



Poland Daily

HEADLINES...

POL: In July money supply M3 rose by 7.3% yoy and increased by 0.3% up mom to PLN1356.8bn. Cash in circulation rose by 10.1% yoy, current account deposits rose by 11.6% yoy (households current account deposits rose by 13.7% yoy and non-financial corporations current account deposits increased by 9.6% yoy). In July term deposits (up to 2 years) fell by 0.8% yoy (households' term deposit declined by 3.0% yoy and deposits of non-financial corporations rose by 0.7% yoy). In July total loans were 5.5% up yoy to 1162.6bn, loans to households increased by 5.1% yoy to PLN706.0bn and loans to non-financial corporations were 6.7% up yoy to PLN350.6bn.

POL: Minutes of MPC meeting on July 11 were market neutral as expected. The MPC pointed to recovery in private investments in Q2, robust growth in wages not translating on consumer inflation that remains steady. In the opinion of majority of MPC members keeping interest rates unchanged will be conducive for maintaining of balanced economic growth and will help in further investment recovery. The MPC stated that low interest rates in euro-zone and uncertainty on prospects of global economic growth are arguments for keeping interest rates at the current level in coming quarters.

THE DAY AHEAD...

POL: unemployment rate (Jul), unemployment rate (Q2)

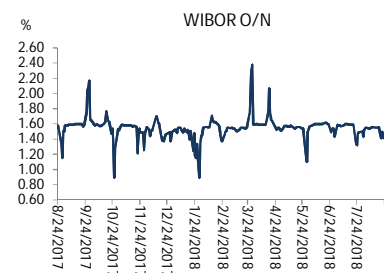
DEU: GDP (Q2)

USA: Durable goods orders (Jul)

TODAY'S FOCUS:

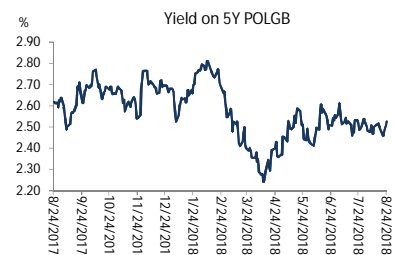
Today market participants will focus on Fed Chairman Powell speech at conference in Jackson Hole. Today the Central Statistical Office will release unemployment rate for July and quarterly labour force survey. On a foreign side worth noting are US durable goods orders for July and Germany's Q2 GDP.

Figure 1: WIBOR O/N



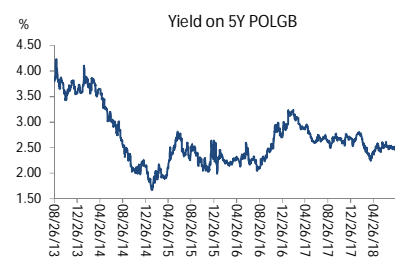
Source: Bloomberg

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
DEU	6:00	GDP (Q2)	0.5% (2.3%)	0.5% (2.3%)	0.5% (2.3%)
POL	8:00	Unemployment rate (Jul)	5.9%		5.9%
POL	8:00	Unemployment rate (Q2)	4.0%		4.0%
USA	12:30	Durable goods orders (Jul)	-4.0%		-1.0%



Foreign Exchange

Today in the morning the zloty was 0.1% firmer versus the USD and was unchanged versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2700-4.3050 per EUR.

The USD weakened marginally versus the EUR ahead of FOMC Chairman Powell speech at conference in Jackson Hole today.

Fixed Income

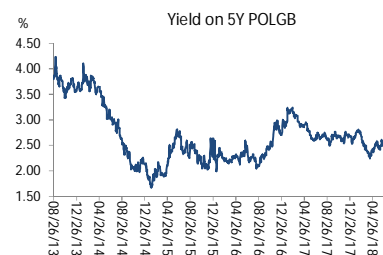
The yields on Poland's government bonds were 3-4bp up in 5-year and 10-year sectors. Yesterday at switching auction the Finance Ministry sold bonds worth total PLN4.76bn. The Ministry sold PLN875mn of bonds series OK0720, PLN2.05bn of PS0123, PLN934mn of WZ0524, PLN518mn of WS0428 and PLN386mn of WZ0528 and bought bonds series OK1018, WZ0119 and OK0419 worth respectively PLN1.82bn, PLN1.86bn and PLN1.07bn.

