



Poland Daily

HEADLINES...

POL: Today the Monetary Policy Council ends two-day policy meeting. We expect the MPC to keep interest rates unchanged and to reiterate its guidance for steady interest rates in the nearest future. A decline in inflation in September will be stabilising MPC's expectations on future path of inflation and should compensate for the impact of recent PLN weakening on attitude of MPC members.

EMU: Manufacturing PMI fell to 45.7 in September from 47.0 in August.

DEU: Manufacturing PMI fell to 41.7 in September from 43.5 in August.

USA: Manufacturing ISM fell to 47.8 in September from 49.1 in August, much below market consensus view of 50.0.

THE DAY AHEAD...

HUN: Trade balance (Jul)

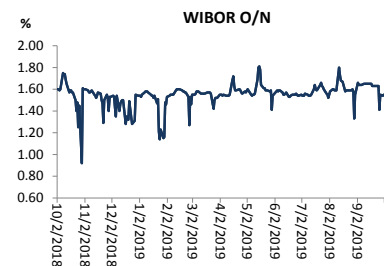
POL: MPC decision

USA: ADP employment change (Sep)

TODAY'S FOCUS:

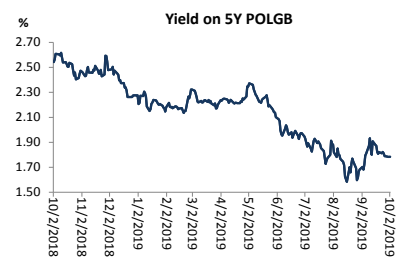
Today market participants will focus on MPC comments after the meeting. On a foreign side US ADP employment data for September will be of market relevance. Market awaits the European Court of Justice ruling on CHF-indexed mortgage that will be a guidance for courts in Poland how to treat abusive clauses in mortgages of that type.

Figure 1: WIBOR O/N



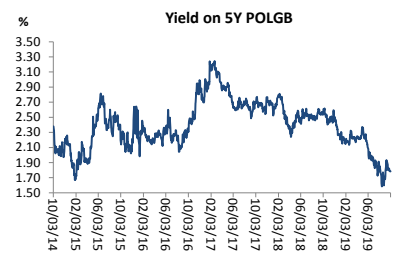
Source: Bloomberg

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	Trade balance (Jul)		EUR204mn	
POL		MPC decision	1.50%		1.50%
USA	12:15	ADP employment change (Sep)			140 tys.



Foreign Exchange

Today in the morning the zloty was 0.1% 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 PLN4.3650-4.3900 per EUR today.

The EUR firmed versus the USD after very weak US manufacturing ISM for September.

Fixed Income

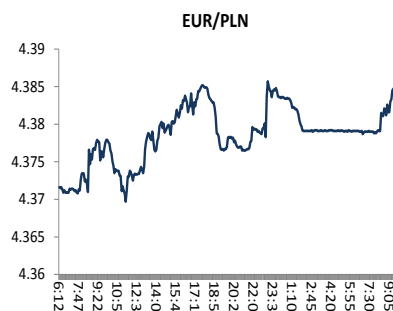
The yields on Poland's government bonds fell by 1-2bp in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of 1.15%-1.30%. Swap rates fell by 1bp in 2-year and 10-year sectors.

Equities

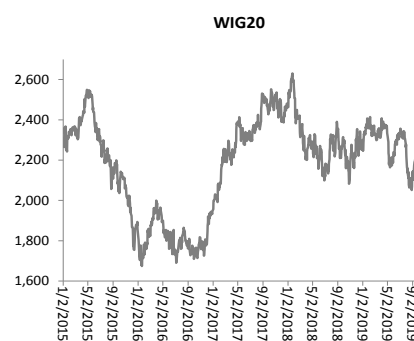
Yesterday the Dow Jones index closed 1.28% down and the S&P 500 index was 1.23% down. Today in the morning the FTSE 100 index was 1.36% down, the CAC 40 index was 1.28% down and the DAX index was 0.96% down. Today the Nikkei index closed 0.49% down. Today in the morning the WIG20 index was 1.04% down and the WIG index was 0.96% down. Stock markets were negatively impacted by very weak US manufacturing ISM data for September.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 2 October 2019 (7:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards			EUR/PLN forwards		
				bid	offer	SPOT	bid	offer	
USD/PLN	4.0131	4.0147	0.0%	SPOT	4.0125	4.0136	SPOT	4.3792	4.3803
EUR/PLN	4.3798	4.3734	0.1%	S/N	4.0129	4.0140	S/N	4.3796	4.3807
GBP/PLN	4.9245	4.9322	-0.2%	1W	4.0129	4.0140	1W	4.3796	4.3807
CHF/PLN	4.0188	4.0116	0.2%	1M	4.0129	4.0140	1M	4.3796	4.3807
SEK/PLN	0.4055	0.4056	0.0%	2M	4.0129	4.0140	2M	4.3796	4.3807
NOK/PLN	0.4386	0.4396	-0.2%	3M	4.0129	4.0140	3M	4.3796	4.3807
DKK/PLN	0.5867	0.5858	0.1%	6M	4.0129	4.0140	6M	4.3796	4.3807
CAD/PLN	3.0331	3.0255	0.3%	12M	4.0129	4.0140	12M	4.3796	4.3807
CZK/PLN	0.1702	0.1697	0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.0914	1.0893	0.2%	O/N	1.55 %	1 bp			
USD/JPY	107.71	108.41	-0.6%	1W	1.59 %	0 bp			
GBP/USD	1.2271	1.2285	-0.1%	1M	1.63 %	0 bp	1M		
USD/CHF	0.9986	1.0008	-0.2%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	117.55	118.09	-0.5%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8894	0.8867	0.3%	9M	1.80 %	0 bp	9M	%	bp
USD/CAD	1.3232	1.3270	-0.3%	12M	1.84 %	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	1.65	1X7	1.79	2Y	1.72 %	-1 bp	2Y	1.51 %	-1 bp
2X3	1.64	3X9	1.79	5Y	1.68 %	0 bp	5Y	1.78 %	-2 bp
1X4	1.72	6X12	1.76	10Y	1.69 %	-1 bp	10Y	2.02 %	-1 bp
3X6	1.72			5Y-2Y	-3 bp	0 bp			
6X9	1.69			10Y-5Y	1 bp	0 bp			
9X12	1.64			10Y-2Y	-2 bp	0 bp			



Appendix 1

Important Disclosures

Additional information available upon request

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., al. Armii Ludowej 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 1,744,449,384 paid up in full.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krześniak