



## Poland Daily

### HEADLINES...

POL: The MPC, as expected kept interest rates unchanged, with the main reference rate at 1.50% and maintained guidance for steady interest rates in the near future. In the opinion of NBP President Adam Glapinski, GDP growth in 2019 will amount to 4.3% and will slightly decelerate in 2020 while inflation should be equal to 2.3% in 2019 and is expected to temporarily rise in 2020. NBP President Glapinski expressed a view that interest rates would be kept unchanged until the end of his term. In the opinion of MPC member Jerzy Żyżyński there was no need for additional stimulus for demand from monetary policy due to fiscal impulse in 2019 and 2020 that is being applied by the government.

POL: The European Court of Justice (ECJ) ruled on case of mortgage denominated in CHF that included abusive clause. The ECJ said that (1) Polish law doesn't allow for introducing changes to terms of loan agreement by domestic courts, (2) in case of so called abusive clause, domestic court may apply the agreement if it is legally viable or (3) the court may cancel the agreement if borrower agrees. The ECJ increased borrower protection in case of abusive clause, but simultaneously ruled out a possibility of treating FX-denominated loans containing abusive indexing clauses as PLN loans with LIBOR CHF interest. The ECJ ruling still leaves the burden of judging on particular cases on domestic courts with increased protection of borrowers but also with less discretion for domestic courts on changing terms of mortgage agreements.

### THE DAY AHEAD...

POL: ECJ decision

EMU: PMI services (Sep), retail sales (Sep)

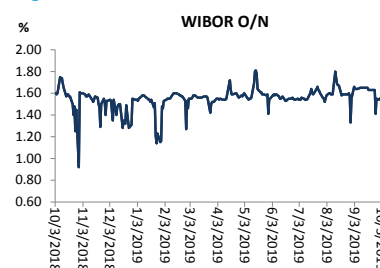
DEU: PMI services (Sep)

USA: ISM non-manufacturing (Sep), Factory orders (Aug)

### TODAY'S FOCUS:

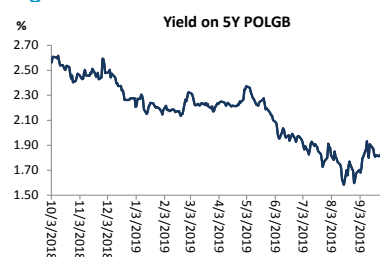
Today domestic FX market was dominated by the ECJ verdict.

Figure 1: WIBOR O/N



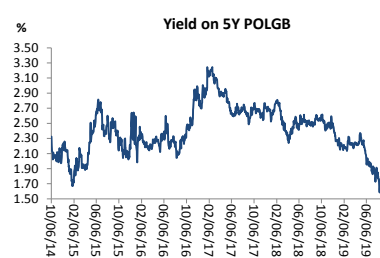
Source: Bloomberg

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
EMU	8:00	PMI services (Sep)		51.6	52.0
EMU	9:00	Retail sales (Aug)		0.3% (2.1%)	0.3% (2.0%)
USA	13:45	ISM non-manufacturing (Sep)	54.1		55.0
USA	14:00	Factory orders (Aug)	0.3%		-0.2%



## Foreign Exchange

Today after the ECJ verdict the zloty firmed by 1.2% versus the USD and was 0.8% firmer versus the EUR compared to the yesterday's NBP fixing. After announcement the zloty was very volatile but due to the fact that ECJ ruling had limited scope the zloty continued its firming that started after NBP President's comments that the central bank saw limited risks for Poland's economy from this judgement. The zloty should be moving until the end of the day within a range of PLN4.3300-4.3600 per EUR.

The EUR firmed versus the USD after better than expected euro-zone retail sales.

## Fixed Income

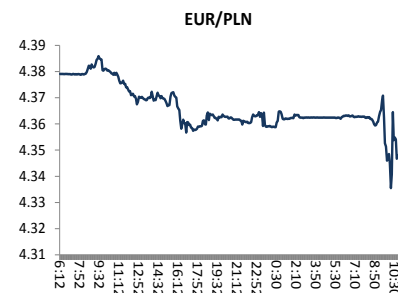
The yields on Poland's government bonds fell by 5bps in 5-year and 10-year sectors.

