



## Poland Daily

### HEADLINES...

POL: The Monetary Policy Council, in line with our and market expectations, didn't change interest rates. There were only minor changes to communicate after the meeting with general assessment of Poland's economy and economic environment unchanged. The MPC underlined that slightly higher than in Q1 consumer inflation stemmed mainly from rising fuel prices. In the opinion of the MPC core inflation (excluding food and energy prices) remained low. The MPC stated that prospects of economic growth in the coming quarters remained positive, despite expected decline in GDP growth rate in the following quarters. The Council reiterated their assessment that the current level of interest rates was conducive for keeping Poland's economy at sustainable growth path and allowed for maintaining macro-economic balance. At press conference NBP President Adam Glapinski repeated his view, making it more precise, that he expected rates to remain unchanged in 2019 and possibly in the beginning of 2020. MPC member Jerzy Kropiwnicki underlined that the MPC expects an increase of inflation due to secondary effects of a rise in wholesale energy prices. He added that this was an exogenous factor, beyond control of monetary policy. NBP President said that the NBP had in its disposal exactly the same tools of non-standard monetary policy as the ECB, the only difference was that Poland's macro-economic situation didn't require their use. NBP President also informed that new NBP projections, due in November, would not be much different from the previous one.

### THE DAY AHEAD...

USA: initial jobless claims (Aug), factory orders (Aug), durable goods orders (Aug)

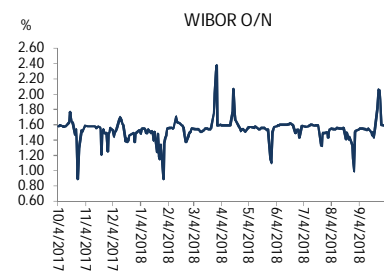
### TODAY'S FOCUS:

Today market participants will be focusing on US factory orders and durable goods orders for September.

### DIARY (Today)

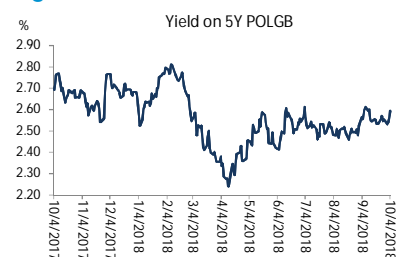
Country	GMT	Release	DB Expected	Actual	Consensus
USA	12:30	Initial jobless claims	215k		215k
USA	14:00	Factory orders (Aug)	2.5%		2.1%
USA	14:00	Durable goods orders (Aug)			4.5%

Figure 1: WIBOR O/N



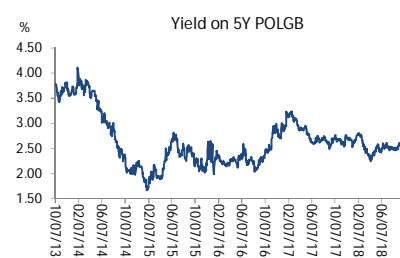
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg



## Foreign Exchange

Today in the morning the zloty was 0.9% weaker versus the USD and was 0.2% weaker versus the EUR compared to the last NBP fixing. The weakening of the zloty, as in the beginning of the week, followed from moves in the EUR/USD. Today the zloty should be moving within a range of PLN4.2900-4.3150 per EUR.

Today the USD firmed across the board after stronger than expected US PMI and ISM data and above consensus US ADP employment report. The USD was also supported by upbeat comments on prospects of US economy from FOMC Chairman Powell.

## Fixed Income

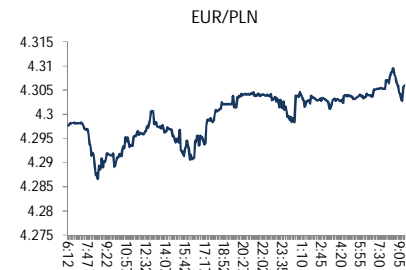
The yields on Poland's government bonds were 2bps up in 2-year sector and rose by 3bps in medium and long segments of the curve following weakening of the zloty.

