



Poland Daily

HEADLINES...

POL: In September average wage in enterprises' sector fell by 0.6% mom and increased by 6.7% yoy. Average employment in enterprises sector declined by 0.1% momm and rose by 3.2% yoy. Weaker than expected wage growth and slower employment growth shows that labour market still doesn't overheat, despite persistent shortages of labour, reported by many industries.

POL: In September core inflation fell to 0.0% mom and 0.8% yoy from 0.9% yoy in August. A decline in core inflation and steady growth in wages show that labour market still doesn't generate inflationary pressure.

USA: Industrial production rose by 0.3% mom in September, above market.

THE DAY AHEAD...

POL: Industrial production (Sep), PPI (Sep), Construction output (Sep)

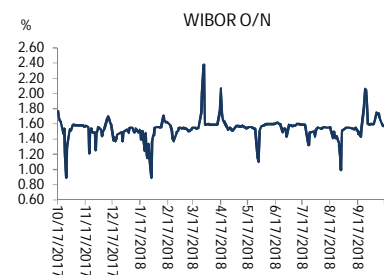
EMU: Inflation (Sep), Core inflation (Sep)

USA: Housing starts (Sep), FOMC minutes

TODAY'S FOCUS:

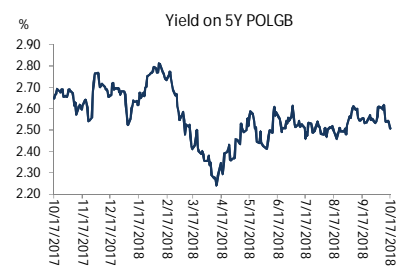
Today economic calendar contains Fed minutes, inflation and core inflation from euro-zone for September. On a domestic side industrial and construction output for September is published today.

Figure 1: WIBOR O/N



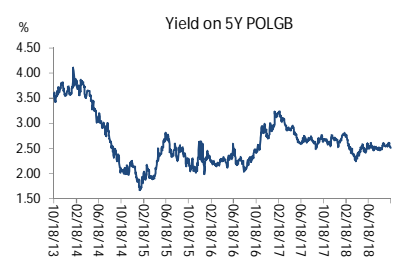
Source: Bloomberg

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
POL	8:00	Industrial production (Sep)	3,5% (2,8%)	3,5% (2,8%)	5,3% (4,1%)
POL	8:00	Construction output (Sep)	18,5%	16,4%	18,1%
POL	8:00	PPI (Sep)	0,3% (2,9%)	0,4% (2,9%)	0,3% (2,9%)
EMU	9:00	Inflation (Sep)	0,5% (2,1%)		0,5% (2,1%)
EMU	9:00	Core inflation (Sep)			(0,9%)
USA	12:30	Housing starts (Sep)	-6,4%		-5,6%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.2% weaker 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 PLN4.2700-4.3000 per EUR.

The USD firmed after stronger than expected US industrial production for September.

Fixed Income

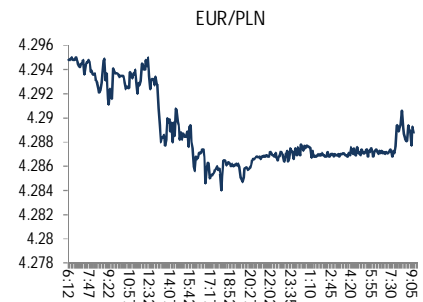
The yields on Poland's government bonds were 4-5 bps down in medium and long tenors.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.50%. Swap rates were 3-4 bps down in 5Y and 10Y sectors.

Equities

Yesterday the Dow Jones index closed 2.17% up and the SP500 index rose by 2.15%. Today in the morning the FTSE index fell by 0.12%, the CAC index increased by 0.36% and the DAX index was 0.30% up. Today the Nikkei index closed 1.29% up. Today in the morning the WIG20 index rose by 0.41% and the WIG index increased by 0.53%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 17 October 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7117	3.7036	0.2%	SPOT	3.7112	3.7121	SPOT	4.2898	4.2907
EUR/PLN	4.2903	4.2919	0.0%	S/N	3.7109	3.7119	S/N	4.2905	4.2914
GBP/PLN	4.8878	4.8872	0.0%	1W	3.7106	3.7116	1W	4.2914	4.2924
CHF/PLN	3.7452	3.7505	-0.1%	1M	3.7086	3.7096	1M	4.2971	4.2982
SEK/PLN	0.4162	0.4154	0.2%	2M	3.7062	3.7072	2M	4.3041	4.3054
NOK/PLN	0.4552	0.4550	0.0%	3M	3.7008	3.7021	3M	4.3140	4.3155
DKK/PLN	0.5751	0.5752	0.0%	6M	3.6912	3.6933	6M	4.3369	4.3394
CAD/PLN	2.8652	2.8543	0.4%	12M	3.6691	3.6715	12M	4.3849	4.3888
CZK/PLN	0.1661	0.1664	-0.2%						
				WIBOR			T-bills		
					Last fixing	1-day change	(mid)	Today's opening	1-day change
EUR/USD	1.1559	1.1588	-0.3%	O/N	1.59 %	2 bp	1M		
USD/JPY	112.29	112.11	0.2%	1W	1.59 %	0 bp	3M	%	bp
GBP/USD	1.3169	1.3196	-0.2%	1M	1.64 %	0 bp	6M	%	bp
USD/CHF	0.9911	0.9875	0.4%	3M	1.72 %	0 bp	9M	%	bp
EUR/JPY	129.80	129.92	-0.1%	6M	1.79 %	0 bp	12M	%	bp
EUR/GBP	0.8778	0.8782	0.0%	9M	1.82 %	0 bp			
USD/CAD	1.2955	1.2976	-0.2%	12M	1.87 %	0 bp			
				FRAs			T-Bonds		
				(mid)	Last closing	1-day change	(mid)	Today's opening	1-day change
				1X2	1.68	1.81	2Y	1.57 %	-1 bp
				2X3	1.68	1.83	5Y	2.50 %	-4 bp
				1X4	1.73	1.88	10Y	3.19 %	-5 bp
				3X6	1.76		5Y-2Y	54 bp	-2 bp
				6X9	1.79		10Y-5Y	44 bp	-1 bp
				9X12	1.85		10Y-2Y	99 bp	-3 bp



Appendix 1

Important Disclosures

Additional information available upon request

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