

# Eyeopener

## New orders surge

### Quiet day on the markets

EURUSD tries to increase further, zloty slightly weaker

Stable POLGBs

Today rate decision in Hungary, consumer confidence in the US

The week started without big market volatility. Main stock indices and core markets' bond yields changed only slightly. EURUSD tried to continue its Friday's upward move, but without success. The data releases were not as expressive as those on Friday: the main Ifo indicator for German economy and its current component rose m/m, but less than expected and expectations index retreated slightly.

The new GUS Statistical Bulletin showed that the surprisingly strong wage growth in March by 8% y/y was primarily due to high payments in retail trade (average wage up by 11.9% y/y as compared to 5.5% y/y in February) and in some manufacturing sectors (pharmaceuticals, chemicals). We think that the wage growth will go back to 6-7% in the upcoming months. Even though average employment in the corporate sector, calculated in full-time equivalents, fell by 4k, manufacturing saw a rise by 2k. At the same time, the number of employees in the corporate sector increased by 10k (+6k in manufacturing). New orders in industry advanced y 17.6% m/m and 33% y/y (strongest rise in four years, rebound partially triggered by the base effect, yet a major downturn in orders occurred in April 2020). Foreign orders were still higher than one year ago by 37.7% y/y. Registered unemployment rate amounted to 6.4%, i.e. still (since November) only 1 pp more than in the corresponding month of 2020.

GUS released yesterday details of April business sentiment Survey. The further gradual increase of the synthetic index was only due better assessment of current situation – the component has just reached the highest level since the start of the pandemic (100.1 pts), while the expectations component remains for three months near 90 pts (so c.10 pts below pre-pandemic levels). Industrial business confidence index rose most significantly – thanks to the highest level of order book indicator in a year and the lowest ever (since 2004) level of the stocks of finished goods indicator. The latter suggests that the sector may have it difficult to cover the growing demand. The increase in demand was quite broad-based but was particularly noticeable among consumer durable goods and intermediate goods suppliers. The issue of commodities, materials and component shortages has gotten even more severe in April (its overall index has set a new record – since 2000). The record shortages were reported in 8 out of 22 industries and c.20% of interviewed companies is considering the shortages an obstacle to business expansion. The issue is seen the most often among producers of IT and other electronic equipment, furniture, other wood products, rubber and plastic products. The index of expected prices climbed to the 6. Highest level in 256-month data history.

On Wednesday the government is supposed to present the timeline of opening the economy in May, covering "multiple services and sectors".

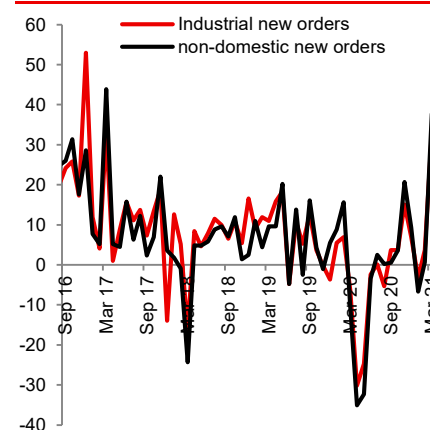
In the first part of Monday EURUSD was keeping on the Friday upward trend, but failed to stay above 1.21 for long. Close of the session was close to Friday ending level. We think that data due for release in the coming week will be supportive for the euro.

EURPLN retraced a half of the Friday decline. Today the government is to approve the bill on EU own resources (which is a necessary prerequisite for launching the EU Recovery Fund). If it fails to deliver it will mean a further build-up of tension within the ruling coalition, higher political risk and a negative signal for the zloty. This morning the fx rate has opened at 4.557.

As for the other CEE currencies, Czech koruna slightly weakened, just like zloty, while forint was stable ahead of today's central bank decision – market consensus assumes no change in monetary policy at this meeting. USDRUB did not change, which was a good performance given crude oil price decreasing by USD1 p/b.

On the Polish interest rate market On the interest rate market bond yields in Poland and in the main markets were moving within the Friday's fluctuations band and daily change was insignificant. Only at the short end of the Polish curve a stronger demand shown up (possibly from the local commercial banks ahead of the end of month). Today the state-owned BGK will hold the auction of Covid bonds (FPC0382, FPC0733, FPC1140) worth PLN1bn at least.

