



Poland Daily

HEADLINES...

POL: President Donald Trump cancelled two-day visit to Poland that was scheduled to start on Sunday due to approaching hurricane Dorian that will reach Florida on Monday. President Trump also cancelled his visit to Ukraine. On Tuesday President Trump cancelled his visit to Denmark justifying it by the Denmark's lack of interest in selling Greenland to the US.

POL: In the period of January-July 2019 budget deficit narrowed to –PLN4.8bn (16.8% of plan for 2019) from a deficit of –PLN5.04bn in the period of January-June 2019. In the period of January-July VAT revenues rose by 6.8% y/y to PLN105.2bn (57.9% of plan for 2019), PIT revenues increased by 13.1% y/y to PLN36.4bn (56.6% of plan), CIT revenues were 19.9% up y/y to PLN25.0bn (71.7% of plan for 2019), revenues from banking tax were 4.4% up y/y to PLN2.7bn (59.8% of plan for 2019). In July there was PLN253mn surplus in the central government budget.

THE DAY AHEAD...

POL: GDP (Q2), inflation (Aug)

CZK: GDP (Q2)

HUN: GDP (Q2)

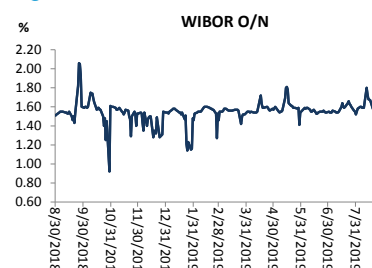
EMU: Inflation (Aug), core inflation (Aug)

USA: PCE deflator (Jul), Univ. of Michigan Consumer Sentiment (Aug)

TODAY'S FOCUS:

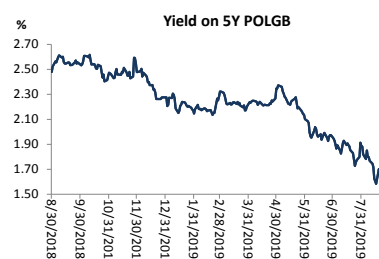
Today economic calendar contains Poland's Q2 GDP structure, final Q2 GDP from Czech Republic and Hungary, inflation for August from euro-zone and US PCE deflator for July and University of Michigan consumer sentiment from the US.

Figure 1: WIBOR O/N



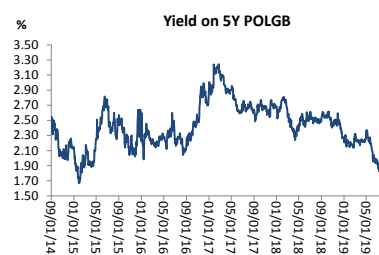
Source: Bloomberg

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
CZK	7:00	GDP (Q2)	0.6% (2.7%)	0.7% (2.7%)	0.6% (2.7%)
HUN	7:00	GDP (Q2)	1.1% (4.9%)	1.1% (4.9%)	1.1% (4.9%)
POL	8:00	GDP (Q2)	0.8% (4.4%)		0.8% (4.4%)
POL	8:00	Inflation (Aug)	0.0% (2.9%)		-0.1% (2.8%)
EMU	9:00	Inflation (Aug)	(1.0%)		(1.0%)
USA	12:30	PCE deflator (Jul)			0.2% (1.4%)
USA	14:00	Univ. of Michigan Consumer Sentiment (Aug)	92.1		92.3

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.5% weaker versus the USD and was 0.1% weaker versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.3700-4.4050 per EUR today.

The USD firmed by 0.4% versus the EUR on hopes that trade war between the US and China would de-escalate as China's Ministry of Commerce said that Beijing and Washington remained "in effective communication".

Fixed Income

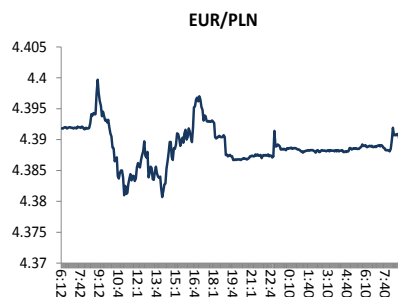
The yields on Poland's government bonds were practically unchanged in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of 1.00%-1.15%. Swap rates were 2bps up in all sectors.

Equities

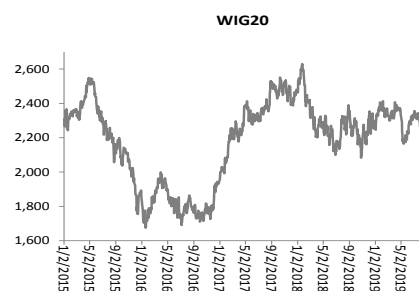
Yesterday the Dow Jones index rose by 1.25% and the S&P 500 index was 1.27% up. Yesterday at closing the FTSE 100 index was 0.98% up, the CAC 40 index was 1.51% up and the DAX index was 1.18% up. Today the Nikkei index increased by 1.19%. Yesterday at closing the WIG20 index was 0.87% up and the WIG index was 0.78% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 30 August 2019 (6:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.9775	3.9586	0.5%	SPOT	3.9769	3.9781	SPOT	4.3896	4.3909
EUR/PLN	4.3903	4.3845	0.1%	S/N	3.9773	3.9785	S/N	4.3900	4.3913
GBP/PLN	4.8438	4.8277	0.3%	1W	3.9773	3.9785	1W	4.3900	4.3913
CHF/PLN	4.0266	4.0252	0.0%	1M	3.9773	3.9785	1M	4.3900	4.3913
SEK/PLN	0.4064	0.4070	-0.1%	2M	3.9773	3.9785	2M	4.3900	4.3913
NOK/PLN	0.4364	0.4367	-0.1%	3M	3.9773	3.9785	3M	4.3900	4.3913
DKK/PLN	0.5889	0.5879	0.2%	6M	3.9773	3.9785	6M	4.3900	4.3913
CAD/PLN	2.9890	2.9805	0.3%	12M	3.9773	3.9785	12M	4.3900	4.3913
CZK/PLN	0.1695	0.1696	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1038	1.1076	-0.3%	O/N	1.33 %	0 bp			
USD/JPY	106.39	106.28	0.1%	1W	1.59 %	0 bp			
GBP/USD	1.2178	1.2195	-0.1%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9879	0.9835	0.4%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	117.43	117.71	-0.2%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.9064	0.9082	-0.2%	9M	1.81 %	0 bp	9M	%	bp
USD/CAD	1.3308	1.3282	0.2%	12M	1.85 %	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	1.64	1X7	1.77	2Y	1.64 %	2 bp	2Y	1.54 %	0 bp
2X3	1.63	3X9	1.78	5Y	1.52 %	2 bp	5Y	1.67 %	0 bp
1X4	1.71	6X12	1.70	10Y	1.53 %	2 bp	10Y	1.84 %	1 bp
3X6	1.71			5Y-2Y	-12 bp	0 bp			
6X9	1.65			10Y-5Y	0 bp	0 bp			
9X12	1.59			10Y-2Y	-11 bp	0 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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