



Poland Daily

HEADLINES...

POL: The Central Statistical Office confirmed headline inflation for August at 0.0% mom and 2.0% yoy. In August food and beverage prices fell by 0.7% mom and rose by 2.1% yoy, footwear and clothing prices were 1.7% down mom and declined by 3.4% yoy, prices of housing and energy were 0.2% up mom and rose by 1.8% yoy. transport prices rose by 0.4% mom and 8.5% yoy. In August goods prices fell by 0.3% mom and rose by 2.1% yoy while services prices rose by 0.5% mom and 1.8% yoy. In August there was no inflationary pressure visible in the structure of headline inflation despite a rise in services' prices related mainly to higher prices of transport services.

POL: In July the current account deficit widened to –EUR809mn from –EUR240mn in June. Trade deficit was –EUR432mn in July, close to –EUR413mn trade gap in June. In July exports rose by 9.8% yoy and imports increased by 11.6% yoy compared to 9.0% yoy and 10.2% yoy respectively in June. In July there was stable surplus of EUR1.689bn while primary deficit widened to –EUR2.012bn. Robust growth in imports and exports is a result of strong domestic demand and stable demand for Poland's exports.

TUR: Central Bank of Turkey hiked policy rate by 625bps to 24 percent what resulted in 4% appreciation of the TRY.

THE DAY AHEAD...

POL: Moody's review of Poland's rating , core inflation (Aug)

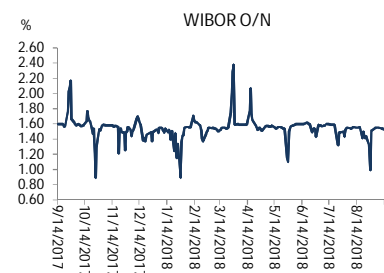
EMU: Trade balance (Jul)

USA: Retail sales (Aug), industrial production (Aug)

TODAY'S FOCUS:

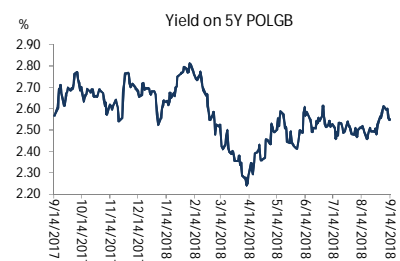
Today market participants will focus on Moody's review of Poland's rating (we expect no change to A2 rating and retaining stable outlook). US retail sales and industrial production will be also potentially relevant.

Figure 1: WIBOR O/N



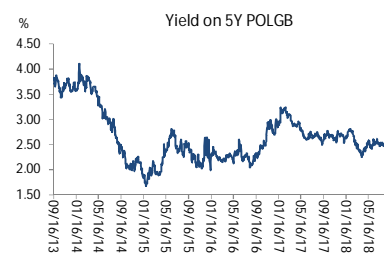
Source: Bloomberg

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
EMU	9:00	Trade balance (Jul)	EUR16.0bn		EUR16.2bn
POL	12:00	Core inflation (Aug)	0.0% (0.8%)		0.0% (0.8%)
USA	12:30	Retail sales (Aug)	0.6%		0.4%
USA	13:15	Industrial production (Aug)	0.2%		0.3%



Appendix 1

Important Disclosures

Additional information available upon request

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