



## Poland Daily

### HEADLINES...

POL: Poland's Supreme Court published research on judicial context of FX-denominated loans. This analysis is not binding neither for courts nor the Supreme Court but was aimed at helping courts in ruling on issues related to FX-denominated loans. The analysis recommends courts to adopt pro-consumer approach based on EU law. The analysis advises courts not to cancel loan agreements as it would pose risks for both banks and their customers.

POL: On Tuesday the government approved draft budget bill for 2020 with zero budget deficit. Both budget revenues and budget expenditures are envisaged at PLN428.5bn in 2020. Tax revenues for 2020 are envisaged to increase by 5.7% y/y to PLN392.5bn including VAT revenues of PLN200.15bn (up 8% y/y), excise tax revenues of PLN74.9bn, CIT revenues of PLN41.8bn (up 3.8% y/y), PIT revenues of PLN66.5bn (up 1.1% y/y) and revenues from banking tax of PLN4.9bn (up 4% y/y). Draft budget bill envisages one-off revenues of about PLN18bn from a planned pension system overhaul, sale of EU carbon emission permits and licenses for 5G mobile phone frequencies. Draft budget bill doesn't not assume revenues from NBP profit in 2020. On revenues side, growth in revenues from VAT seems to be overly optimistic, but macro-economic assumptions for 2020 are realistic: GDP growth of 3.7%, average inflation of 2.5%, wage growth of 6.3%, employment growth of 0.7%, average EUR/PLN of 4.30, average NBP reference rate of 1.50% and the current account deficit of -1.4% of GDP.

POL: UK Parliament will be suspended for five weeks, until October 14, as requested by PM Johnson in an effort to prevent parliament from blocking a no-deal Brexit via non-confidence vote for PM Johnson and creation of temporary government before Brexit deadline on October 31.

### THE DAY AHEAD...

FRA: GDP (Q2)

DEU: HICP (Aug)

USA: GDP (Q2), initial jobless claims

### TODAY'S FOCUS:

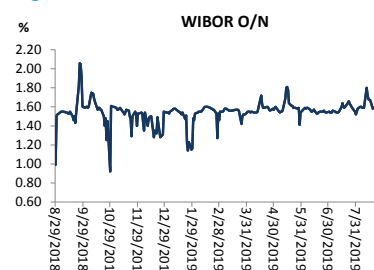
Today economic calendar contains HICP for August from Germany and Q2 GDP from France and the US.

### DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
FRA	6:45	GDP (Q2)		0.3% (1.4%)	0.2% (1.3%)
DEU	12:00	HICP (Aug)	(1.2%)		0.1% (1.2%)
USA	12:30	GDP (Q2, annualised)	2.1%		2.0%

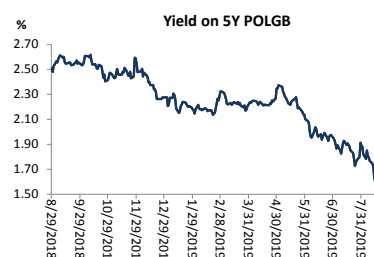
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



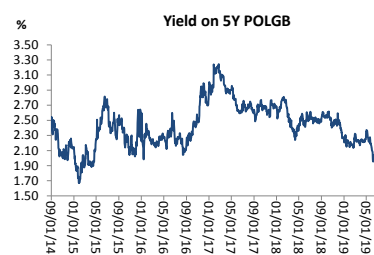
Source: Bloomberg

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 unchanged versus the USD and was 0.1% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.3650-4.4050 per EUR today.

## Fixed Income

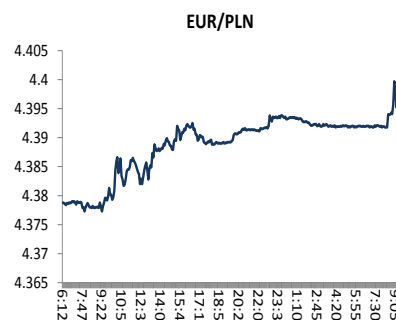
The yields on Poland's government bonds were 3bps up in 2-year sector and increased by 5-6bps in 5-year and 10-year sectors after a decline in yields on POLGBs following adoption of zero-deficit draft budget bill for 2020.

## Interest Rates

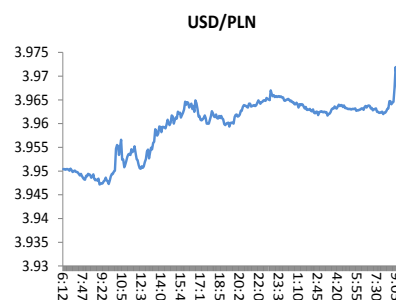
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 3-5bps up in all sectors.

## Equities

Yesterday the Dow Jones index rose by 1.00% and the S&P 500 index was 0.65% up. Today before noon the FTSE 100 index was 1.02% up, the CAC 40 index was 1.21% up and the DAX index was 1.02% up. Today the Nikkei index decreased by 0.09%. Today in the morning the WIG20 index was 0.72% up and the WIG index was 0.53% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 29 August 2019 (6:00 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.9567	3.9548	0.0%	SPOT	3.9561	3.9573	SPOT	4.3812	4.3825
EUR/PLN	4.3819	4.3845	-0.1%	S/N	3.9565	3.9577	S/N	4.3816	4.3829
GBP/PLN	4.8238	4.8213	0.1%	1W	3.9565	3.9577	1W	4.3816	4.3829
CHF/PLN	4.0220	4.0293	-0.2%	1M	3.9565	3.9577	1M	4.3816	4.3829
SEK/PLN	0.4067	0.4086	-0.5%	2M	3.9565	3.9577	2M	4.3816	4.3829
NOK/PLN	0.4364	0.4385	-0.5%	3M	3.9565	3.9577	3M	4.3816	4.3829
DKK/PLN	0.5876	0.5880	-0.1%	6M	3.9565	3.9577	6M	4.3816	4.3829
CAD/PLN	2.9790	2.9729	0.2%	12M	3.9565	3.9577	12M	4.3816	4.3829
CZK/PLN	0.1696	0.1697	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1075	1.1087	-0.1%	O/N	1.33 %	bp			
USD/JPY	106.29	105.77	0.5%	1W	1.59 %	bp			
GBP/USD	1.2191	1.2191	0.0%	1M	1.64 %	bp	1M		
USD/CHF	0.9838	0.9815	0.2%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	117.71	117.26	0.4%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.9084	0.9094	-0.1%	9M	1.81 %	bp	9M	%	bp
USD/CAD	1.3284	1.3303	-0.1%	12M	1.85 %	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	1.64	1X7	1.78	2Y	1.61 %	bp	2Y	1.54 %	3 bp
2X3	1.63	3X9	1.73	5Y	1.50 %	bp	5Y	1.67 %	5 bp
1X4	1.72	6X12	1.67	10Y	1.50 %	bp	10Y	1.83 %	6 bp
3X6	1.68			5Y-2Y	-11 bp	bp			
6X9	1.64			10Y-5Y	0 bp	bp			
9X12	1.57			10Y-2Y	-11 bp	bp			



# Appendix 1

## Important Disclosures

### Additional information available upon request

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