



Poland Daily

HEADLINES...

POL: MPC member Jerzy Kropiwnicki said that he wouldn't support a motion to hike interest rates as inflation was purely cost-related phenomenon and inflation level was not a threat to Poland's economy. In his view as inflationary pressure is rising, inflation expectations, that are currently neutral, may gain in importance. MPC member added that there was no need for interest rate cut as uncertainty curbs investments and as investments in Poland are only to some extent funded via credit.

POL: In August new car registrations fell by 12.4% y/y and were 1.06% down m/m to 54.2 thousand units.

THE DAY AHEAD...

HUN: Retail sales (Jul)

DEU: PMI (Aug)

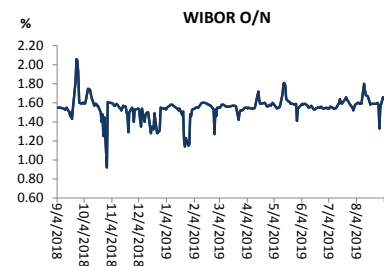
EMU: PMI (Aug), Retail sales (Jul)

USA: Trade Balance (Jul)

TODAY'S FOCUS:

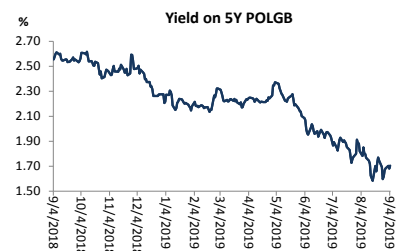
Today market participants will be focusing on series of PMIs from Europe for August and on US trade balance for July.

Figure 1: WIBOR O/N



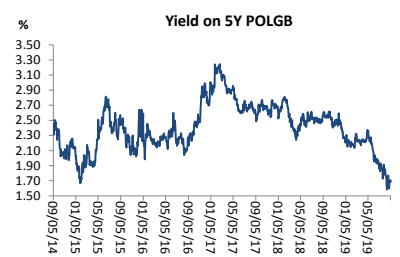
Source: Bloomberg

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
HUN	7:00	Retail sales (Jul)		(6.4%)	(5.6%)
DEU	7:55	PMI composite (Aug)		52.9	52.7
EMU	8:00	PMI composite (Aug)		51.9	51.8
EMU	9:00	Retail sales (Jul)		-0.6% (2.0%)	-0.6% (2.0%)
USA	12:30	Trade balance (Jul)	-USD53.4bn		-USD53.4bn



Foreign Exchange

Today in the morning the zloty was 1.0% firmer versus the USD and was 0.8% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.3300-4.3600 per EUR today. The zloty firmed as likelihood of no-deal Brexit significantly diminished.

The EUR firmed by 0.4% versus the USD and the GBP gained as much as 1.3% versus the USD as PM Johnson lost majority in UK Parliament what may lead to snap elections as early as in October and what reduces likelihood of no-deal Brexit.

Fixed Income

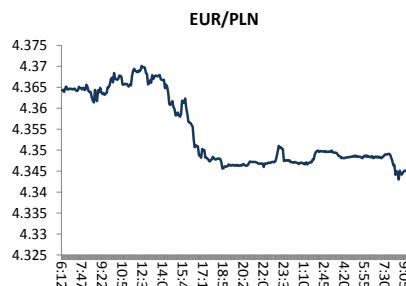
The yields on Poland's government bonds rose by 2bps in 2-year sector and were 7 bps up in 5-year and 10-year sectors.

Interest Rates

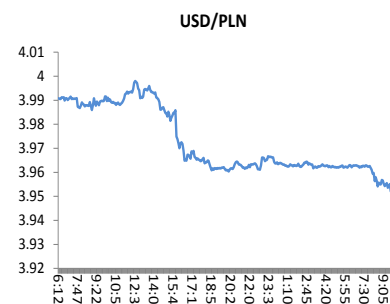
Today the O/N bid rate should be within a range of 1.15%-1.30%. Swap rates were practically unchanged in all tenors.

Equities

Yesterday the Dow Jones index closed 1.08% down and the S&P 500 index lost 0.69%. Today in the morning the FTSE 100 index was 0.70% up, the CAC 40 index was 1.19% up and the DAX index was 1.26% up. Today the Nikkei index closed 0.12% up. Today in the morning the WIG20 index was 1.14% up and the WIG index was 1.07% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 4 September 2019 (6:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.9499	3.9882	-1.0%	SPOT	3.9492	3.9506	SPOT	4.3394	4.3410
EUR/PLN	4.3402	4.3667	-0.6%	S/N	3.9496	3.9510	S/N	4.3398	4.3414
GBP/PLN	4.8020	4.7823	0.4%	1W	3.9496	3.9510	1W	4.3398	4.3414
CHF/PLN	3.9992	4.0244	-0.6%	1M	3.9496	3.9510	1M	4.3398	4.3414
SEK/PLN	0.4038	0.4038	0.0%	2M	3.9496	3.9510	2M	4.3398	4.3414
NOK/PLN	0.4351	0.4363	-0.3%	3M	3.9496	3.9510	3M	4.3398	4.3414
DKK/PLN	0.5821	0.5856	-0.6%	6M	3.9496	3.9510	6M	4.3398	4.3414
CAD/PLN	2.9645	2.9879	-0.8%	12M	3.9496	3.9510	12M	4.3398	4.3414
CZK/PLN	0.1682	0.1686	-0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.0988	1.0949	0.4%	O/N	1.64 %	9 bp			
USD/JPY	106.22	106.06	0.2%	1W	1.60 %	1 bp			
GBP/USD	1.2158	1.1991	1.4%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9878	0.9910	-0.3%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	116.72	116.12	0.5%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.9038	0.9131	-1.0%	9M	1.81 %	0 bp	9M	%	bp
USD/CAD	1.3327	1.3348	-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	1.79	2Y	1.65 %	1 bp	2Y	1.56 %	2 bp
2X3	1.64	3X9	1.77	5Y	1.54 %	0 bp	5Y	1.71 %	7 bp
1X4	1.72	6X12	1.72	10Y	1.53 %	-1 bp	10Y	1.86 %	7 bp
3X6	1.71			5Y-2Y	-11 bp	1 bp			
6X9	1.65			10Y-5Y	-1 bp	-1 bp			
9X12	1.60			10Y-2Y	-12 bp	-1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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