



Poland Daily

HEADLINES...

POL: Moody's said that forecasts of fiscal deficit in Poland pointed to the need for fiscal consolidation. Moody's expects stabilisation in debt to GDP ratio in Poland in 2019 and 2020. Fiscal stabilisation stems from robust economic growth in Poland. Moody's said that fiscal consolidation was needed after 2020 as structural deficit in Poland was high. Moody's stated that it was too early to assess whether TSUE ruling on CHF mortgage would have impact on Poland's credit rating. Moody's estimates the cost of conversion of CHF-denominated loans to PLN would amount to PLN23-30bn versus PLN60-80bn estimated by Polish Banking Association (ZBP).

POL: In monetary policy guidelines for 2020 the MPC maintained inflation target at 1.5% +/- 1% and said that inflation, according to available forecasts would be higher in 2020 than in 2019 and after temporary rise in Q1 2020 inflation would stabilise around CPI target.

THE DAY AHEAD...

PDEU: GfK Consumer Confidence (Oct)

EMU: Money Supply M3 (Aug)

POL: minutes from MPC meeting

USA: GDP(Q2), Trade Balance (Aug), Pending Home Sales (Aug)

TODAY'S FOCUS:

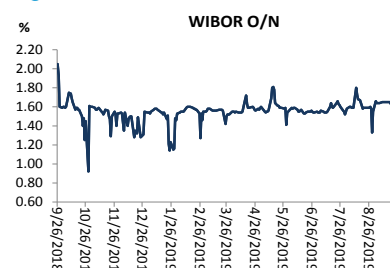
Today economic calendar contains minutes from MPC meeting, GfK consumer confidence from Germany, EMU's money supply and US Q2 GDP, trade balance and pending home sales.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	6:00	GfK Consumer Confidence (Oct)	9.6	9.9	9.6
EMU	8:00	Money Supply M3 (Aug)	5.1%	5.7%	5.1%
POL	12:00	Minutes from MPC meeting			
USA	12:30	GDP (Q2)	2.0%		2.0%
USA	12:30	Trade balance (Aug)	-USD73.3bn		-USD73.4bn
USA	14:00	Pending Home Sales (Aug)	1.0%		1.0%

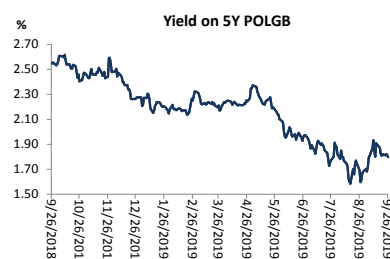
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



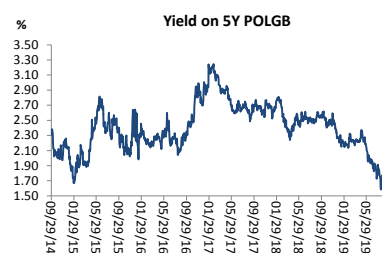
Source: Bloomberg

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 0.3% weaker versus the USD and was 0.2% firmer versus the EUR compared to the last NBP fixing. The zloty should be moving within a range of PLN4.3700-4.4050 per EUR today.

The EUR weakened versus the USD after the news that ECB Managing Board's member Sabine Lautenschlaeger, known for her hawkish views, submitted resignation.

Fixed Income

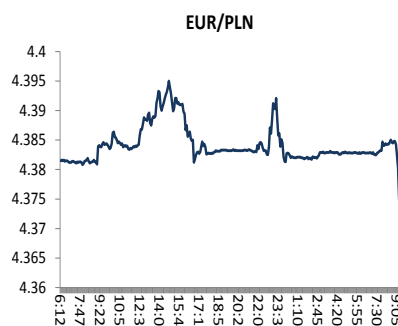
The yields on Poland's government bonds rose by 1bp in 2-year sector and fell by 2bps in 5-year and 10-year sectors.

Interest Rates

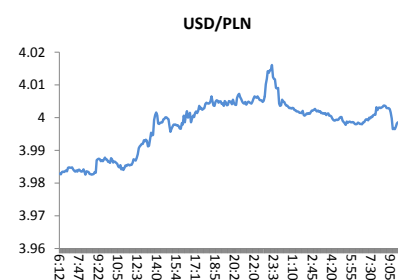
Today the O/N bid rate should be within a range of 1.20%-1.35%. Swap rates remained practically steady.

Equities

Yesterday the Dow Jones index closed 0.61% up and the S&P 500 index was 0.62% up. Today in the morning the FTSE 100 index was 0.89% up, the CAC 40 index was 0.75% up and the DAX index was 0.48% up. Today the Nikkei index closed 0.13% up. Today in the morning the WIG20 index was 0.75% up and the WIG index was 0.56% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 26 September 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.9987	3.9856	0.3%	SPOT	3.9980	3.9994	SPOT	4.3756	4.3769
EUR/PLN	4.3763	4.3844	-0.2%	S/N	3.9984	3.9998	S/N	4.3760	4.3773
GBP/PLN	4.9366	4.9552	-0.4%	1W	3.9984	3.9998	1W	4.3760	4.3773
CHF/PLN	4.0260	4.0437	-0.4%	1M	3.9984	3.9998	1M	4.3760	4.3773
SEK/PLN	0.4103	0.4109	-0.1%	2M	3.9984	3.9998	2M	4.3760	4.3773
NOK/PLN	0.4421	0.4414	0.2%	3M	3.9984	3.9998	3M	4.3760	4.3773
DKK/PLN	0.5863	0.5874	-0.2%	6M	3.9984	3.9998	6M	4.3760	4.3773
CAD/PLN	3.0182	3.0052	0.4%	12M	3.9984	3.9998	12M	4.3760	4.3773
CZK/PLN	0.1699	0.1695	0.2%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.0944	1.1001	-0.5%	O/N	1.63 %	bp			
USD/JPY	107.68	107.33	0.3%	1W	1.59 %	bp			
GBP/USD	1.2346	1.2433	-0.7%	1M	1.64 %	bp	1M		
USD/CHF	0.9933	0.9856	0.8%	3M	1.72 %	bp	3M	%	bp
EUR/JPY	117.85	118.07	-0.2%	6M	1.79 %	bp	6M	%	bp
EUR/GBP	0.8865	0.8848	0.2%	9M	1.80 %	bp	9M	%	bp
USD/CAD	1.3249	1.3262	-0.1%	12M	1.84 %	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	1.66	1X7	1.79	2Y	1.70 %	1 bp	2Y	1.51 %	1 bp
2X3	1.63	3X9	1.77	5Y	1.65 %	-2 bp	5Y	1.79 %	-2 bp
1X4	1.72	6X12	1.75	10Y	1.65 %	-2 bp	10Y	2.02 %	-2 bp
3X6	1.70			5Y-2Y	-5 bp	bp			
6X9	1.67			10Y-5Y	0 bp	bp			
9X12	1.63			10Y-2Y	-5 bp	bp			



Appendix 1

Important Disclosures

Additional information available upon request

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