



## Poland Daily

### HEADLINES...

POL: Government accepted 2019 budget draft with PLN28.5bn budget deficit. In 2019 budget revenues are envisaged at PLN387.6bn while budget expenditures are set at PLN416.1bn. In 2019 government envisages tax revenues of PLN359.7bn, including VAT revenues of PLN180bn, CIT revenues of PLN34.8bn and PIT revenues of PLN64.3bn. In 2019 government envisages general government deficit of 1.7% of GDP. Average inflation is envisaged at 2.3% and real GDP growth at 3.8% in 2019

POL: In "Public sector debt management strategy for 2019-2022" government envisages a decline in general government debt from 49.2% of GDP in 2018 to 48.9% of GDP in 2019 and 43.5% of GDP in 2022. The strategy assumes a decline in share of FX public debt to below 30%. Domestic market will remain the main source of financing of funding requirements and priority of issuance policy will be building big and liquid issues of fixed coupon debt on both domestic and EUR markets.

POL: Registered unemployment rate fell to 5.8% in August from 5.9% in July.

### THE DAY AHEAD...

FRA: consumer confidence (Sep)

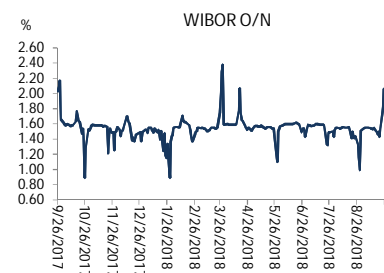
CZK: CNB decision

USA: FOMC decision, New Home Sales (Aug)

### TODAY'S FOCUS:

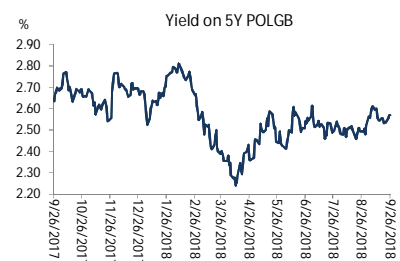
Today market participants will be focusing on FOMC decision (we expect 25 bps hike). Also today the CNB hold policy meeting (our call is 25 bps hike). Today economic calendar contains also French consumer confidence and US new home sales.

Figure 1: WIBOR O/N



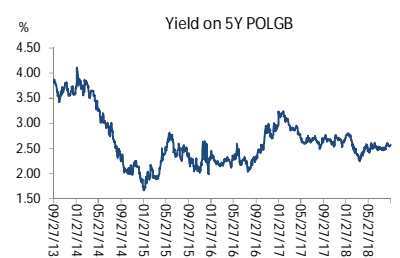
Source: Bloomberg

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
FRA	6:45	Consumer confidence (Sep)		94	97
CZK	11:00	CNB decision	1.50%		1.25%
USA	14:00	New Home Sales (Aug)	1.3%		0.5%
USA	18:00	FOMC decision	2.00%-2.25%		2.00%-2.25%



### Foreign Exchange

Today in the morning the zloty was 0.3% firmer versus the USD and was 0.3% firmer versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2650-4.3050 per EUR.

Today the USD weakened marginally ahead of FOMC decision.

### Fixed Income

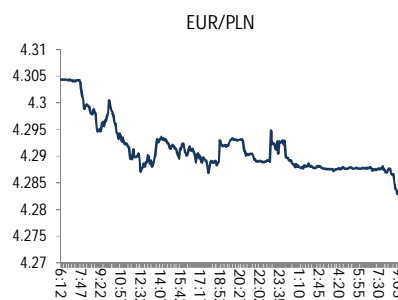
The yields on Poland's government bonds were 2bps down in 10-year sector.

### Interest Rates

Today the O/N bid rate should be within a range of 1.50%-1.80% due to reduced liquidity in money market. Swap rates were 2bps up in medium and long segments of the curve.

### Equities

Yesterday the Dow Jones index closed 0.26% down. Today in the morning the FTSE index fell by 0.17%, the CAC index increased by 0.05% and the DAX index was 0.07% up. The Nikkei index closed 0.39% up. Today in the morning the WIG20 index rose by 0.25% and the WIG index increased by 0.24%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

### Polish local market data 26 September 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.6395	3.6511	-0.3%	SPOT	3.6390	3.6400	SPOT	4.2820	4.2831
EUR/PLN	4.2826	4.2939	-0.3%	S/N	3.6388	3.6398	S/N	4.2828	4.2841
GBP/PLN	4.7955	4.7987	-0.1%	1W	3.6384	3.6396	1W	4.2838	4.2850
CHF/PLN	3.7718	3.7773	-0.1%	1M	3.6365	3.6376	1M	4.2901	4.2913
SEK/PLN	0.4139	0.4155	-0.4%	2M	3.6340	3.6352	2M	4.2971	4.2986
NOK/PLN	0.4486	0.4490	-0.1%	3M	3.6311	3.6324	3M	4.3046	4.3061
DKK/PLN	0.5742	0.5757	-0.3%	6M	3.6207	3.6227	6M	4.3267	4.3297
CAD/PLN	2.8096	2.8159	-0.2%	12M	3.5992	3.6017	12M	4.3747	4.3798
CZK/PLN	0.1674	0.1676	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1767	1.1761	0.1%	O/N	2.06 %	24 bp			
USD/JPY	112.82	112.88	-0.1%	1W	1.62 %	4 bp			
GBP/USD	1.3177	1.3143	0.3%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9649	0.9666	-0.2%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	132.75	132.75	0.0%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8931	0.8948	-0.2%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.2955	1.2966	-0.1%	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	1.68	1X7	1.81	2Y	2.00 %	0 bp	2Y	1.57 %	-1 bp
2X3	1.68	3X9	1.84	5Y	2.56 %	2 bp	5Y	2.57 %	0 bp
1X4	1.73	6X12	1.87	10Y	3.05 %	2 bp	10Y	3.27 %	-2 bp
3X6	1.76			5Y-2Y	57 bp	1 bp			
6X9	1.80			10Y-5Y	49 bp	1 bp			
9X12	1.84			10Y-2Y	106 bp	2 bp			



# Appendix 1

## Important Disclosures

### Additional information available upon request

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