



Poland Daily

HEADLINES...

POL: In August 2018 industrial output was 5.0% up yoy and increased by 0.8% mom. On an annual basis growth in output was reported in 28 out of 34 branches of industry including ship production (up 30.5% yoy), machinery and appliances (up 17.7% yoy), electrical appliances (up 16.6% yoy), metals (up 8.4% yoy), paper (up 8.3% yoy), coke and oil refining products (up 8.2% yoy) and products of other non-metal raw materials (up 7.9% yoy). A decrease in output occurred in production of pharmaceuticals (down 18.9% yoy), leather and products thereof (down 10.1% yoy) and computers and optical appliances (down 1.4% yoy).

POL: In August 2018 construction output rose by 20.0% yoy and was 1.6% up mom. The strongest growth (30.5% yoy) was reported in infrastructure construction and was robust (14.6% yoy) in buildings construction.

POL: In August 2018 producer prices were flat mom and rose by 3.0% yoy.

THE DAY AHEAD...

POL: minutes from MPC meeting

UK: Retail sales (Aug)

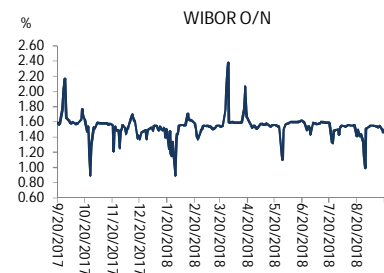
USA: Philadelphia Fed Index (Sep), Index of Leading Indicators (Aug), Existing Home Sales (Aug)

EMU: Consumer confidence (Sep)

TODAY'S FOCUS:

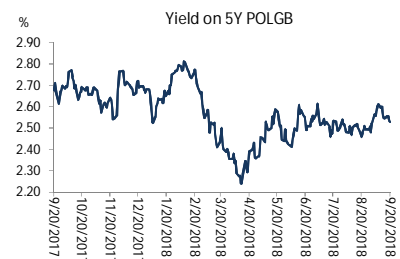
Today NBP will release minutes from MPC meeting in September. Worth noting are also euro-zone's consumer confidence, Philadelphia Fed Index and existing homes sales from the US.

Figure 1: WIBOR O/N



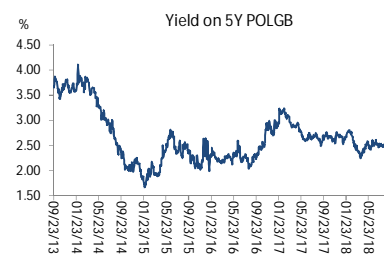
Source: Bloomberg

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
UK	8:30	Retail sales (Aug)	(2.3%)		-0.2% (2.3%)
POL	12:00	Minutes from MPC meeting			
USA	12:30	Initial jobless claims	210k		210k
USA	12:30	Philadelphia Fed Index (Sep)	18.0		18.0
USA	14:00	Leading indicators (Sep)	0.5%		0.5
USA	14:00	Existing Home Sales (Aug)	-0.4%		0.4%
EMU	14:00	Consumer Confidence (Sep)	-2.0		-2.0



Foreign Exchange

Today in the morning the zloty was flat 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 PLN4.2800-4.3050 per EUR.

The USD was under the pressure after the news that the US and Kanada are likely to sign an agreement on NAFTA this week.

Fixed Income

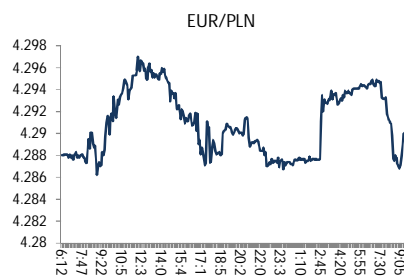
The yields on Poland's government bonds were 2bps down across the curve.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.40%. Swap rates were 1bp down in all tenors.

Equities

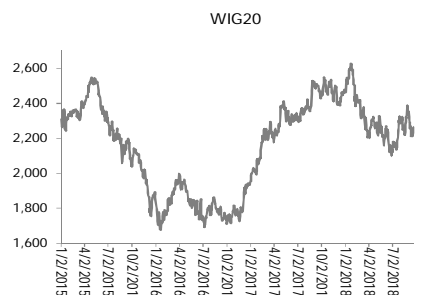
Yesterday the Dow Jones index closed 0.61% up. Today in the morning the FTSE index rose by 0.07%, the CAC index increased by 0.52% and the DAX index was 0.37% up. The Nikkei index closed 0.01% up. Today in the morning the WIG20 index rose by 0.22% and the WIG index increased by 0.20%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 20 September 2018 (7:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN			
				forwards	bid	offer	forwards	bid	offer	
USD/PLN	3.6680	3.6685	0.0%	SPOT	3.6674	3.6685	SPOT	4.2900	4.2910	
EUR/PLN	4.2905	4.2929	-0.1%	S/N	3.6673	3.6684	S/N	4.2902	4.2912	
GBP/PLN	4.8378	4.8406	-0.1%	1W	3.6667	3.6680	1W	4.2916	4.2929	
CHF/PLN	3.7946	3.8005	-0.2%	1M	3.6648	3.6660	1M	4.2970	4.2982	
SEK/PLN	0.4134	0.4132	0.0%	2M	3.6621	3.6634	2M	4.3047	4.3061	
NOK/PLN	0.4467	0.4498	-0.7%	3M	3.6597	3.6611	3M	4.3113	4.3128	
DKK/PLN	0.5752	0.5755	-0.1%	6M	3.6488	3.6509	6M	4.3340	4.3368	
CAD/PLN	2.8406	2.8326	0.3%	12M	3.6274	3.6305	12M	4.3824	4.3864	
CZK/PLN	0.1680	0.1688	-0.5%							
				WIBOR			T-bills (mid)			
					Last fixing	1-day change		Today's opening	1-day change	
EUR/USD	1.1697	1.1702	0.0%	O/N	1.50 %	4 bp				
USD/JPY	112.25	112.37	-0.1%	1W	1.54 %	0 bp				
GBP/USD	1.3190	1.3195	0.0%	1M	1.64 %	0 bp	1M			
USD/CHF	0.9666	0.9653	0.1%	3M	1.72 %	0 bp	3M	%	bp	
EUR/JPY	131.31	131.49	-0.1%	6M	1.79 %	0 bp	6M	%	bp	
EUR/GBP	0.8868	0.8869	0.0%	9M	1.82 %	0 bp	9M	%	bp	
USD/CAD	1.2914	1.2951	-0.3%	12M	1.87 %	0 bp	12M	%	bp	
				FRAs			T-Bonds			
					Last closing	Today's opening	1-day change	(mid)	Today's opening	1-day change
1X2	1.68	1X7	1.81	IRS (mid)	2Y	1.96 %	-1 bp	2Y	1.56 %	-2 bp
2X3	1.67	3X9	1.83		5Y	2.48 %	-1 bp	5Y	2.53 %	-2 bp
1X4	1.73	6X12	1.86		10Y	2.97 %	-1 bp	10Y	3.21 %	-2 bp
3X6	1.75				5Y-2Y	52 bp	-1 bp			
6X9	1.78				10Y-5Y	49 bp	0 bp			
9X12	1.82				10Y-2Y	101 bp	-1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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