## Interest Rates

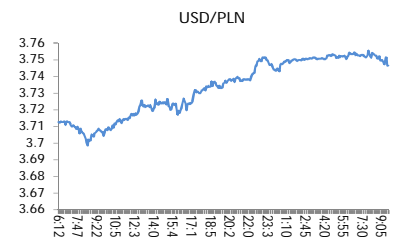
Today the O/N bid rate should be within a range of 1.30%-1.50%. Swap rates were steady across the curve.

## Equities

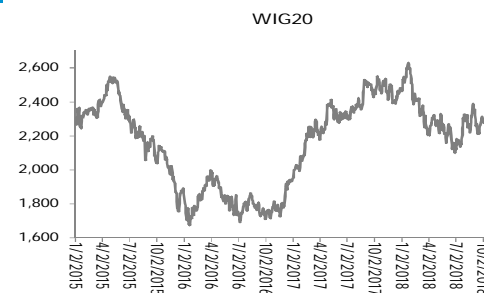
Yesterday the Dow Jones index closed 0.20% up. Today in the morning the FTSE index fell by 0.59%, the CAC index increased by 0.64% and the DAX index was 0.37% down. The Nikkei index closed 0.56% down. Today in the morning the WIG20 index fell by 0.84% and the WIG index decreased by 0.61%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 4 October 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7443	3.7103	0.9%	SPOT	3.7437	3.7449	SPOT	4.3024	4.3036
EUR/PLN	4.3030	4.2949	0.2%	S/N	3.7436	3.7448	S/N	4.3026	4.3039
GBP/PLN	4.8560	4.8293	0.6%	1W	3.7432	3.7445	1W	4.3041	4.3054
CHF/PLN	3.7802	3.7650	0.4%	1M	3.7413	3.7426	1M	4.3099	4.3112
SEK/PLN	0.4145	0.4135	0.2%	2M	3.7386	3.7400	2M	4.3171	4.3187
NOK/PLN	0.4551	0.4549	0.0%	3M	3.7341	3.7356	3M	4.3256	4.3274
DKK/PLN	0.5772	0.5760	0.2%	6M	3.7245	3.7266	6M	4.3479	4.3508
CAD/PLN	2.9101	2.8921	0.6%	12M	3.7024	3.7052	12M	4.3967	4.4012
CZK/PLN	0.1672	0.1665	0.4%						
				WIBOR			T-bills (mid)		
				Last fixing	1-day change		Today's opening	1-day change	
EUR/USD	1.1492	1.1576	-0.7%	O/N	1.60 %	0 bp			
USD/JPY	114.29	113.84	0.4%	1W	1.58 %	0 bp	1M		
GBP/USD	1.2969	1.3016	-0.4%	1M	1.64 %	0 bp	3M	%	bp
USD/CHF	0.9905	0.9855	0.5%	3M	1.72 %	0 bp	6M	%	bp
EUR/JPY	131.35	131.78	-0.3%	6M	1.79 %	0 bp	9M	%	bp
EUR/GBP	0.8862	0.8893	-0.4%	9M	1.82 %	0 bp	12M	%	bp
USD/CAD	1.2869	1.2829	0.3%	12M	1.87 %	0 bp			
FRAs (mid)		Last closing		IRS (mid)		Today's opening		1-day change	
								T-Bonds (mid)	
1X2	1.68	1X7	1.81	2Y	2.01 %	0 bp	2Y	1.59 %	2 bp
2X3	1.68	3X9	1.83	5Y	2.57 %	0 bp	5Y	2.60 %	3 bp
1X4	1.73	6X12	1.88	10Y	3.05 %	0 bp	10Y	3.29 %	3 bp
3X6	1.75			5Y-2Y	56 bp	0 bp			
6X9	1.79			10Y-5Y	48 bp	0 bp			
9X12	1.84			10Y-2Y	104 bp	0 bp			



# Appendix 1

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### Additional information available upon request

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