



Poland Daily

HEADLINES...

POL: The MPC, as expected, left interest rates unchanged, with the main reference rate at 1,50%. In the communique after the meeting the MPC said that world oil prices declined and inflation remained low in many countries. The MPC underlined that both the ECB and the FOMC entered a phase of easing of monetary policy. The MPC said that Poland's GDP growth, including private consumption and investments were robust, but exports and imports growth decelerated. In the opinion of the MPC recent growth of inflation to 2.8% in August stemmed mainly from a rise in food prices, but energy prices, including fuel prices had stabilizing effect on inflation. The MPC added that uncertainty on the scale and duration of economic slowdown abroad increased. The MPC expects inflation to stabilize around inflation target after temporary increase in Q1 2020. The MPC stated that the current level of interest rates will be conducive for maintain macro-economic stability in Poland.

POL: In the period of January-July exports rose by 4.8% y/y to EUR134.8bn while imports increased by 3.2% y/y to EUR134.9bn. In this period Poland had trade surplus in trade with the EU of EUR28.5bn and trade deficit of -EUR25.3bn in trade with developing countries. Trade balance was marginally negative at -EUR0.1bn.

THE DAY AHEAD...

EMU: Industrial production (Jul), ECB decision

USA: Inflation (Aug), Core inflation (Aug)

TODAY'S FOCUS:

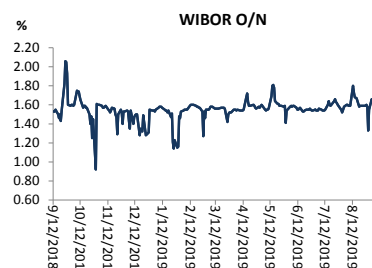
Today market participants will be focusing on ECB policy meeting at which details of stimulus package will be released. The ECB is also expected to cut deposit rate by 10 bps to -0.50%.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
EMU	9:00	Industrial production (Jul)		-0.4% (-2.0%)	-0.1% (-1.4%)
EMU	11:45	ECB decision (deposit rate)	-0.50%		-0.50%
USA	12:30	Inflation (Aug)	0.0%		0.1% (1.8%)
USA	12:30	Core inflation (Aug)	0.2%		0.2% (2.3%)

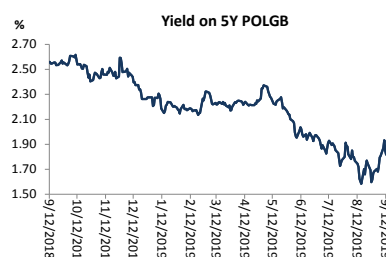
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



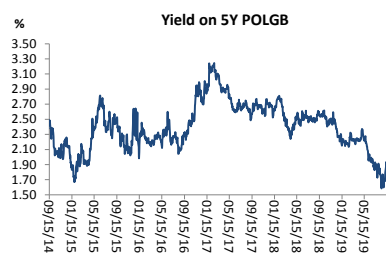
Source: Bloomberg

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 0.1% 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 PLN4.3250-4.3550 per EUR today.

Fixed Income

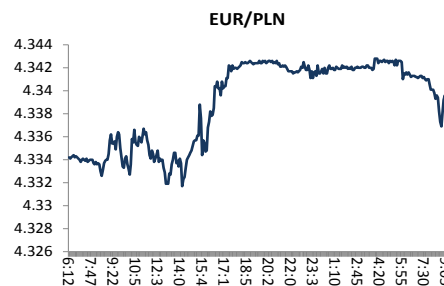
The yields on Poland's government bonds rose by 3bps in 5-year and 10-year sectors.

Interest Rates

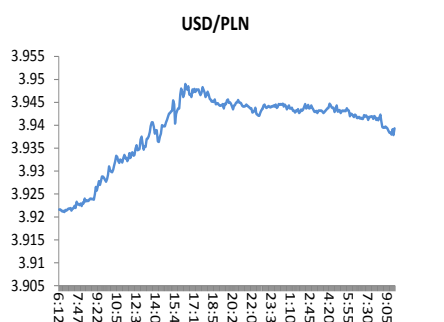
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 2-3bps up in 5-year and 10-year sectors.

Equities

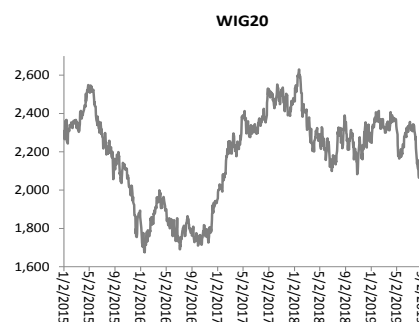
Yesterday the Dow Jones index closed 0.85% up and the S&P 500 index increased by 0.72%. Today in the morning the FTSE 100 index was 0.10% up, the CAC 40 index was 0.05% down and the DAX index was 0.18% up. Today the Nikkei index closed 0.75% up. Today in the morning the WIG20 index was 0.06% up and the WIG index was 0.03% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 12 September 2019 (6:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.9353	3.9324	0.1%	SPOT	3.9347	3.9359	SPOT	4.3383	4.3395
EUR/PLN	4.3389	4.3357	0.1%	S/N	3.9351	3.9363	S/N	4.3387	4.3399
GBP/PLN	4.8485	4.8601	-0.2%	1W	3.9351	3.9363	1W	4.3387	4.3399
CHF/PLN	3.9744	3.9572	0.4%	1M	3.9351	3.9363	1M	4.3387	4.3399
SEK/PLN	0.4077	0.4066	0.3%	2M	3.9351	3.9363	2M	4.3387	4.3399
NOK/PLN	0.4398	0.4382	0.4%	3M	3.9351	3.9363	3M	4.3387	4.3399
DKK/PLN	0.5814	0.5811	0.1%	6M	3.9351	3.9363	6M	4.3387	4.3399
CAD/PLN	2.9845	2.9902	-0.2%	12M	3.9351	3.9363	12M	4.3387	4.3399
CZK/PLN	0.1677	0.1677	0.0%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1026	1.1026	0.0%	O/N	1.65 %	bp			
USD/JPY	107.84	107.76	0.1%	1W	1.60 %	bp			
GBP/USD	1.2321	1.2359	-0.3%	1M	1.64 %	bp	1M		
USD/CHF	0.9902	0.9937	-0.4%	3M	1.72 %	bp	3M		bp
EUR/JPY	118.91	118.82	0.1%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8949	0.8921	0.3%	9M	1.81 %	bp	9M	%	bp
USD/CAD	1.3187	1.3151	0.3%	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	1.79	2Y	1.72 %	-1 bp	2Y	1.57 %	-1 bp
2X3	1.65	3X9	1.79	5Y	1.69 %	-2 bp	5Y	1.82 %	-3 bp
1X4	1.72	6X12	1.76	10Y	1.73 %	-3 bp	10Y	2.05 %	-3 bp
3X6	1.72			5Y-2Y	-3 bp	bp			
6X9	1.68			10Y-5Y	4 bp	bp			
9X12	1.65			10Y-2Y	0 bp	bp			



Appendix 1

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Additional information available upon request

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