



## Poland Daily

### HEADLINES...

POL: In August manufacturing PMI rose to 48.8 from 47.4 in July, showing slower pace of decline in manufacturing activity. An improvement in manufacturing PMI stemmed from better sub-indices of output, new orders and employment. In our view the main factor that contributed to improvement in Poland's PMI in August was weakening of the zloty. In August the pace of decline in output has been the slowest since May and decline in exports orders was the smallest in nine months. Employment fell tenth time in eleven months but the decline was insignificant. In August cost pressure was still weak but producer optimism was unchanged versus July and the lowest since 79 months.

POL: The Finance Ministry informed that Poland pre-financed 16% of gross borrowing needs for 2020 that are envisaged at PLN137.4bn. In 2019 gross borrowing needs are likely to amount to PLN134.6bn and net borrowing needs will likely amount to PLN15.07bn. In 2020 the Ministry envisages net borrowing needs at PLN19.4bn

POL: Head of Polish Development Fund (PFR) Paweł Borys expects Poland's GDP growth to decelerate to 3.5% in 2020 from 4.5% in 2019.

### THE DAY AHEAD...

EMU: PPI (Jul)

USA: ISM manufacturing (Aug), PMI manufacturing (Aug)

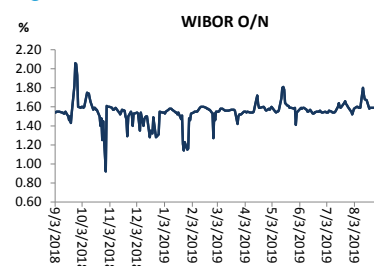
HUN: trade balance (Jun)

CZK: average real wages (2 kw)

### TODAY'S FOCUS:

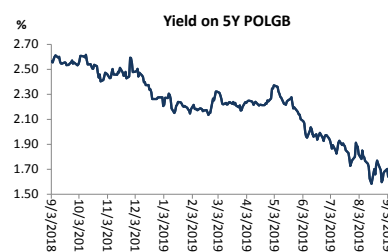
Today economic calendar contains PPI for July from euro-zone, and US ISM manufacturing and PMI manufacturing for August.

Figure 1: WIBOR O/N



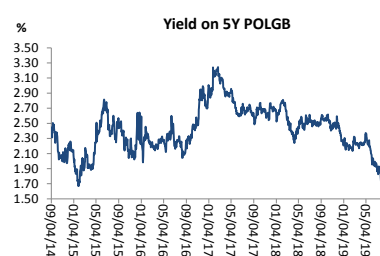
Source: Bloomberg

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	Real wage (Q2)		4.3%	4.1%
HUN	7:00	Trade balance (lip)		EUR488mn	EUR99mn
EMU	9:00	PPI (Jul)	(0.2%)		0.2% (0.2%)
USA	13:45	PMI manufacturing (Aug)			50.0
USA	14:00	ISM manufacturing (Aug)	51.0		51.2



## 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. The zloty should be moving within a range of PLN4.3500-4.3800 per EUR today.

The EUR weakened by 0.3% versus the USD after US President Donald Trump tweeted that weakening of the EUR gave big advantage for euo-zone's exports and production. The GBP weakened to its lowest level versus the USD since 1985 as PM Johnson said he would call snap elections on October 14 if Parliament blocked hard Brexit.

## Fixed Income

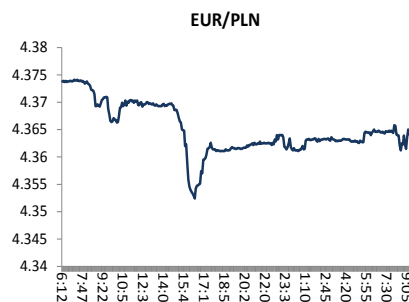
The yields on Poland's government bonds fell by 3-4bps in 5-year and 10-year sectors as the Finance Ministry informed that Poland had funded 16% of borrowing needs for 2020.

## Interest Rates

Today the O/N bid rate should be within a range of 1.15%-1.30%. Swap rates were 3-4bps down in 5-year and 10-year sectors.

## Equities

Today in the morning the FTSE 100 index was 0.14% down, the CAC 40 index was 0.42% down and the DAX index was 0.38% down. Today the Nikkei index increased by 0.02%. Today in the morning the WIG20 index was 1.55% down and the WIG index was 1.20% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 3 September 2019 (6:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards			EUR/PLN forwards		
				bid	offer	SPOT	bid	offer	
USD/PLN	3.9897	3.9819	0.2%	SPOT	3.9891	3.9903	SPOT	4.3651	4.3665
EUR/PLN	4.3658	4.3691	-0.1%	S/N	3.9895	3.9907	S/N	4.3655	4.3669
GBP/PLN	4.7842	4.8123	-0.6%	1W	3.9895	3.9907	1W	4.3655	4.3669
CHF/PLN	4.0221	4.0192	0.1%	1M	3.9895	3.9907	1M	4.3655	4.3669
SEK/PLN	0.4036	0.4058	-0.5%	2M	3.9895	3.9907	2M	4.3655	4.3669
NOK/PLN	0.4364	0.4368	-0.1%	3M	3.9895	3.9907	3M	4.3655	4.3669
DKK/PLN	0.5856	0.5860	-0.1%	6M	3.9895	3.9907	6M	4.3655	4.3669
CAD/PLN	2.9882	2.9859	0.1%	12M	3.9895	3.9907	12M	4.3655	4.3669
CZK/PLN	0.1686	0.1685	0.0%						
				WIBOR			T-bills (mid)		
					Last fixing	1-day change		Today's opening	1-day change
EUR/USD	1.0943	1.0972	-0.3%	O/N	1.55 %	bp			
USD/JPY	106.07	106.27	-0.2%	1W	1.59 %	bp			
GBP/USD	1.1993	1.2085	-0.8%	1M	1.64 %	bp	1M		
USD/CHF	0.9918	0.9907	0.1%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	116.07	116.61	-0.5%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.9125	0.9079	0.5%	9M	1.81 %	bp	9M	%	bp
USD/CAD	1.3352	1.3336	0.1%	12M	1.85 %	bp	12M	%	bp
FRAs (mid)				Today's opening			T-Bonds (mid)		
Last closing				1-day change			Today's opening		
1X2	1.64	1X7	1.79	2Y	1.64 %	-2 bp	2Y	1.54 %	0 bp
2X3	1.64	3X9	1.76	5Y	1.54 %	-3 bp	5Y	1.64 %	-3 bp
1X4	1.72	6X12	1.71	10Y	1.54 %	-4 bp	10Y	1.79 %	-4 bp
3X6	1.70			5Y-2Y	-10 bp	bp			
6X9	1.65			10Y-5Y	0 bp	bp			
9X12	1.58			10Y-2Y	-10 bp	bp			



# Appendix 1

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### Additional information available upon request

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