



Poland Daily

HEADLINES...

POL: Consumer confidence index rose by two points to 10.2pts in September, boosted by improvement in assessment of the current economic conditions and increased propensity to consume and capacity to save. An increase in consumer confidence may be linked to announced increase in transfers to households and announcement of strong rise in minimal wage in the post-election period.

POL: Deputy PM Jacek Sasin confirmed that decision to remove the limit to ZUS fees for wage levels above 30 times envisaged average wage in the economy had been already taken and government was working on relevant legislation. In 2020 removal of ZUS fee limit will increase budget revenues by PLN5.1bn what would reduce additional fiscal impulse by some 12.5%.

POL: In August number of newly registered cars in Poland amounted to 57.2k what means an increase of 9.5% m/m and decline of 12.2% y/y.

USA: The FOMC cut fed funds rate by 25bps but two FOMC members voted to keep interest rate unchanged.

THE DAY AHEAD...

POL: Industrial output (Aug), PPI (Aug)

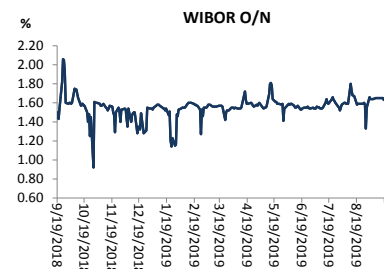
UK: Bank of England decision

USA: Philadelphia Fed Index (Sep), leading indicators (Aug), existing home sales (Aug)

TODAY'S FOCUS:

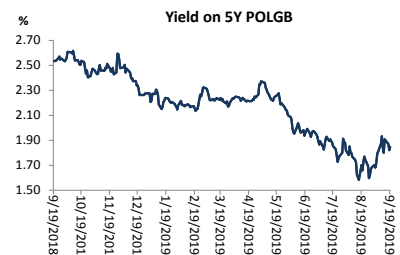
Today economic calendar contains industrial output from Poland for August, US Philadelphia Fed Index and leading indicators and decision of the Bank of England.

Figure 1: WIBOR O/N



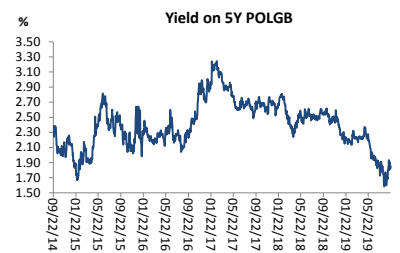
Source: Bloomberg

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	Industrial output (Aug)	(3.6%)	-6.0% (-1.3%)	-3.8% (1.3%)
POL	8:00	PPI (Aug)	(0.8%)	0.2% (0.7%)	0.3% (0.8%)
UK	11:00	Bank of England decision	0.750%		0.750%
USA	12:30	Philadelphia Fed Index (Sep)	5.0		10.5
USA	14:00	Leading indicators (Aug)	-0.2%		-0.1%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



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 PLN4.3350-4.3600 per EUR today.

The USD firmed as the FOMC cut fed funds rate by 25bps but two FOMC members voted for no change in rates.

Fixed Income

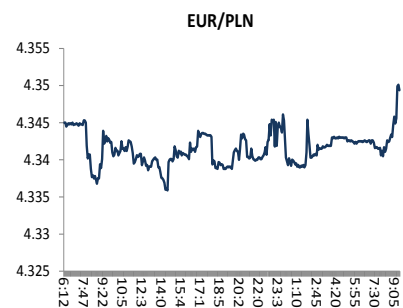
The yields on Poland's government bonds rose by 2bps in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates were 1-2bps up in all tenors. In the USD market NY Fed is to intervene for the third day in a row as USD O/N rate has been elevated since Tuesday.

Equities

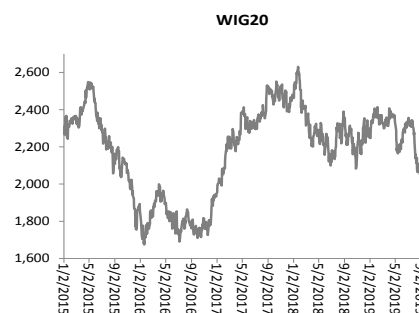
Yesterday the Dow Jones index closed 0.13% up and the S&P 500 index increased by 0.03%. Today in the morning the FTSE 100 index was 0.24% up, the CAC 40 index was 0.41% up and the DAX index was 0.21% up. Today the Nikkei index closed 0.38% up. Today in the morning the WIG20 index was 0.34% down and the WIG index was 0.28% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 19 September 2019 (9:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.9358	3.9322	0.1%	SPOT	3.9352	3.9363	SPOT	4.3448	4.3459
EUR/PLN	4.3454	4.3419	0.1%	S/N	3.9356	3.9367	S/N	4.3452	4.3463
GBP/PLN	4.9089	4.8953	0.3%	1W	3.9356	3.9367	1W	4.3452	4.3463
CHF/PLN	3.9608	3.9499	0.3%	1M	3.9356	3.9367	1M	4.3452	4.3463
SEK/PLN	0.4044	0.4044	0.0%	2M	3.9356	3.9367	2M	4.3452	4.3463
NOK/PLN	0.4393	0.4384	0.2%	3M	3.9356	3.9367	3M	4.3452	4.3463
DKK/PLN	0.5819	0.5814	0.1%	6M	3.9356	3.9367	6M	4.3452	4.3463
CAD/PLN	2.9616	2.9630	0.0%	12M	3.9356	3.9367	12M	4.3452	4.3463
CZK/PLN	0.1679	0.1677	0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1041	1.1042	0.0%	O/N	1.63 %	-2 bp			
USD/JPY	108.07	108.22	-0.1%	1W	1.60 %	0 bp			
GBP/USD	1.2473	1.2449	0.2%	1M	1.64 %	0 bp	1M		
USD/CHF	0.9938	0.9955	-0.2%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	119.33	119.50	-0.1%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8852	0.8870	-0.2%	9M	1.80 %	-1 bp	9M	%	bp
USD/CAD	1.3290	1.3271	0.1%	12M	1.84 %	-1 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	1.65	1X7	1.79	2Y	1.77 %	1 bp	2Y	1.50 %	2 bp
2X3	1.64	3X9	1.79	5Y	1.78 %	2 bp	5Y	1.85 %	2 bp
1X4	1.72	6X12	1.78	10Y	1.82 %	2 bp	10Y	2.11 %	2 bp
3X6	1.72			5Y-2Y	1 bp	0 bp			
6X9	1.70			10Y-5Y	4 bp	1 bp			
9X12	1.69			10Y-2Y	5 bp	1 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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