



Poland Daily

HEADLINES...

POL: According to minutes from MPC meeting on October 3, the Council underlined that expected economic slowdown in the euro-zone would be gradual, due to positive prospects for personal consumption in the euro-zone. The MPC sees risks of deeper than expected decline in economic activity in Europe what would cool down economic growth in Poland as well. The MPC underlined that visible rise in energy prices contributed to higher inflation in many countries. However, core inflation remains moderate in the neighborhood of Poland economy. The Council assessed that risks for Poland's economy stemming from higher US interest rates were modest. The MPC expects inflation in 1H2019 to be higher than now what would result from higher prices of energy raw materials and rise of prices of carbon emission allowances. Majority of MPC members stated that despite supply-side shocks that are likely to accelerate inflation in 1H2019, in the horizon of monetary policy inflation was likely to remain close to the target. MPC members underlined that Poland's economy was balanced in macro-economic terms and there were no significant external and internal imbalances. The Council pointed to current account balance remaining close to zero and growth in credit to non-financial sector staying below growth rate of nominal GDP.

THE DAY AHEAD...

DEU: GfK consumer confidence (Nov)

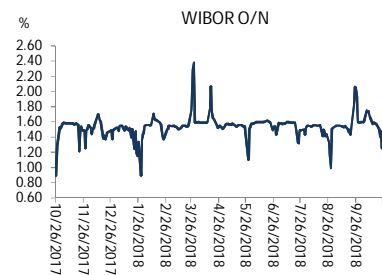
FRA: PPI (Sep)

USA: GDP (Q3), Univ. Mich. Consumer sentiment (Oct)

TODAY'S FOCUS:

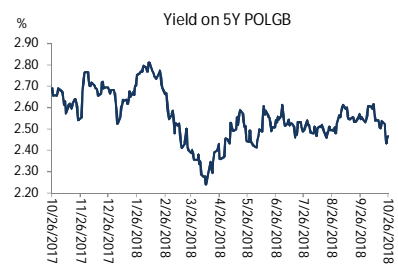
Today economic calendar contains consumer confidence from Germany,. French PPI and US advance GDP for Q3 and US consumer sentiment.

Figure 1: WIBOR O/N



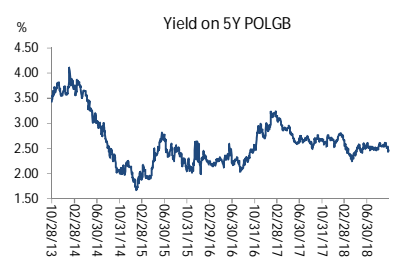
Source: Bloomberg

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	6:45	Consumer confidence (Nov)	10.5	10.6	10.5
FRA	6:45	PPI (Sep)		0.3% (3.6%)	
USA	12:30	GDP (Q3)	3.3%		3.3%
USA	14:00	Consumer sentyment (Oct)	99.0		99.0



Foreign Exchange

Today in the morning the zloty was 0.2% weaker versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. Today the zloty should be moving within a range of PLN4.2900-4.3250 per EUR.

The USD firmed after robust data on US durable goods orders and as risk aversion prevailed in financial markets.

Fixed Income

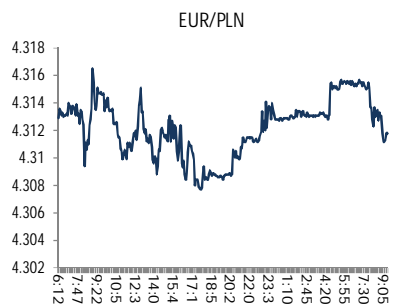
The yields on Poland's government bonds were 3 bps down in 10-year sector. At the auction today the Finance Ministry offers government bonds series OK0720, PS0424, WZ0524, WS0428 and WZ0528 worth total PLN7-10bn.

Interest Rates

Today the O/N bid rate should be within a range of 0.90%-1.20%. Swap rates were 2-3 bps down across the curve.

Equities

Yesterday the Dow Jones index closed 1.63% up and the S&P 500 index increased by 1.86%. Today in the morning the FTSE index fell by 1.22%, the CAC index decreased by 1.54% and the DAX index was 1.32% down. Today the Nikkei index closed 0.40% down. Today in the morning the WIG20 index fell by 0.81% and the WIG index decreased by 0.66%.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 26 October 2018 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.7881	3.7796	0.2%	SPOT	3.7873	3.7889	SPOT	4.3091	4.3105
EUR/PLN	4.3098	4.3123	-0.1%	S/N	3.7872	3.7888	S/N	4.3093	4.3108
GBP/PLN	4.8524	4.8773	-0.5%	1W	3.7867	3.7884	1W	4.3108	4.3123
CHF/PLN	3.7910	3.7875	0.1%	1M	3.7847	3.7864	1M	4.3165	4.3181
SEK/PLN	0.4149	0.4148	0.0%	2M	3.7819	3.7837	2M	4.3243	4.3260
NOK/PLN	0.4532	0.4537	-0.1%	3M	3.7767	3.7785	3M	4.3331	4.3350
DKK/PLN	0.5777	0.5780	-0.1%	6M	3.7658	3.7692	6M	4.3550	4.3587
CAD/PLN	2.8845	2.9010	-0.6%	12M	3.7436	3.7470	12M	4.4037	4.4084
CZK/PLN	0.1667	0.1669	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1377	1.1409	-0.3%	O/N	1.25 %	-15 bp			
USD/JPY	112.08	112.28	-0.2%	1W	1.55 %	0 bp			
GBP/USD	1.2810	1.2904	-0.7%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9994	0.9979	0.1%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	127.51	128.11	-0.5%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8882	0.8842	0.5%	9M	1.82 %	0 bp	9M	%	bp
USD/CAD	1.3135	1.3029	0.8%	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	1.65	1X7	1.81	2Y	2.01 %	0 bp	2Y	1.56 %	1 bp
2X3	1.66	3X9	1.82	5Y	2.52 %	-2 bp	5Y	2.46 %	1 bp
1X4	1.73	6X12	1.87	10Y	2.93 %	-3 bp	10Y	3.21 %	3 bp
3X6	1.75			5Y-2Y	52 bp	-3 bp			
6X9	1.79			10Y-5Y	41 bp	-2 bp			
9X12	1.86			10Y-2Y	93 bp	-5 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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