Interest Rates

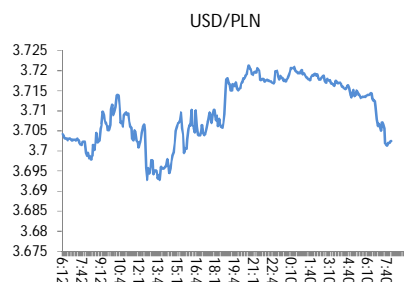
Today the O/N bid rate should be within a range of 1.00%-1.30%. Yesterday 9M and 12M WIBOR rates stabilised. Swap rates were 2pbs up in the medium and long segments of the curve.

Equities

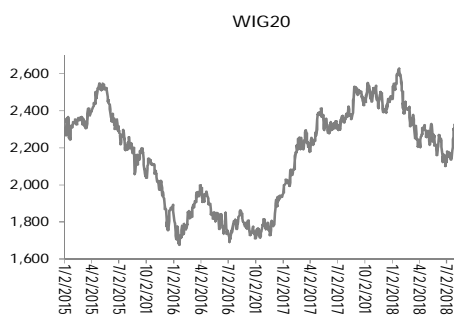
Yesterday the Dow Jones index closed 0.30% down. Yesterday the FTSE index closed 0.15% down, the CAC index closed 0.02% down and the DAX index was 0.16% down. The Nikkei index closed 0.85% up. Yesterday the WIG20 index closed 1.19% up and the WIG index closed 0.84% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 24 August 2018 (7:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.7031	3.7069	-0.1%	SPOT	3.7025	3.7037	SPOT	4.2842	4.2856
EUR/PLN	4.2849	4.2868	0.0%	S/N	3.7024	3.7036	S/N	4.2844	4.2858
GBP/PLN	4.7505	4.7724	-0.5%	1W	3.7019	3.7032	1W	4.2856	4.2872
CHF/PLN	3.7588	3.7714	-0.3%	1M	3.7005	3.7019	1M	4.2912	4.2929
SEK/PLN	0.4059	0.4079	-0.5%	2M	3.6980	3.6995	2M	4.2989	4.3007
NOK/PLN	0.4426	0.4440	-0.3%	3M	3.6956	3.6973	3M	4.3061	4.3082
DKK/PLN	0.5745	0.5748	-0.1%	6M	3.6855	3.6876	6M	4.3284	4.3311
CAD/PLN	2.8312	2.8447	-0.5%	12M	3.6671	3.6701	12M	4.3752	4.3805
CZK/PLN	0.1665	0.1665	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1571	1.1564	0.1%	O/N	1.41 %	-3 bp			
USD/JPY	111.36	110.86	0.4%	1W	1.55 %	0 bp			
GBP/USD	1.2829	1.2874	-0.4%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9852	0.9829	0.2%	3M	1.71 %	0 bp	3M	%	bp
EUR/JPY	128.85	128.20	0.5%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.9020	0.8982	0.4%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3081	1.3031	0.4%	12M	1.87 %	0 bp	12M	%	bp
FRAs (mid)	Last closing			IRS (mid)	Today's opening	1-day change	T-Bonds (mid)	Today's opening	1-day change
1X2	1.68	1X7	1.81	2Y	1.92 %	0 bp	2Y	1.60 %	-1 bp
2X3	1.67	3X9	1.81	5Y	2.42 %	2 bp	5Y	2.53 %	3 bp
1X4	1.73	6X12	1.85	10Y	2.88 %	2 bp	10Y	3.19 %	4 bp
3X6	1.74			5Y-2Y	50 bp	1 bp			
6X9	1.77			10Y-5Y	47 bp	0 bp			
9X12	1.80			10Y-2Y	97 bp	1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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