



Poland Daily

HEADLINES...

POL: Government's spokesman Piotr Mueller said that cancellation of the limit to ZUS fees for wage levels above 30 times envisaged average wage in the economy (or PLN150.8k per annum) was included in 2020 draft budget, so this cancellation was practically certain. A cancellation of the limit of ZUS fees will pertain to persons employed on labour contracts. On Tuesday deputy-PM Jaroslaw Gowin suggested that the cancellation of limits to ZUS fees was still an open issue.

THE DAY AHEAD...

POL: Average wage (Aug), average employment (Aug)

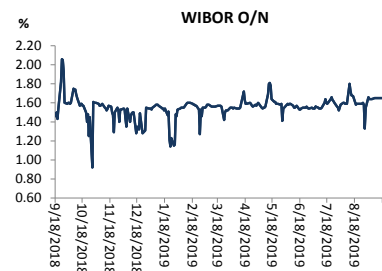
EMU: Inflation (Aug), core inflation (Aug)

USA: FOMC decision

TODAY'S FOCUS:

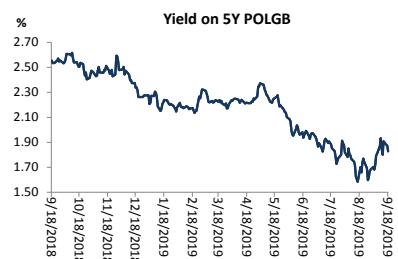
Today financial markets will focus on FOMC decision. Despite much better than expected US industrial production for August we expect the Fed to cut interest rates by 25bps today.

Figure 1: WIBOR O/N



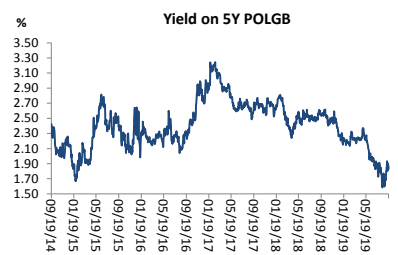
Source: Bloomberg

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
POL	8:00	Average wage (Aug)	(7.1%)	-1.1% (6.8%)	-1.2% (6.8%)
POL	8:00	Average employment (Aug)	(2.7%)	-0.1% (2.6%)	0.0% (2.7%)
EMU	9:00	Inflation (Aug)	0.2% (1.0%)		0.2% (1.0%)
EMU	9:00	Core inflation (Aug)	(0.9%)		(0.9%)
USA	18:00	FOMC decision	2.00%		2.00%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.3% weaker versus the USD and was unchanged versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.3200-4.3550 per EUR today.

The USD weakened by some 0.8% versus the EUR after the news that oil production in Saudi Arabia will be restored to pre-attacks level earlier than anticipated.

Fixed Income

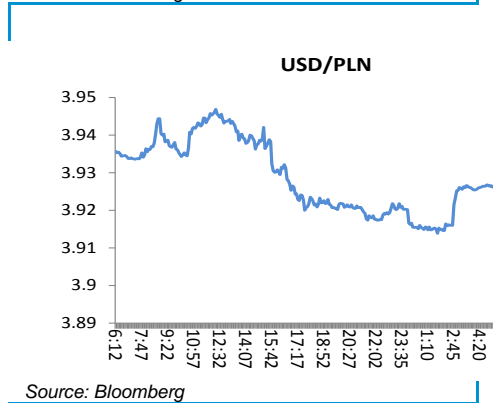
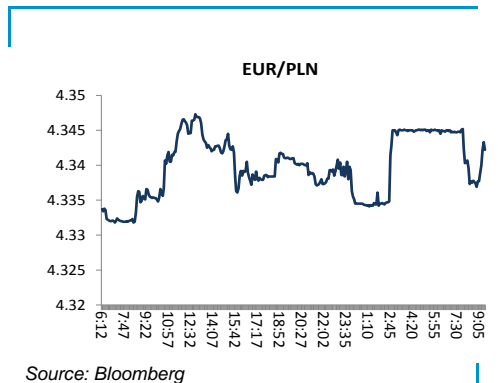
The yields on Poland's government bonds fell by 3bps in 2-year sector and fell by 6bps and 4 bps respectively in 5-year and 10-year sectors.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 2-4bps down in all tenors.

Equities

Yesterday the Dow Jones index closed 0.13% up and the S&P 500 index increased by 0.26%. Today in the morning the FTSE 100 index was 0.08% up, the CAC 40 index was 0.20% up and the DAX index was 0.10% up. Today the Nikkei index closed 0.18% down. Today in the morning the WIG20 index was 0.35% up and the WIG index was 0.34% up.



Polish local market data 18 September 2019 (6:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer	
USD/PLN	3.9279	3.9412	-0.3%	SPOT	3.9272	3.9286	SPOT	4.3410	4.3423	
EUR/PLN	4.3417	4.3410	0.0%	S/N	3.9276	3.9290	S/N	4.3414	4.3427	
GBP/PLN	4.8997	4.8882	0.2%	1W	3.9276	3.9290	1W	4.3414	4.3427	
CHF/PLN	3.9480	3.9649	-0.4%	1M	3.9276	3.9290	1M	4.3414	4.3427	
SEK/PLN	0.4047	0.4059	-0.3%	2M	3.9276	3.9290	2M	4.3414	4.3427	
NOK/PLN	0.4385	0.4394	-0.2%	3M	3.9276	3.9290	3M	4.3414	4.3427	
DKK/PLN	0.5815	0.5813	0.0%	6M	3.9276	3.9290	6M	4.3414	4.3427	
CAD/PLN	2.9622	2.9748	-0.4%	12M	3.9276	3.9290	12M	4.3414	4.3427	
CZK/PLN	0.1677	0.1676	0.0%							
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change	
EUR/USD	1.1053	1.1014	0.4%	O/N	1.65 %	0 bp				
USD/JPY	108.20	108.19	0.0%	1W	1.60 %	0 bp				
GBP/USD	1.2475	1.2403	0.6%	1M	1.64 %	0 bp	1M			
USD/CHF	0.9949	0.9940	0.1%	3M	1.72 %	0 bp	3M	%	bp	
EUR/JPY	119.60	119.17	0.4%	6M	1.79 %	0 bp	6M	%	bp	
EUR/GBP	0.8861	0.8881	-0.2%	9M	1.81 %	0 bp	9M	%	bp	
USD/CAD	1.3261	1.3249	0.1%	12M	1.85 %	0 bp	12M	%	bp	
				FRAs (mid)	Last closing		T-Bonds (mid)	Today's opening	1-day change	
				1X2	1.65	1X7	1.79	2Y	1.48 %	-3 bp
				2X3	1.64	3X9	1.79	5Y	1.83 %	-5 bp
				1X4	1.72	6X12	1.77	10Y	2.09 %	-4 bp
				3X6	1.72					
				6X9	1.70					
				9X12	1.68					
				IRS (mid)	Today's opening	1-day change				
				2Y	1.76 %	-2 bp				
				5Y	1.77 %	-3 bp				
				10Y	1.80 %	-4 bp				
				5Y-2Y	1 bp	-2 bp				
				10Y-5Y	3 bp	-1 bp				
				10Y-2Y	4 bp	-2 bp				



Appendix 1

Important Disclosures

Additional information available upon request

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