## Interest Rates

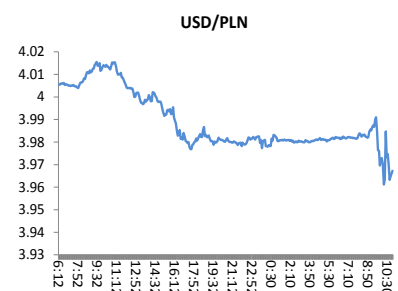
Today the O/N bid rate should be within a range of 1.15%-1.30%. Swap rates fell by 3bps in 5-year and 10-year sectors.

## Equities

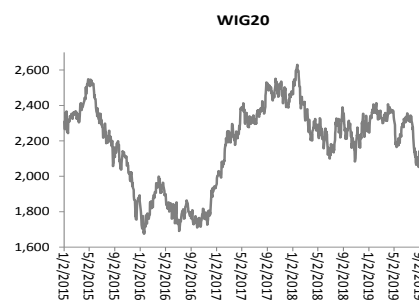
Yesterday the Dow Jones index closed 1.86% down and the S&P 500 index was 1.79% down. Today around noon the FTSE 100 index was 0.43% down, the CAC 40 index was 0.67% up and the DAX index was 2.76% down at closing yesterday. Today the Nikkei index closed 2.01% down. Today around noon the WIG20 index was 0.01% up and the WIG index was 0.13% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

## Polish local market data 3 October 2019 (9:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN forwards	bid	offer	EUR/PLN forwards	bid	offer
USD/PLN	3.9664	4.0152	-1.2%	SPOT	3.9656	3.9672	SPOT	4.3423	4.3437
EUR/PLN	4.3430	4.3788	-0.8%	S/N	3.9660	3.9676	S/N	4.3427	4.3441
GBP/PLN	4.8733	4.9101	-0.7%	1W	3.9660	3.9676	1W	4.3427	4.3441
CHF/PLN	3.9633	4.0167	-1.3%	1M	3.9660	3.9676	1M	4.3427	4.3441
SEK/PLN	0.4004	0.4050	-1.1%	2M	3.9660	3.9676	2M	4.3427	4.3441
NOK/PLN	0.4338	0.4384	-1.0%	3M	3.9660	3.9676	3M	4.3427	4.3441
DKK/PLN	0.5818	0.5865	-0.8%	6M	3.9660	3.9676	6M	4.3427	4.3441
CAD/PLN	2.9742	3.0327	-1.9%	12M	3.9660	3.9676	12M	4.3427	4.3441
CZK/PLN	0.1687	0.1701	-0.9%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.0949	1.0906	0.4%	O/N	1.57 %	2 bp	1M		
USD/JPY	107.14	107.65	-0.5%	1W	1.60 %	1 bp	3M		
GBP/USD	1.2287	1.2229	0.5%	1M	1.64 %	1 bp	6M		
USD/CHF	1.0008	1.0004	0.0%	3M	1.72 %	0 bp	9M		
EUR/JPY	117.32	117.40	-0.1%	6M	1.79 %	0 bp	12M		
EUR/GBP	0.8911	0.8918	-0.1%	9M	1.80 %	0 bp			
USD/CAD	1.3337	1.3240	0.7%	12M	1.84 %	0 bp			
							T-Bonds (mid)	Today's opening	1-day change
FRAs (mid)	Last closing			IRS (mid)	Today's opening	1-day change	2Y	1.50 %	-1 bp
1X2	1.65	1X7	1.79	2Y	1.70 %	-1 bp	5Y	1.73 %	-5 bp
2X3	1.64	3X9	1.78	5Y	1.65 %	-3 bp	10Y	1.97 %	-5 bp
1X4	1.72	6X12	1.76	10Y	1.66 %	-3 bp			
3X6	1.71			5Y-2Y	-5 bp	-2 bp			
6X9	1.69			10Y-5Y	1 bp	0 bp			
9X12	1.65			10Y-2Y	-4 bp	-2 bp			



# Appendix 1

## Important Disclosures

### Additional information available upon request

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