10:00</b>	<b>PL</b>	<b>Construction Output</b>	<b>Dec % y/y</b>	<b>-1.1</b>	<b>-3.2</b>	<b>3.4</b>	<b>-4.9</b>
<b>10:00</b>	<b>PL</b>	<b>PPI</b>	<b>Dec % y/y</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>
<b>10:00</b>	<b>PL</b>	<b>Retail Sales Real</b>	<b>Dec % y/y</b>	<b>-1.2</b>	<b>-3.8</b>	<b>-0.8</b>	<b>-5.3</b>
16:00	US	Existing Home Sales	Dec % m/m	-2.1	-	0.7	-2.2
<b>MONDAY (25 January)</b>							
10:00	DE	IFO Business Climate	Jan pts	91.8	-	90.1	92.2
<b>10:00</b>	<b>PL</b>	<b>Sold Industrial Output</b>	<b>Dec % y/y</b>	<b>8.7</b>	<b>8.4</b>	<b>11.2</b>	<b>5.4</b>
<b>TUESDAY (26 January)</b>							
14:00	HU	Central Bank Rate Decision	%	0.6	-	0.6	0.6
<b>14:00</b>	<b>PL</b>	<b>Money Supply M3</b>	<b>Dec % y/y</b>	<b>16.3</b>	<b>16.2</b>	<b>16.4</b>	<b>16.1</b>
16:00	US	Consumer Conference Board	Jan pts	89.0	-	89.3	88.6
<b>WEDNESDAY (27 January)</b>							
<b>10:00</b>	<b>PL</b>	<b>Unemployment Rate</b>	<b>Dec %</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.1</b>
14:30	US	Durable Goods Orders	Dec % m/m	1.0	-	0.2	0.9
20:00	US	FOMC decision	Jan.21	0.25	-	0.25	0.25
<b>THURSDAY (28 January)</b>							
11:00	EZ	ESI	Jan pct.	-	-	91.5	92.4
14:00	DE	HICP	Jan % m/m	0.6	-	1.4	0.6
14:30	US	GDP Annualized	4Q % Q/Q	4.7	-	4.0	33.4
14:30	US	Initial Jobless Claims	week k	935	-	847	914
16:00	US	New Home Sales	Dec % m/m	1.3	-	1.6	-12.6
<b>FRIDAY (29 January)</b>							
08:00	DE	GDP WDA	4Q % y/y	0.0	-	-	-4.0
<b>10:00</b>	<b>PL</b>	<b>GDP</b>	<b>2020 % y/y</b>	<b>-2.7</b>	<b>-2.9</b>	-	<b>4.5</b>
14:30	US	Personal Spending	Dec % m/m	-0.5	-	-	-0.4
14:30	US	Personal Income	Dec % m/m	0.1	-	-	-1.1
14:30	US	PCE Deflator SA	Dec % m/m	0.3	-	-	0.0
16:00	US	Michigan index	Jan pts	79.2	-	-	79.2
16:00	US	Pending Home Sales	Dec % m/m	-1.0	-	-	-2.6

Source: Santander Bank Polska, Bloomberg, Parkiet

\* in the case of a revision the data is updated

This publication has been prepared by Santander Bank Polska S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Santander Bank Polska S.A. its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Santander Bank Polska S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Santander Bank Polska S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication.

Additional information is available on request. Please contact Santander Bank Polska S.A. Financial Management Division, Economic Analysis Department, al. Jana Pawła II 17, 00-854 Warsaw, Poland, phone +48 22 534 18 87, email ekonomia@santander.pl, http://www.santander.pl.