



## Poland Daily

### HEADLINES...

**POL:** Today the Monetary Policy Council ends policy meeting. Comparing to last MPC meeting the main change in macro-economic indicators was a decline in headline CPI and increase in core inflation. Despite a rise in core inflation that stems from secondary effects of higher fuel prices and rise in wages in services sectors, consumer prices are steady as lower food inflation counterbalance rising fuel prices. A decline in inflation in September would reinforce the MPC's view of no change in interest rates in the coming quarters. We expect the MPC to keep interest rates unchanged and to reiterate guidance for steady interest rates in the medium term.

### THE DAY AHEAD...

**POL:** MPC decision

**DEU:** PMI services (Sep)

**EMU:** PMI services (Sep)

**EMU:** Retail sales (Aug)

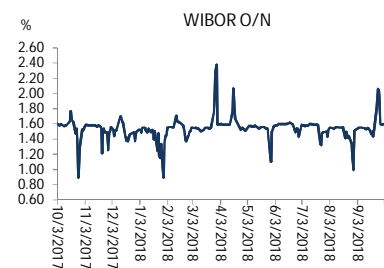
**HUN:** minutes from NBH meeting

**USA:** ISM non-manufacturing (Sep), ADP employment change (Sep)

### TODAY'S FOCUS:

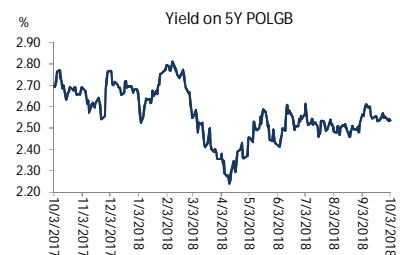
Today market participants will be focusing on MPC meeting and following press conference. The most interesting would be the Council's view on recent decline in headline inflation and rising core inflation. On a foreign side economic calendar contains euro-zone's PMI services for August and US non-manufacturing ISM for September.

Figure 1: WIBOR O/N



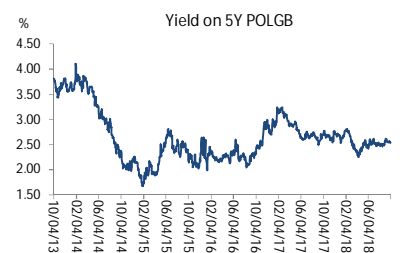
Source: Bloomberg

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	7:55	PMI services (Sep)	56.5	55.9	56.5
EMU	8:00	PMI services (Sep)	54.7	54.7	54.7
EMU	9:00	Retail sales (Sep)			0.2% (1.7%)
POL		MPC decision	1.50%		1.50%
USA	12:15	ADP employment change (Sep)	185		184
USA	14:00	ISM services (Oct)	57.5		58.0



## Foreign Exchange

Today in the morning the zloty was 0.7% firmer versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. The USD/PLN almost returned to Monday's levels. Today the zloty should be moving within a range of PLN4.2750-4.3000 per EUR.

Today the euro firmed versus the USD after the news that Italian government is to pledge to curb general government deficit to 2% of GDP by 2021.

## Fixed Income

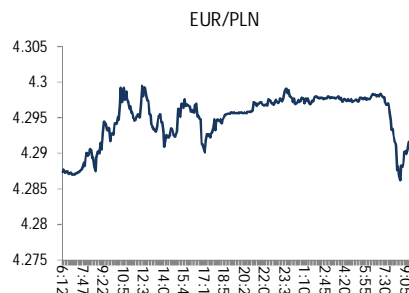
The yields on Poland's government bonds were unchanged in all tenors.

## Interest Rates

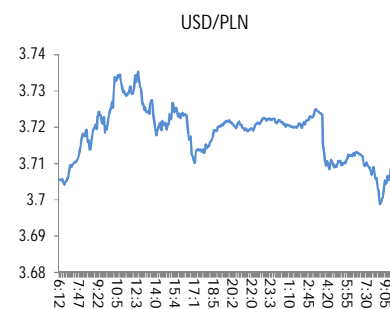
Today the O/N bid rate should be within a range of 1.30%-1.50%. Swap rates were steady across the curve.

