



Poland Daily

HEADLINES...

POL: In August manufacturing PMI declined to 51.4 pts from 52.9 pts, signalling the slowest pace of growth in Poland's manufacturing sector since October 2016. PMI index remained below long-term average of 50.6 pts and was still in an expansion region (above 50 pts). In August output expanded but at the slowest pace since October 2016. New orders index declined but still showed a growth in new orders. In August employment increased at the slowest pace since 9 months. Strong pressure on producer prices was still present and the pace of growth in costs of production, despite being smaller, were still elevated mainly due to high prices of steel.

EMU: Manufacturing PMI confirmed at 54.6 in August.

DEU: Manufacturing PMI revised down 0.2pts to 55.9 in August.

FRA: Manufacturing PMI revised down 0.2pts to 53.5 in August.

THE DAY AHEAD...

USA: ISM manufacturing (Aug), PMI manufacturing (Aug)

EMU: Ceny producenta (lip)

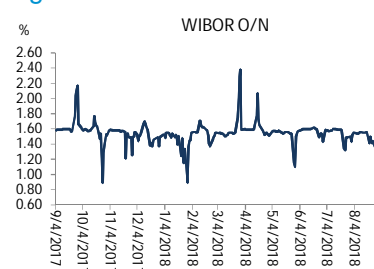
TODAY'S FOCUS:

Today economic calendar contains US PMI manufacturing and ISM manufacturing indices and PPI from euro-zone.

DIARY (Today)

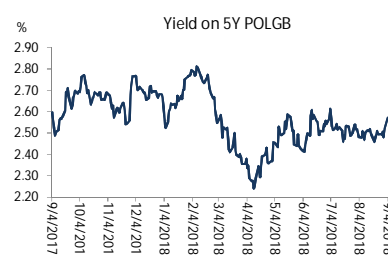
Country	GMT	Release	DB Expected	Actual	Consensus
EMU	9:00	PPI (Aug)	0.3% (3.9%)		0.3% (3.9%)
USA	13:45	PMI manufacturing (Aug)	54.5		54.5
USA	14:00	ISM manufacturing (Aug)	57.1		57.6

Figure 1: WIBOR O/N



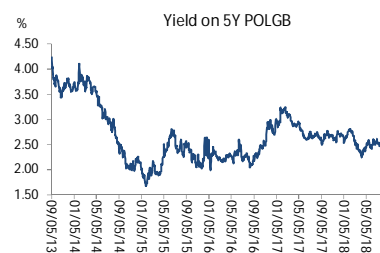
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



Foreign Exchange

Today in the morning the zloty was 0.3% weaker versus the USD and was 0.1% weaker versus the EUR compared to the last NBP fixing. The zloty weakened today in the morning together with its regional peers due to firming of the USD. Today the zloty should be moving within a range of PLN4.2900-4.3100 per EUR.

The USD firmed as risk aversion increased after Argentine's central bank announced interventions to alleviate economic crisis in Argentina.

Fixed Income

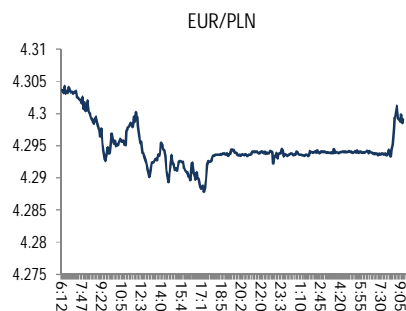
The yields on Poland's government bonds were 7bp up in 5-year and 10-year sectors.

Interest Rates

Today the O/N bid rate should be within a range of 1,20%-1.40%. Swap rates were 3pbs up in the medium and long segments of the curve.

Equities

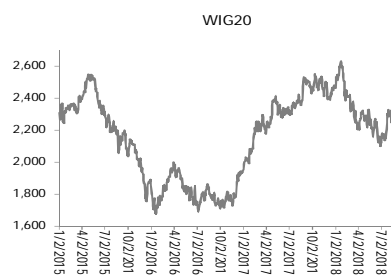
On Friday the Dow Jones index closed 0.09% down. Today in the morning the FTSE index rose by 0.09%, the CAC index decreased by 0.03% and the DAX index was 0.06% up. The Nikkei index closed 0.05% down. Today in the morning the WIG20 index rose by 0.75% and the WIG index decreased by 0.52%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 4 September 2018 (7:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7113	3.6991	0.3%	SPOT	3.7107	3.7119	SPOT	4.2981	4.2992
EUR/PLN	4.2987	4.2954	0.1%	S/N	3.7106	3.7119	S/N	4.2983	4.2994
GBP/PLN	4.7687	4.7692	0.0%	1W	3.7103	3.7116	1W	4.2997	4.3009
CHF/PLN	3.8206	3.8112	0.2%	1M	3.7086	3.7100	1M	4.3063	4.3076
SEK/PLN	0.4074	0.4056	0.4%	2M	3.7063	3.7077	2M	4.3129	4.3144
NOK/PLN	0.4429	0.4426	0.1%	3M	3.7035	3.7052	3M	4.3199	4.3217
DKK/PLN	0.5767	0.5762	0.1%	6M	3.6936	3.6956	6M	4.3421	4.3446
CAD/PLN	2.8294	2.8337	-0.2%	12M	3.6737	3.6764	12M	4.3896	4.3936
CZK/PLN	0.1670	0.1668	0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1583	1.1612	-0.3%	O/N	1.54 %	bp			
USD/JPY	111.40	111.01	0.3%	1W	1.55 %	bp			
GBP/USD	1.2850	1.2893	-0.3%	1M	1.64 %	bp	1M		
USD/CHF	0.9714	0.9706	0.1%	3M	1.71 %	bp	3M	%	bp
EUR/JPY	129.03	128.91	0.1%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.9014	0.9007	0.1%	9M	1.82 %	bp	9M	%	bp
USD/CAD	1.3118	1.3054	0.5%	12M	1.87 %	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	1.67	1X7	1.80	2Y	1.92 %	0 bp	2Y	1.61 %	0 bp
2X3	1.67	3X9	1.81	5Y	2.43 %	3 bp	5Y	2.57 %	7 bp
1X4	1.72	6X12	1.85	10Y	2.90 %	3 bp	10Y	3.22 %	7 bp
3X6	1.74			5Y-2Y	52 bp	3 bp			
6X9	1.77			10Y-5Y	47 bp	0 bp			
9X12	1.81			10Y-2Y	98 bp	3 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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