



Poland Daily

HEADLINES:

USA: Minutes from FOMC meeting on July 28-29 showed that Fed resigned from releasing guidance for future level of interest rates in the near term and underlined that it would be done in some point of time in the future. The FOMC also didn't change size and composition of Treasuries and MBS purchases. According to the minutes, FOMC members said that despite visible improvement in personal demand, economic recovery would depend on effective curbing of spread of the virus.

THE DAY AHEAD...

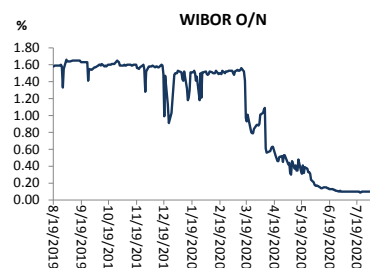
POL: Industrial output (Jul), PPI (Jul)

USA: initial jobless claims, leading economic indicators (Jul)

TODAY'S FOCUS:

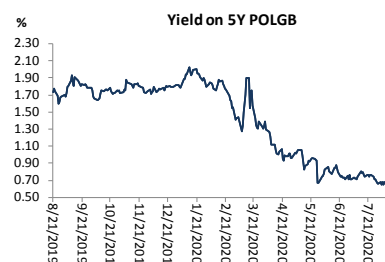
Today economic calendar contains industrial output and PPI for July from Poland and US initial jobless claims and index of leading indicators for July,

Figure 1: WIBOR O/N



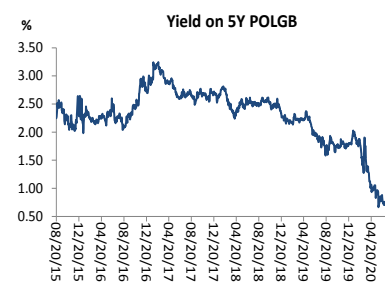
Source: Bloomberg

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	Industrial output (Jul)	3.2% (0.8%)	3.4% (1.1%)	1.1% (-1.2%)
POL	8:00	PPI (Jul)	0.3% (-0.6%)	0.3% (-0.6%)	0.3% (-0.6%)
USA	12:30	Initial jobless claims	950k		920k
USA	13:45	Leading Economic Indicators (Jul)	1.4%		1.1%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty weakened by 1.2% versus the USD and was 0.3% weaker versus the EUR compared to the previous NBP fixing. Weakening of the zloty stemmed from firming US dollar as Fed suggested interest would stay unchanged in the near future. The zloty should be moving within a range of PLN4.3750-4.4050 per EUR.

The USD firmed by 1.0% versus the EUR as the minutes from the FOMC meeting suggested rate hikes won't come quickly.

Fixed Income

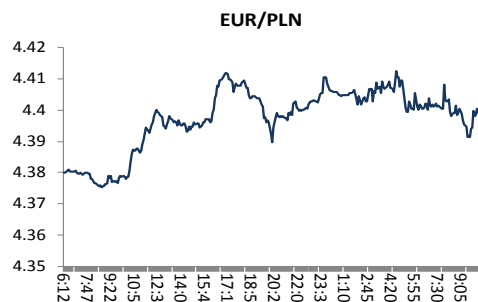
The yields on Poland's government bonds were 3bps down in 5-year and 10-year sectors and fell by 2bps in 2-year one.

Interest Rates

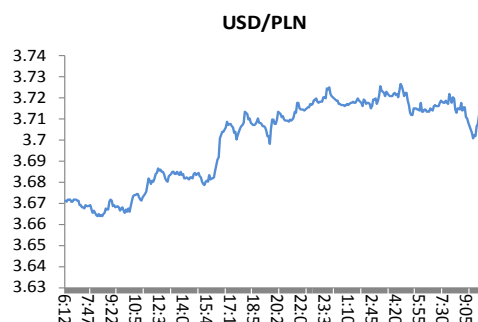
Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were 1bp down across the curve.

Equities

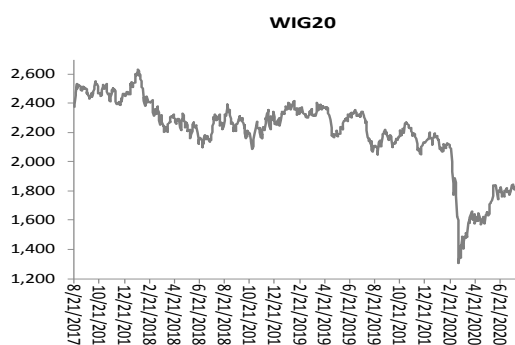
Yesterday the Dow Jones index closed 0.31% down and the S&P 500 index was 0.41% down retreating from the all-time high after the release of FOMC minutes. Today in the morning the FTSE 100 index was 1.55% down, the CAC 40 index was 1.74% down and the DAX index was 1.61% down. The Nikkei index decreased by 1.00%. Today in the morning the WIG index was 0.75% down and the WIG20 index was 0.94% down.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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