



## Poland Daily

### HEADLINES...

**POL: Investment and Development** Minister Jerzy Kwiecinski said that government's goal was to maintain GDP growth at 4-5% per annum in the longest horizon possible. He stressed that potential GDP growth rate in Poland was 3-3.5% per annum. He added that Poland's economy was strongly dependent on international markets via foreign trade channel. Deputy Finance Minister Leszek Skiba added that trade war between the US and China and rise in yields on US Treasuries were risk factors for Poland. In the opinion of Minister Kwiecinski Poland has safety buffers in the form of government's housing programme "Mieszkanie+", not yet launched employer-sponsored pension programme PPK and real estate trust funds REIT.

### THE DAY AHEAD...

POL: Foreign trade turnover (Jan-Aug)

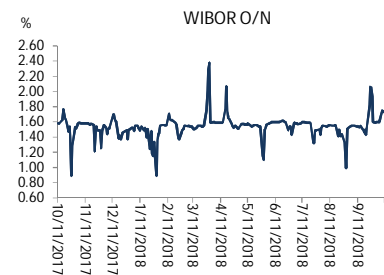
FRA: Inflation (Sep)

USA: Inflation (Sep), Core Inflation (Sep), initial jobless claims

### TODAY'S FOCUS:

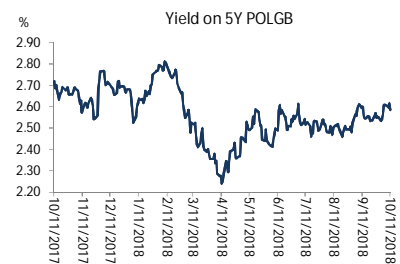
Today market participants will be focusing on US inflation for September. Market players will be also watching what is the impact of sharp correction in global stock markets on UST yields.

Figure 1: WIBOR O/N



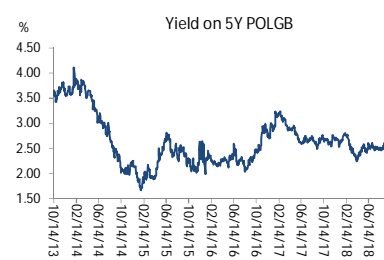
Source: Bloomberg

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	Inflation (Sep)		-0.2% (2.2%)	-0.2% (2.2%)
POL	8:00	Trade balance /customs basis/ (Jan-Aug)		-PLN8.2bn	
USA	12:30	Inflation (Sep)	0.2% (2.4%)		0.2% (2.4%)
USA	12:30	Core Inflation (Sep)	0.3%		0.2% (2.3%)
USA	12:30	Initial jobless claims			207k



## Foreign Exchange

Today in the morning the zloty was 0.3% firmer versus the USD and was 0.2% weaker versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.3000-4.3300 per EUR.

Today the USD weakened after President Trump's criticism of Fed policy tightening.

## Fixed Income

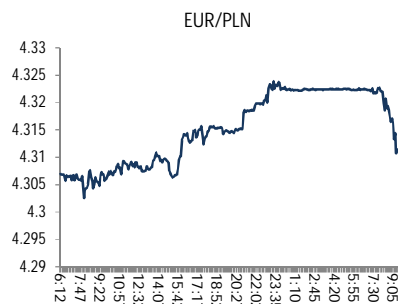
The yields on Poland's government bonds were 2 bps down in 5-year and 10-year sectors.

## Interest Rates

Today the O/N bid rate should be within a range of 1.35%-1.55%. Swap rates were 1-2 bps up in all tenors.

## Equities

Yesterday the Dow Jones index closed 3.51% down and SP500 index fell by 3.29%. Today in the morning the FTSE index fell by 1.41%, the CAC index decreased by 1.45% and the DAX index was 1.21% down. The Nikkei index closed 3.89% down. Today in the morning the WIG20 index fell by 1.19% and the WIG index decreased by 1.12%. Sharp correction in global bourses started by declines in US technology stocks is a result of fears that global growth is to decelerate due to US-China trade war and rise in yields on US Treasuries.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 11 October 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7385	3.7507	-0.3%	SPOT	3.7379	3.7391	SPOT	4.3143	4.3156
EUR/PLN	4.3150	4.3082	0.2%	S/N	3.7378	3.7390	S/N	4.3145	4.3159
GBP/PLN	4.9300	4.9276	0.0%	1W	3.7374	3.7386	1W	4.3160	4.3174
CHF/PLN	3.7826	3.7770	0.1%	1M	3.7354	3.7367	1M	4.3218	4.3233
SEK/PLN	0.4145	0.4124	0.5%	2M	3.7326	3.7342	2M	4.3294	4.3311
NOK/PLN	0.4539	0.4552	-0.3%	3M	3.7280	3.7296	3M	4.3375	4.3394
DKK/PLN	0.5785	0.5775	0.2%	6M	3.7178	3.7200	6M	4.3597	4.3624
CAD/PLN	2.8656	2.8944	-1.0%	12M	3.6962	3.6989	12M	4.4084	4.4125
CZK/PLN	0.1670	0.1667	0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1542	1.1486	0.5%	O/N	1.74 %	1 bp			
USD/JPY	112.23	113.19	-0.9%	1W	1.62 %	-1 bp			
GBP/USD	1.3187	1.3138	0.4%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9884	0.9930	-0.5%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	129.53	130.02	-0.4%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8753	0.8743	0.1%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3049	1.2958	0.7%	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	2.03 %	1 bp	2Y	1.61 %	0 bp
2X3	1.68	3X9	1.83	5Y	2.62 %	2 bp	5Y	2.58 %	-2 bp
1X4	1.73	6X12	1.88	10Y	3.10 %	2 bp	10Y	3.28 %	-2 bp
3X6	1.76			5Y-2Y	59 bp	1 bp			
6X9	1.81			10Y-5Y	48 bp	0 bp			
9X12	1.85			10Y-2Y	107 bp	0 bp			



# Appendix 1

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### Additional information available upon request

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