



Poland Daily

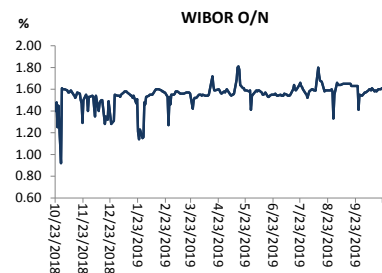
HEADLINES...

POL: In September construction output increased by 7.6% y/y what point to relatively high investment activity. Building construction rose by 17.1% m/m and increased by 5.3% y/y, infrastructure investments increased by 11.3% m/m and increased by 15.8% y/y and specialised construction by 10.0% m/m and declined by 4.5% y/y.

POL: In September money supply M3 increased by 0.4% m/m and rose by 9.4% y/y. Cash in circulation rose by 0.8% m/m, households' deposits rose by 0.3% m/m and deposits of non-financial corporations rose by 0.6% m/m. In September local governments' deposits rose by as much as 3.4% m/m. In September loans to households increased by 0.6% m/m, and loans to corporations declined by 0.3% m/m. In September an increase of money supply was caused mainly by a rise in loans to households.

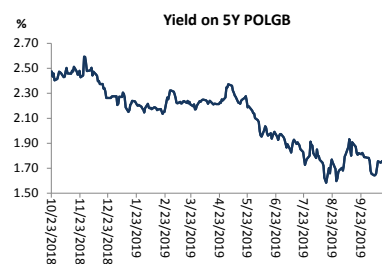
POL: In 2018 general government deficit amounted to PLN5.0bn or -0.2% of GDP (versus -1.5% of GDP in 2017) and general government debt was PLN1035.3bn or 48.9% of GDP (versus 50.6% of GDP in 2017).

Figure 1: WIBOR O/N



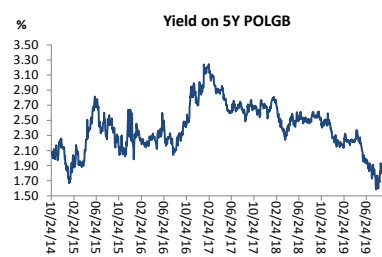
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg

THE DAY AHEAD...

POL: Unemployment rate (Sep)

USA: FHFA House Price Index (Aug)

EMU: Consumer confidence (Oct)

TODAY'S FOCUS:

Today economic calendar contains registered unemployment rate from Poland for September, consumer confidence from the euro-zone for October and US house prices for August.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Unemployment rate (Sep)	5.1%		5.1%
USA	13:00	FHFA House Price Index (Aug)			0.3%
EMU	14:00	Consumer confidence (Oct)	-6.8		-6.8



Foreign Exchange

Today in the morning the zloty was unchanged versus the USD and was 0.2% firmer versus the EUR compared to the yesterday's NBP fixing. The zloty should be moving today within a range of PLN4.2600-4.2850 per EUR.

The GBP weakened as UK Parliament accepted Brexit deal but blocked a bill on time schedule for Brexit what in practice means yet another delay in Brexit date. The EU signalled its readiness to extend Brexit deadline by 3 months.

Fixed Income

The yields on Poland's government bonds were 3bp down in 5-year and 10-year sectors.

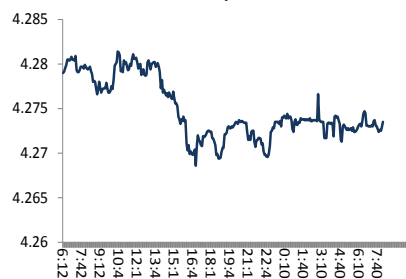
Interest Rates

Today the O/N bid rate should be within a range of 1.00%-1.30%. Swap rates were 2bps down in all tenors.

Equities

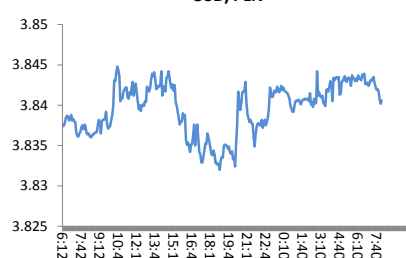
Yesterday the Dow Jones index closed 0.15% up and the S&P 500 index was 0.36% up. Yesterday at closing the FTSE 100 index was 0.68% up, the CAC 40 index was 0.17% up and the DAX index was 0.05% up. The Nikkei index closed 0.35% up. Yesterday the WIG20 index closed 1.32% up and the WIG index was 0.99% up.

EUR/PLN



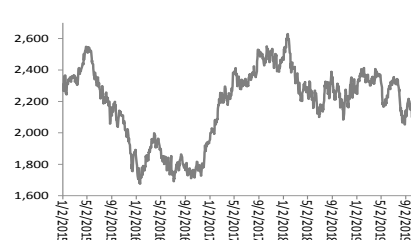
Source: Bloomberg

USD/PLN



Source: Bloomberg

WIG20



Source: Bloomberg

Polish local market data 23 October 2019 (9:30 GMT)

Currency (mid)	Today	Last fixing	Change	USD/PLN			EUR/PLN		
				forwards	bid	offer	forwards	bid	offer
USD/PLN	3.8392	3.8408	0.0%	SPOT	3.8380	3.8403	SPOT	4.2709	4.2729
EUR/PLN	4.2719	4.2792	-0.2%	S/N	3.8384	3.8407	S/N	4.2713	4.2733
GBP/PLN	4.9435	4.9700	-0.5%	1W	3.8384	3.8407	1W	4.2713	4.2733
CHF/PLN	3.8809	3.8851	-0.1%	1M	3.8384	3.8407	1M	4.2713	4.2733
SEK/PLN	0.3974	0.3985	-0.3%	2M	3.8384	3.8407	2M	4.2713	4.2733
NOK/PLN	0.4192	0.4206	-0.3%	3M	3.8384	3.8407	3M	4.2713	4.2733
DKK/PLN	0.5719	0.5728	-0.2%	6M	3.8384	3.8407	6M	4.2713	4.2733
CAD/PLN	2.9309	2.9357	-0.2%	12M	3.8384	3.8407	12M	4.2713	4.2733
CZK/PLN	0.1671	0.1673	-0.1%						
				WIBOR	Last fixing	1-day change	T-bills (mid)	Today's opening	1-day change
EUR/USD	1.1127	1.1141	-0.1%	O/N	1.61 %	1 bp			
USD/JPY	108.39	108.56	-0.2%	1W	1.59 %	0 bp			
GBP/USD	1.2876	1.2940	-0.5%	1M	1.63 %	0 bp	1M		
USD/CHF	0.9894	0.9886	0.1%	3M	1.71 %	0 bp	3M	%	bp
EUR/JPY	120.61	120.95	-0.3%	6M	1.79 %	0 bp	6M	%	bp
EUR/GBP	0.8641	0.8610	0.4%	9M	1.80 %	0 bp	9M	%	bp
USD/CAD	1.3100	1.3083	0.1%	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	1.64	1X7	1.79	2Y	1.72 %	-2 bp	2Y	1.50 %	0 bp
2X3	1.63	3X9	1.78	5Y	1.72 %	-2 bp	5Y	1.74 %	-3 bp
1X4	1.71	6X12	1.76	10Y	1.74 %	-2 bp	10Y	1.99 %	-3 bp
3X6	1.70			5Y-2Y	0 bp	0 bp			
6X9	1.67			10Y-5Y	1 bp	0 bp			
9X12	1.64			10Y-2Y	1 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