Value of new orders in industry, %/y



Source: GUS, Santander

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**FX market**

**Today's opening**

EURPLN	4.5570	CZKPLN	0.1758
USDPLN	3.7756	HUFPLN*	1.2415
EURUSD	1.2069	RUBPLN	0.0503
CHFPLN	4.1189	NOKPLN	0.4550
GBPPLN	5.2412	DKKPLN	0.6126
USDCNY	6.4840	SEKPLN	0.4496

\*for 100HUF

**Last session in the FX market**

**26/04/2021**

	min	max	open	close	fixing
EURPLN	4.548	4.562	4.550	4.558	4.557
USDPLN	3.756	3.780	3.758	3.773	3.766
EURUSD	1.206	1.212	1.211	1.208	-

**Interest rate market 26/04/2021**

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

Benchmark (term)	%	Change (bps)
WS0922 (2Y)	0.09	-3
DS0725 (5Y)	0.85	0
DS1030 (10Y)	1.56	-1

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

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	0.26	2	0.21	1	-0.53	0
2L	0.58	1	0.29	0	-0.48	0
3L	0.87	3	0.47	1	-0.43	0
4L	1.11	3	0.70	1	-0.36	1
5L	1.32	2	0.92	2	-0.29	0
8L	1.67	3	1.36	0	-0.05	1
10L	1.82	2	1.54	0	0.09	0

**WIBOR rates**

Term	%	Change (bps)
O/N	0.10	0
T/N	0.09	-1
SW	0.10	0
2W	0.16	0
1M	0.18	0
3M	0.21	0
6M	0.24	0
1Y	0.25	0

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

Term	%	Change (bps)
1x4	0.21	0
3x6	0.23	1
6x9	0.25	2
9x12	0.37	3
3x9	0.27	2
6x12	0.34	0

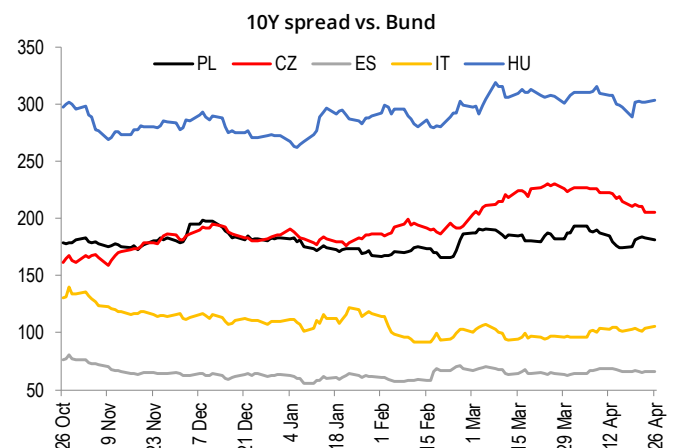
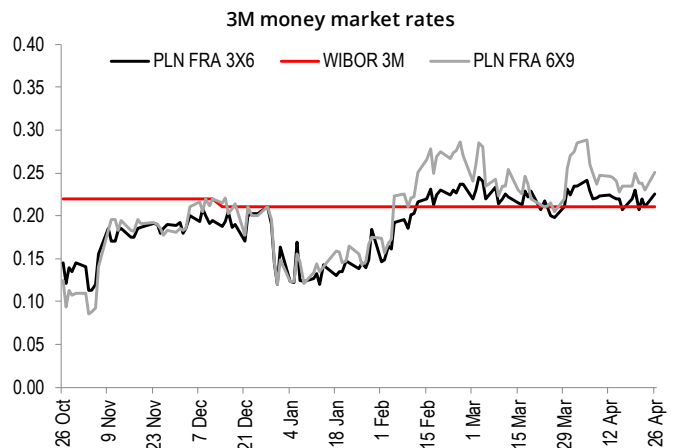
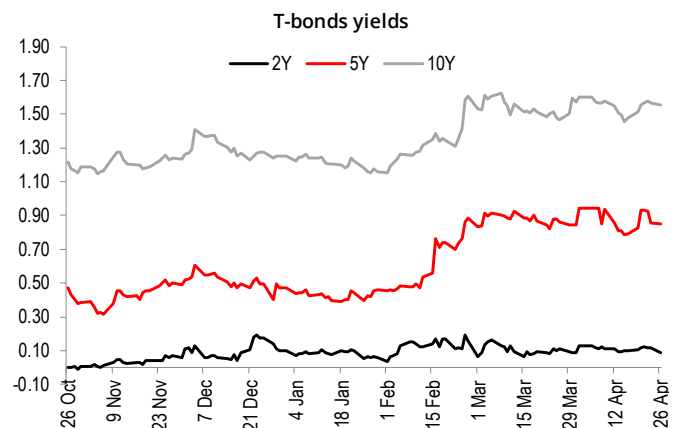
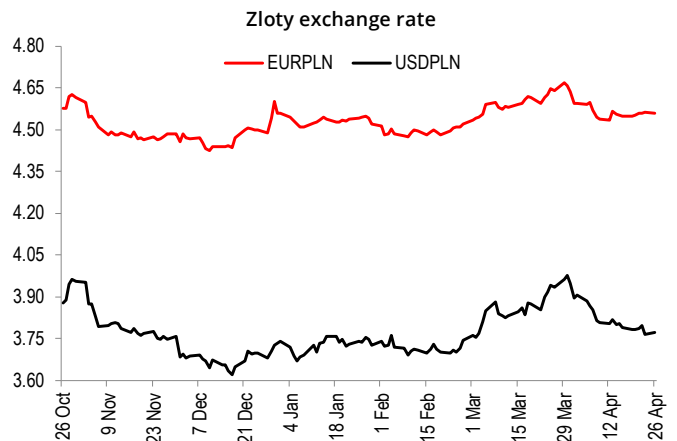
**Measures of fiscal risk**

