



Poland Daily

HEADLINES:

POL: In Q2 2020 real GDP declined by 8.9% q/q and fell by 8.2% y/y, above market consensus view.

POL: In July inflation amounted to -0.2% m/m and 3.0% y/y.

POL: In July consumption of electricity fell by 2.9% y/y after a 7.0% y/y decline in June. Since the beginning of the year consumption of electricity declined by 4.9% y/y.

POL: In June the current account surplus widened to EUR2.8bn what stemmed primarily from big trade surplus of EUR2.7bn. Higher than expected trade surplus in June was a result of 3.0% y/y rise in exports coupled with 10.7% y/y decline in imports. Trade data show that demand for Poland's exports is recovering fast while domestic demand is still weak. In June services account was positive at EUR1.4bn while deficit in primary income account widened to -EUR1.2bn that suggests that foreign investors started to repatriate profits that were retained during the crisis.

THE DAY AHEAD...

POL: GDP (Q2), inflation (Jul)

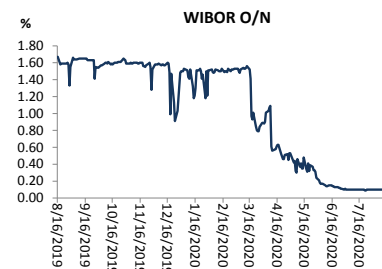
EMU: GDP (Q2),

USA: Retail sales (Jul)

TODAY'S FOCUS:

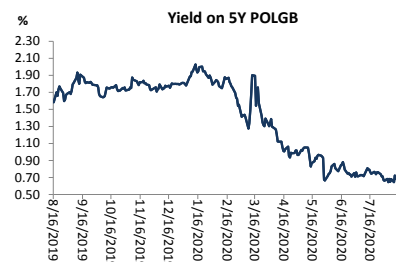
Today economic calendar contains Q2 GDP from Poland and euro-zone, final inflation from Poland for July and US retail sales for July.

Figure 1: WIBOR O/N



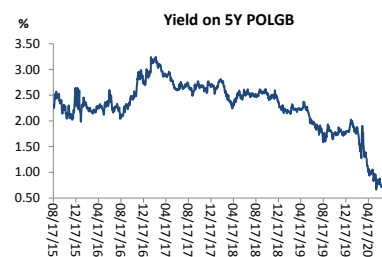
Source: Bloomberg

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 |
|---------|-------|--------------------|-----------------|-----------------|-----------------|
| POL | 8:00 | GDP (Q2) | -10.7% (-8.7%) | -8.9% (-8.2%) | -9.5% (-9.0%) |
| POL | 8:00 | Inflation (Jul) | -0.1% (3.1%) | -0.2% (3.0%) | -0.1% (3.1%) |
| EMU | 9:00 | GDP (Q2) | -12.1% (-15.0%) | -12.1% (-15.0%) | -12.1% (-15.0%) |
| USA | 12:30 | Retail sales (Jul) | 3.5% | | 2.1% |

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty weakened by 0.2% versus the USD and was 0.2% firmer versus the EUR compared to the previous NBP fixing. The zloty should be moving within a range of PLN4.3800-4.4100 per EUR.

The USD firmed by 0.3% versus the EUR after much better than expected US data on initial jobless claims.

Fixed Income

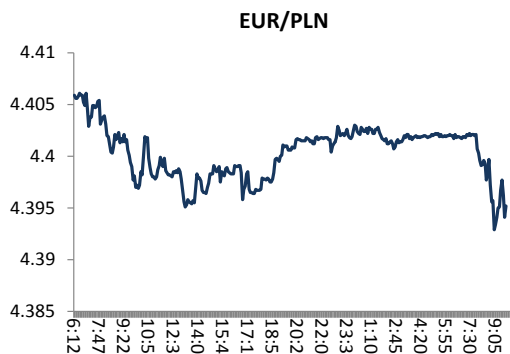
The yields on Poland's government bonds were practically unchanged in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were steady across the curve.

Equities

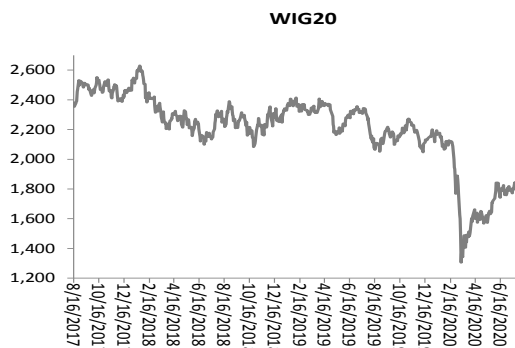
Yesterday the Dow Jones index closed 0.29% down and the S&P 500 index was 0.20% down. Today in the morning the FTSE 100 index was 1.05% down, the CAC 40 index was 1.08% down and the DAX index was 0.58% down. The Nikkei index increased by 0.17%. Today in the morning the WIG index was 0.46% down and the WIG20 index was 0.66% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



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