



Poland Daily

HEADLINES...

POL: MPC member Grazyna Ancyparowicz said that there were no reasons to cut interest rates or hike them. She added that reduction in borrowing costs might be perceived as central bank's fear of recession. She estimates average inflation in 2020 at 2.5%. MPC Ancyparowicz expressed also a view that ECJ ruling on FX-indexed mortgages would not destabilise Poland's banking system.

POL: MPC member Eugeniusz Gatnar said that negative real interest rates in Poland were "toxic: as they discourage savings and encourage borrowing. He added that in his view negative interest rates in Poland constituted a problem.

THE DAY AHEAD...

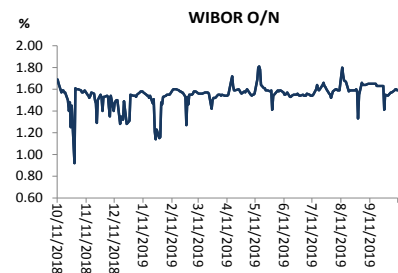
DEU: inflation (Sep), HICP (Sep)

USA: Univ. of Michigan consumer sentiment (Sep)

TODAY'S FOCUS:

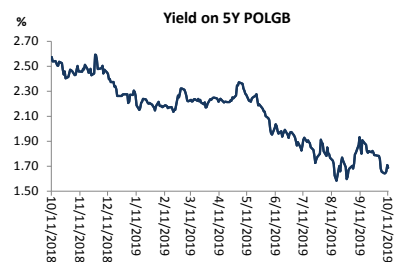
Today economic calendar contains German inflation and HICP inflation for September and US Consumer sentiment for October. Political observers will focus on approaching parliamentary elections on October 13.

Figure 1: WIBOR O/N



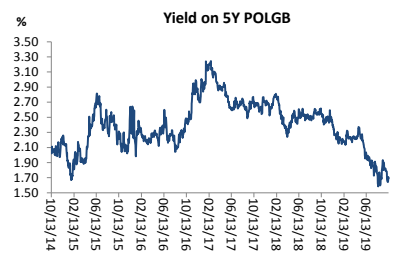
Source: Bloomberg

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
DEU	6:00	Inflation (Sep)	0.0% (1.2%)	0.0% (1.2%)	0.0% (1.2%)
DEU	6:00	Inflation HICP (Sep)	-0.1% (0.9%)	-0.1% (0.9%)	-0.1% (0.9%)
USA	14:00	Consumer sentiment (paż)	88.2		92.0



Foreign Exchange

Today in the morning the zloty was 0.4% firmer versus the USD and was 0.4% firmer versus the EUR compared to the yesterday's NBP fixing. The zloty should be moving today within a range of PLN4.2900-4.3250 per EUR.

Yesterday in the afternoon the GBP firmed by almost 2% versus the USD as increased likelihood of an agreement on "backstop" between the UK and Ireland.

Fixed Income

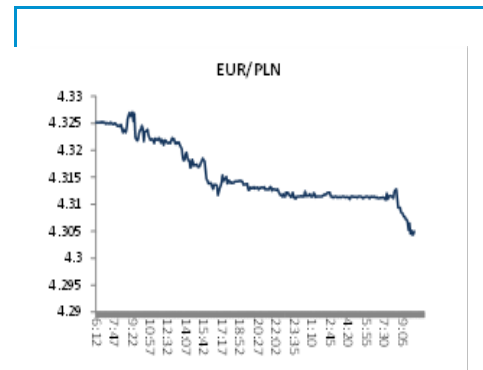
The yields on Poland's government bonds were 2bps up in 5-year and 10-year sectors.

Interest Rates

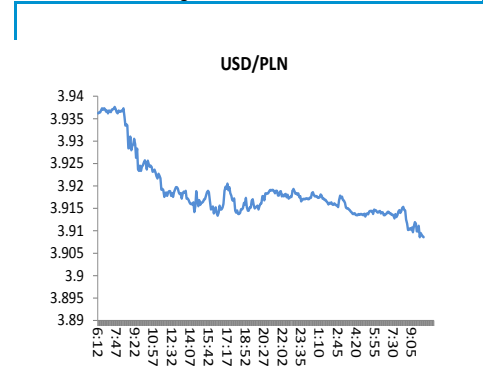
Today the O/N bid rate should be within a range of 1.15%-1.30%. Swap rates were unchanged in all tenors.

Equities

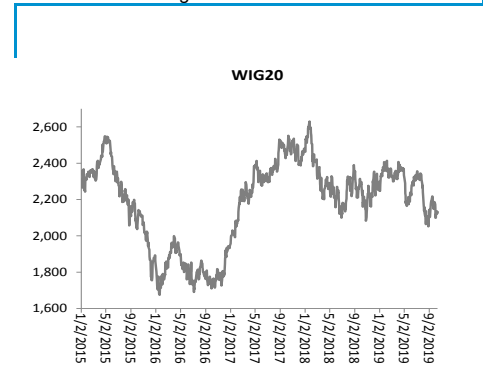
Yesterday the Dow Jones index closed 0.57% up and the S&P 500 index was 0.64% up. Today in the morning the FTSE 100 index was 0.20% down, the CAC 40 index was 0.25% up and the DAX index was 0.99% up. Today the Nikkei index closed 1.15% up. Today in the morning the WIG20 index was 0.36% up and the WIG index was 0.35% up.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Polish local market data 11 October 2019 (9:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.9087	3.9226	-0.4%	SPOT	3.9081	3.9093	SPOT	4.3032	4.3047
EUR/PLN	4.3040	4.3217	-0.4%	S/N	3.9085	3.9097	S/N	4.3036	4.3051
GBP/PLN	4.8698	4.7971	1.5%	1W	3.9085	3.9097	1W	4.3036	4.3051
CHF/PLN	3.9193	3.9538	-0.9%	1M	3.9085	3.9097	1M	4.3036	4.3051
SEK/PLN	0.3975	0.3977	-0.1%	2M	3.9085	3.9097	2M	4.3036	4.3051
NOK/PLN	0.4289	0.4292	-0.1%	3M	3.9085	3.9097	3M	4.3036	4.3051
DKK/PLN	0.5763	0.5786	-0.4%	6M	3.9085	3.9097	6M	4.3036	4.3051
CAD/PLN	2.9446	2.9477	-0.1%	12M	3.9085	3.9097	12M	4.3036	4.3051
CZK/PLN	0.1667	0.1671	-0.3%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1011	1.1017	-0.1%	O/N	1.59 %	0 bp			
USD/JPY	107.93	107.41	0.5%	1W	1.60 %	0 bp			
GBP/USD	1.2460	1.2229	1.9%	1M	1.63 %	0 bp	1M		
USD/CHF	0.9973	0.9921	0.5%	3M	1.72 %	0 bp	3M	%	bp
EUR/JPY	118.86	118.34	0.4%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8838	0.9009	-1.9%	9M	1.80 %	0 bp	9M	%	bp
USD/CAD	1.3275	1.3307	-0.2%	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 %	0 bp	2Y	1.50 %	0 bp
2X3	1.64	3X9	1.78	5Y	1.65 %	0 bp	5Y	1.69 %	2 bp
1X4	1.72	6X12	1.76	10Y	1.64 %	0 bp	10Y	1.92 %	2 bp
3X6	1.71			5Y-2Y	-7 bp	0 bp			
6X9	1.69			10Y-5Y	-1 bp	0 bp			
9X12	1.65			10Y-2Y	-8 bp	0 bp			



Appendix 1

Important Disclosures

Additional information available upon request

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