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	37	0	181	-1
France	10	0	25	0
Hungary	64	0	304	2
Spain	35	0	66	0
Italy	50	1	106	2
Portugal	22	0	66	0
Ireland	10	0	36	0
Germany	9	0	-	-

\* 10Y treasury bonds over 10Y Bunds

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

Source: Refinitiv, Datastream



## Economic Calendar

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		ACTUAL VALUE	LAST VALUE*
				MARKET	SANTANDER		
<b>FRIDAY (23 April)</b>							
09:30	DE	Germany Manufacturing PMI	Apr	pts	65.8	66.4	66.6
09:30	DE	Markit Germany Services PMI	Apr	pts	51.0	50.1	51.5
10:00	EZ	Eurozone Manufacturing PMI	Apr	pts	62.0	63.3	62.5
10:00	EZ	Eurozone Services PMI	Apr	pts	49.1	50.3	49.6
<b>14:00</b>	<b>PL</b>	<b>Money Supply M3</b>	<b>Mar</b>	<b>% y/y</b>	<b>14.1</b>	<b>14.5</b>	<b>14.4</b>
16:00	US	New Home Sales	Mar	% m/m	14.2	20.7	-16.2
<b>MONDAY (26 April)</b>							
10:00	DE	IFO Business Climate	Apr	pts	98.0	96.8	96.6
<b>10:00</b>	<b>PL</b>	<b>Unemployment Rate</b>	<b>Mar</b>	<b>%</b>	<b>6.4</b>	<b>6.4</b>	<b>6.5</b>
14:30	US	Durable Goods Orders	Mar	% m/m	2.0	0.5	-0.9
<b>TUESDAY (27 April)</b>							
14:00	HU	Central Bank Rate Decision	Apr/21	%	0.6	-	0.6
16:00	US	Consumer Conference Board	Apr	pts	111.7	-	109.7
<b>WEDNESDAY (28 April)</b>							
20:00	US	FOMC decision	Apr/21	%	0.25	-	0.25
<b>THURSDAY (29 April)</b>							
	<b>PL</b>	<b>ECJ ruling on Polish FX mortgage loans</b>					
11:00	EZ	ESI	Apr	pct.	102.0	-	100.9
14:00	DE	HICP	Apr	% m/m	0.5	-	0.5
14:30	US	GDP Annualized	1Q	% q/q	6.1	-	4.3
14:30	US	Initial Jobless Claims		k	610	-	576
16:00	US	Pending Home Sales	Mar	% m/m	4.0	-	-10.62
<b>FRIDAY (30 April)</b>							
09:00	CZ	GDP SA	1Q	% y/y	-2.7	-	-4.8
<b>10:00</b>	<b>PL</b>	<b>CPI</b>	<b>Apr</b>	<b>% y/y</b>	<b>3.8</b>	<b>3.8</b>	<b>-</b>
10:00	DE	GDP WDA	1Q	% y/y	0.0	-	-3.7
11:00	EZ	Flash HICP	Apr	% y/y	1.5	-	1.3
11:00	EZ	GDP SA	1Q	% y/y	-2.1	-	-4.9
11:00	EZ	Unemployment Rate	Mar	%	8.4	-	8.3
14:30	US	Personal Spending	Mar	% m/m	4.0	-	-1.0
14:30	US	Personal Income	Mar	% m/m	20.0	-	-7.1
14:30	US	PCE Deflator SA	Mar	% m/m	0.5	-	0.2
16:00	US	Michigan index	Apr	pts	88.2	-	86.5

Source: Santander Bank Polska, Bloomberg, Parkiet

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

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