## Equities

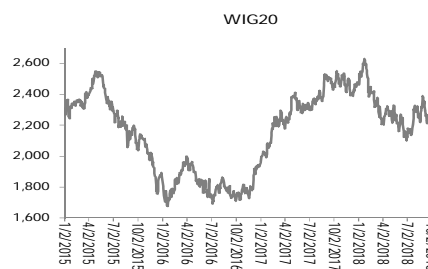
Yesterday the Dow Jones index closed 0.46% up. Today in the morning the FTSE index rose by 0.22%, the CAC index increased by 0.27% and the DAX index was 0.42% down. The Nikkei index closed 0.66% down. Today in the morning the WIG20 index rose by 0.45% and the WIG index increased by 0.43%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 3 October 2018 (7:30 GMT)

waluta (mid)	Dziś	Ostatni fixing	Zmiana	forwardy USD/PLN	bid	offer	forwardy EUR/PLN	bid	offer	
USD/PLN	3.7084	3.7326	-0.6%	SPOT	3.7078	3.7089	SPOT	4.2909	4.2919	
EUR/PLN	4.2914	4.2975	-0.1%	S/N	3.7075	3.7086	S/N	4.2919	4.2929	
GBP/PLN	4.8217	4.8403	-0.4%	1W	3.7073	3.7085	1W	4.2926	4.2937	
CHF/PLN	3.7612	3.7962	-0.9%	1M	3.7054	3.7066	1M	4.2983	4.2994	
SEK/PLN	0.4133	0.4136	-0.1%	2M	3.7027	3.7040	2M	4.3051	4.3067	
NOK/PLN	0.4543	0.4547	-0.1%	3M	3.6981	3.6997	3M	4.3145	4.3163	
DKK/PLN	0.5755	0.5764	-0.2%	6M	3.6889	3.6906	6M	4.3365	4.3392	
CAD/PLN	2.8898	2.9081	-0.6%	12M	3.6678	3.6699	12M	4.3862	4.3898	
CZK/PLN	0.1664	0.1662	0.1%							
							Bony			
				WIBOR	Ostatni fixing	Zmiana 1-dzień	skarbowe (mid)	Dzisiejsze otwarcie	Zmiana 1-dzień	
EUR/USD	1.1572	1.1513	0.5%	O/N	1.60 %	1 bp				
USD/JPY	113.86	113.65	0.2%	1W	1.58 %	-1 bp				
GBP/USD	1.3003	1.2968	0.3%	1M	1.64 %	0 bp	1M			
USD/CHF	0.9860	0.9832	0.3%	3M	1.72 %	0 bp	3M	%	bp	
EUR/JPY	131.76	130.85	0.7%	6M	1.79 %	0 bp	6M	%	bp	
EUR/GBP	0.8900	0.8879	0.2%	9M	1.82 %	0 bp	9M		bp	
USD/CAD	1.2834	1.2835	0.0%	12M	1.87 %	0 bp	12M		bp	
							Obligacje skarbowe			
				IRS (mid)	Dzisiejsze otwarcie	Zmiana 1-dzień	(mid)	Dzisiejsze otwarcie	Zmiana 1-dzień	
				Ostatnie zamknięcie			2L	1.56 %	0 bp	
				1X2	1.68	1X7	1.81			
				2X3	1.68	3X9	1.82	5L	2.53 %	0 bp
				1X4	1.73	6X12	1.86	10L	3.22 %	0 bp
				3X6	1.75					
				5L-2L	51 bp	0 bp				
				6X9	1.77					
				10L-5L	47 bp	-1 bp				
				9X12	1.82					
				10L-2L	99 bp	-1 bp				



# Appendix 1

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### Additional information available upon request

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