



Poland Daily

HEADLINES...

POL: Unemployment rate fell to 5.7% in September from 5.8% in August versus market consensus view of 5.8%. Situation in labour market has been improving but due to ongoing problems in finding skilled workers the pace of decline in unemployment rate is likely to diminish in the coming quarter.

DEU: In September PPI rose by 0.5% mom and increased by 3.2% yoy.

EMU: Consumer confidence rose to -2.7 pts in October from -2.9 pts in September.

THE DAY AHEAD...

FRA: PMI (Oct)

DEU: PMI (Oct)

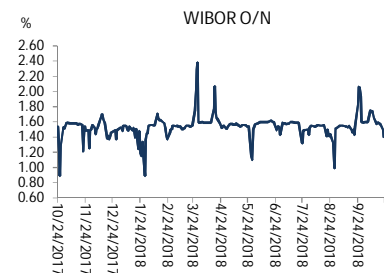
EMU: PMI (Oct), money supply M3 (Sep)

USA: PMI (Oct), House Price Index (Aug), New Home Sales (Oct)

TODAY'S FOCUS:

Today economic calendar contains preliminary PMI data from euro-zone and the US for October and US house price index for August and new home sales for September.

Figure 1: WIBOR O/N



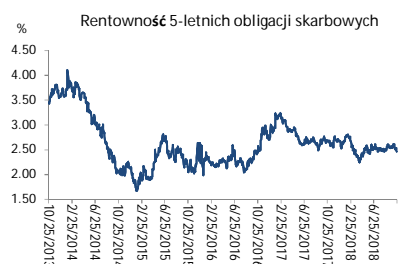
Source: Bloomberg

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
FRA	7:15	Manufacturing PMI (Oct)	52.4	51.2	52.4
DEU	7:35	Manufacturing PMI (Oct)	53.2	52.3	53.4
EMU	8:00	Manufacturing PMI (Oct)	54.2	52.1	54.7
EMU	8:00	Money Supply M3 (Sep)	(3.5%)	(3.5%)	(3.5%)
USA	13:00	House Price Index (Aug)	0.3%		0.3%
USA	13:45	Manufacturing PMI (Oct)	55.3		55.3
USA	14:00	New Home Sales (Sep)	-0.6%		-0.6%



Foreign Exchange

Today in the morning the zloty was 0.4% weaker versus the USD and was unchanged versus the EUR compared to the last NBP fixing. Today in the morning the zloty weakened after much weaker than expected PMI data from Germany and euro-zone for October. Today the zloty should be moving within a range of PLN4.2900-4.3250 per EUR.

The USD firmed after much weaker than expected PMI data from Germany and euro-zone for October.

Fixed Income

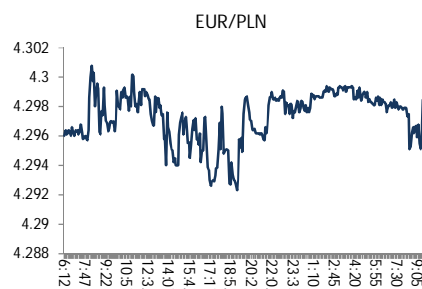
The yields on Poland's government bonds were 2 bps down in 2Y sector and decreased by 8bps in 5Y and 10Y sectors after PMI signalled deceleration in economic growth in euro-zone.

Interest Rates

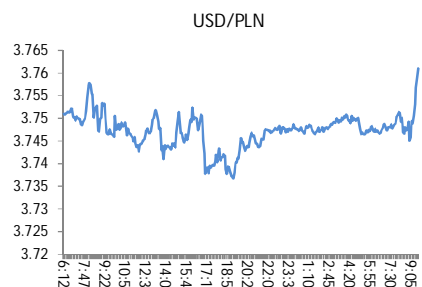
Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were 4 bps down in 2-year sector and fell by 7bps in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index closed 0.50% down and the S&P 500 index fell by 0.55%. Today in the morning the FTSE index rose by 0.37%, the CAC index increased by 0.47% and the DAX index was unchanged. Today the Nikkei index closed 0.37% up. Today in the morning the WIG20 index rose by 0.38% and the WIG index increased by 0.42%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 24 October 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN			
				forwards	bid	offer	forwards	bid	offer	
USD/PLN	3.7629	3.7485	0.4%	SPOT	3.7624	3.7634	SPOT	4.2996	4.3006	
EUR/PLN	4.3001	4.2984	0.0%	S/N	3.7621	3.7631	S/N	4.3003	4.3013	
GBP/PLN	4.8726	4.8704	0.0%	1W	3.7617	3.7628	1W	4.3011	4.3022	
CHF/PLN	3.7753	3.7667	0.2%	1M	3.7598	3.7609	1M	4.3068	4.3080	
SEK/PLN	0.4149	0.4159	-0.3%	2M	3.7570	3.7582	2M	4.3143	4.3157	
NOK/PLN	0.4533	0.4528	0.1%	3M	3.7514	3.7528	3M	4.3232	4.3247	
DKK/PLN	0.5764	0.5761	0.1%	6M	3.7411	3.7432	6M	4.3448	4.3475	
CAD/PLN	2.8770	2.8623	0.5%	12M	3.7184	3.7214	12M	4.3941	4.3981	
CZK/PLN	0.1667	0.1664	0.2%							
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change	
EUR/USD	1.1428	1.1467	-0.3%	O/N	1.40 %	-10 bp				
USD/JPY	112.49	112.24	0.2%	1W	1.55 %	-1 bp				
GBP/USD	1.2950	1.2993	-0.3%	1M	1.64 %	0 bp	1M			
USD/CHF	0.9967	0.9952	0.1%	3M	1.72 %	0 bp	3M			
EUR/JPY	128.55	128.71	-0.1%	6M	1.79 %	0 bp	6M			
EUR/GBP	0.8825	0.8826	0.0%	9M	1.82 %	0 bp	9M			
USD/CAD	1.3080	1.3096	-0.1%	12M	1.87 %	0 bp	12M			
				FRAs	Last closing		T-Bonds (mid)	Today's opening	1-day change	
				1X2	1.65	1X7	1.81	2Y	1.55 %	-2 bp
				2X3	1.66	3X9	1.82	5Y	2.45 %	-8 bp
				1X4	1.73	6X12	1.87	10Y	3.18 %	-8 bp
				3X6	1.74					
				6X9	1.77					
				9X12	1.85					
				IRS (mid)	Today's opening	1-day change				
				2Y	2.01 %	-4 bp				
				5Y	2.56 %	-7 bp				
				10Y	2.98 %	-7 bp				
				5Y-2Y	55 bp	-3 bp				
				10Y-5Y	43 bp	0 bp				
				10Y-2Y	97 bp	-3 bp				



Appendix 1

Important Disclosures

Additional information available upon request

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., ul. Lecha Kaczynskiego 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 2,651,449,384 paid up in full.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krześniak