



## Poland Daily

### HEADLINES...

**POL:** The Monetary Policy Council kept interest rates unchanged and repeated guidance for steady interest rates in the medium term. In our view a likelihood of rate hike is now very small as inflation stabilised at 2% level, and is still below the centre of MPC target. NBP President Adam Glapinski underlined that currently for the main central banks a problem was relatively slow GDP growth and not inflation. NBP President Glapinski said that due to diversity of views within the MPC, the Council still retained ability to react quickly, if inflation rose or GDP growth slowed down. NBP President added that there were only external risks to GDP growth, stemming mainly to moderately slower GDP growth in Germany and impact of limited trade war on Poland's exports. In our opinion, views of major factions within the MPC gradually converge: NBP President Glapinski said that interest rates would be steady until the end of 2019 (and not until the end of 2020 as before) and MPC member Kamil Zubelewicz said that there were no premises for rate hike, but the MPC should be ready for it in 2H 2019.

### THE DAY AHEAD...

DEU: Factory orders (Jul)

CZK: Industrial output (Aug)

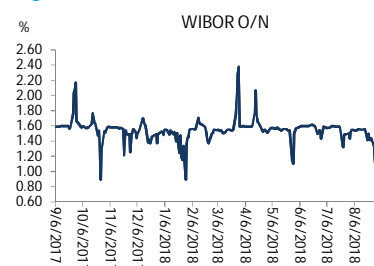
HUN: Industrial output (Aug)

USA: ADP employment change (Aug), non-farm productivity (Q2), initial jobless claims

### TODAY'S FOCUS:

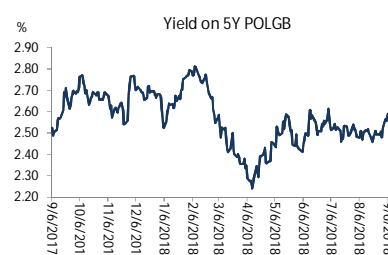
Today's major economic releases are Germany's factory orders for July, US ADP employment report for August and initial jobless claims.

Figure 1: WIBOR O/N



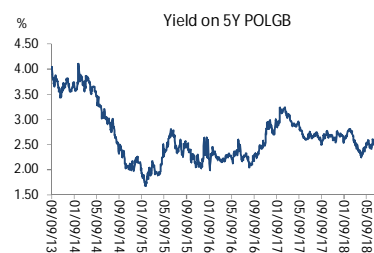
Source: Bloomberg

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	Factory orders (Aug)	(1.9%)	-0.9% (-0.9%)	1.8% (1.9%)
HUN	7:00	Industrial output (Jul)	(8.0%)	-2.0% (3.9%)	(8.0%)
CZK	7:00	Industrial output (Jul)	(8.5%)	(10.3%)	(8.3%)
USA	12:15	ADP employemnt change (Aug)	155k		200k
USA	12:30	Initial jobless claims	213k		213k



## Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD and was 0.4% weaker versus the EUR compared to the last NBP fixing. The zloty weakened today in the morning on concerns that the US will levy additional tariffs on imports from China. Today the zloty should be moving within a range of PLN4.3150-4.3500 per EUR.

The USD weakened versus the EUR on US-China trade-related worries.

## Fixed Income

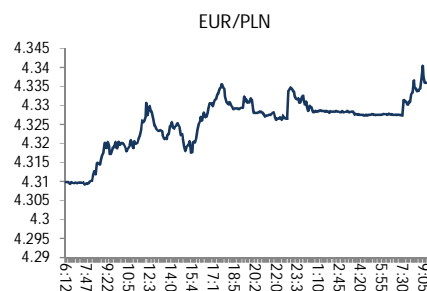
The yields on Poland's government bonds were 2bp up in 5-year and 10-year sectors.

## Interest Rates

Today the O/N bid rate should be within a range of 1.30%-1.50%. Swap rates were almost steady across the curve.

## Equities

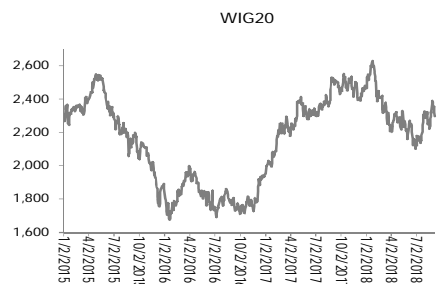
Yesterday the Dow Jones index closed 0.09% up. Today in the morning the FTSE index fell by 0.22%, the CAC index decreased by 0.04% and the DAX index was 0.31% down. The Nikkei index closed 0.41% down. Today in the morning the WIG20 index rose by 0.16% and the WIG index decreased by 0.06%. Weaker sentiment in EM weighed on European stock markets.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 6 September 2018 (7:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards			EUR/PLN forwards		
				bid	offer	SPOT	bid	offer	
USD/PLN	3.7258	3.7330	-0.2%	SPOT	3.7251	3.7264	SPOT	4.3337	4.3352
EUR/PLN	4.3345	4.3183	0.4%	S/N	3.7250	3.7264	S/N	4.3339	4.3355
GBP/PLN	4.8156	4.7856	0.6%	1W	3.7247	3.7261	1W	4.3354	4.3370
CHF/PLN	3.8388	3.8301	0.2%	1M	3.7231	3.7245	1M	4.3411	4.3429
SEK/PLN	0.4115	0.4098	0.4%	2M	3.7203	3.7218	2M	4.3493	4.3512
NOK/PLN	0.4433	0.4438	-0.1%	3M	3.7177	3.7195	3M	4.3555	4.3576
DKK/PLN	0.5814	0.5792	0.4%	6M	3.7077	3.7098	6M	4.3783	4.3812
CAD/PLN	2.8246	2.8321	-0.3%	12M	3.6876	3.6904	12M	4.4257	4.4303
CZK/PLN	0.1684	0.1677	0.4%						
				WIBOR			T-bills (mid)		
					Last fixing	1-day change		Today's opening	1-day change
EUR/USD	1.1634	1.1568	0.6%	O/N	1.55 %	0 bp			
USD/JPY	111.39	111.52	-0.1%	1W	1.55 %	0 bp			
GBP/USD	1.2926	1.2820	0.8%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9705	0.9746	-0.4%	3M	1.71 %	0 bp	3M	%	bp
EUR/JPY	129.59	129.01	0.4%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.9001	0.9024	-0.3%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3192	1.3181	0.1%	12M	1.87 %	0 bp	12M	%	bp
				FRAs			T-Bonds (mid)		
	Last closing				Today's opening	1-day change		Today's opening	1-day change
1X2	1.67	1X7	1.80	2Y	1.91 %	0 bp	2Y	1.62 %	0 bp
2X3	1.67	3X9	1.81	5Y	2.43 %	0 bp	5Y	2.59 %	2 bp
1X4	1.72	6X12	1.84	10Y	2.90 %	1 bp	10Y	3.25 %	2 bp
3X6	1.73			5Y-2Y	52 bp	1 bp			
6X9	1.76			10Y-5Y	47 bp	0 bp			
9X12	1.79			10Y-2Y	99 bp	1 bp			



# Appendix 1

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### Additional information available upon request

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