



Poland Daily

HEADLINES...

POL: The Finance Ministry informed that it may cancel bond switching auction scheduled for September 20, as it funded 80 percent of funding needs for this year after PLN4bn bond auction yesterday. The Finance Ministry also considers taping euro-bond market this year. The Ministry said in a statement that it monitored situation in foreign bond markets, including JPY and USD markets, but the most attractive in terms of prices was still the euro market.

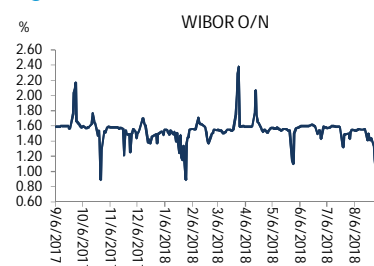
THE DAY AHEAD...

POL: Official reserve assets (Aug)
 DEU: Trade balance (Jul), industrial production (Jul)
 FRA: Industrial production (Jul)
 HUN: Trade balance (Jul),
 EMU: GDP (Q2)
 USA: Employment report (Aug)

TODAY'S FOCUS:

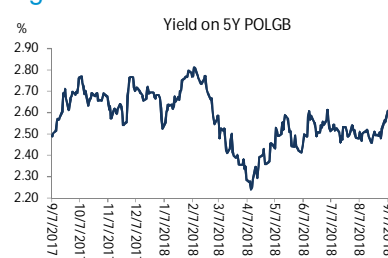
Today market participants will be focusing on US employment report for August, euro-zone's Q2 GDP and industrial production for July from Germany and France.

Figure 1: WIBOR O/N



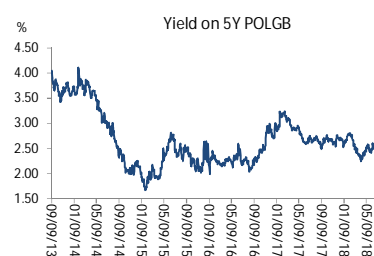
Source: Bloomberg

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	Industrial production (Jul)	0.2% (2.6%)	-1.1% (1.1%)	0.2% (2.6%)
FRA	6:45	Industrial production (Jul)	0.2% (1.0%)	0.7% (1.8%)	0.2% (1.0%)
EMU	9:00	GDP (Q2)	0.4% (2.2%)		0.4% (2.2%)
USA	12:30	Change in non-farm payrolls (sie)	155 tys.		191 tys.
USA	12:30	Unemployment rate (sie)	3.9%		3.8%



Foreign Exchange

Today in the morning the zloty was 0.1% firmer versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.3050-4.3400 per EUR.

The USD remained steady versus the EUR. The JPY firmed versus G10 currencies as Japanese investors increased demand for domestic assets due to concerns that president Trump may focus his attention to US-Japan trade.

Fixed Income

The yields on Poland's government bonds were 2-bp up in all tenors. Yesterday at bond auction the Finance Ministry sold bonds series OK0720 worth PLN260mn (with the yield of 1.61%), PS0123 worth PLN1.52bn (with the yield of 2.462%), WS0428 worth PLN1.54bn (with the yield of 3.249%), WS0429 worth PLN51mn (with the yield of 3.181%) and WZ0524 and WZ0528 worth respectively PLN858.7mn and PLN252mn.

Interest Rates

Today the O/N bid rate should be within a range of 1,30%-1.50%. Swap rates were 3-6 bps up across the curve.

Equities

Yesterday the Dow Jones index closed 0.09% up. Today in the morning the FTSE index rose by 0.06%, the CAC index increased by 0.15% and the DAX index was 0.05% up. The Nikkei index closed 0.80% down. Today in the morning the WIG20 index rose by 0.18% and the WIG index increased by 0.11%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

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

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7100	3.7143	-0.1%	SPOT	3.7094	3.7106	SPOT	4.3171	4.3186
EUR/PLN	4.3179	4.3218	-0.1%	S/N	3.7093	3.7106	S/N	4.3173	4.3189
GBP/PLN	4.8006	4.8071	-0.1%	1W	3.7090	3.7103	1W	4.3187	4.3203
CHF/PLN	3.8440	3.8309	0.3%	1M	3.7073	3.7087	1M	4.3245	4.3262
SEK/PLN	0.4080	0.4090	-0.3%	2M	3.7047	3.7060	2M	4.3323	4.3341
NOK/PLN	0.4408	0.4430	-0.5%	3M	3.7020	3.7037	3M	4.3386	4.3408
DKK/PLN	0.5790	0.5796	-0.1%	6M	3.6921	3.6941	6M	4.3611	4.3640
CAD/PLN	2.8221	2.8206	0.1%	12M	3.6720	3.6747	12M	4.4089	4.4134
CZK/PLN	0.1679	0.1680	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1638	1.1636	0.0%	O/N	1.55 %	0 bp			
USD/JPY	110.66	111.36	-0.6%	1W	1.55 %	0 bp			
GBP/USD	1.2939	1.2942	0.0%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9653	0.9696	-0.4%	3M	1.71 %	0 bp	3M	%	bp
EUR/JPY	128.79	129.57	-0.6%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8995	0.8990	0.0%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3143	1.3168	-0.2%	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	1.67	1X7	1.80	2Y	1.94 %	3 bp	2Y	1.64 %	2 bp
2X3	1.67	3X9	1.82	5Y	2.47 %	4 bp	5Y	2.61 %	2 bp
1X4	1.72	6X12	1.86	10Y	2.95 %	5 bp	10Y	3.28 %	3 bp
3X6	1.75			5Y-2Y	53 bp	1 bp			
6X9	1.79			10Y-5Y	48 bp	1 bp			
9X12	1.81			10Y-2Y	100 bp	2 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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