



Poland Daily

HEADLINES:

USA: FOMC Chairman Powell informed that the Fed changed inflation goal from point target to averaging over non-specified horizon. The FOMC will be reacting to shortfalls rather than deviations of employment from its maximum level. It means that low interest rates will be kept longer and monetary policy will be more elastic and focused on lowering unemployment rate. It also means that the Fed will be ready to accept temporarily higher inflation, without preventive interest rate hikes.

POL: Minutes from MPC meeting revealed that the Council expected slower recovery in economic activity after lift-off. The majority of MPC members share opinion that interest rates should be kept unchanged in the near time.

THE DAY AHEAD...

USA: Univ. of Michigan consumer sentiment (Aug),

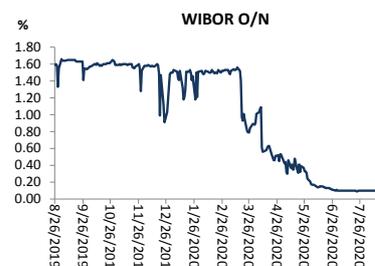
EMU: Consumer confidence (Aug)

FRA: GDP (Q2)

TODAY'S FOCUS:

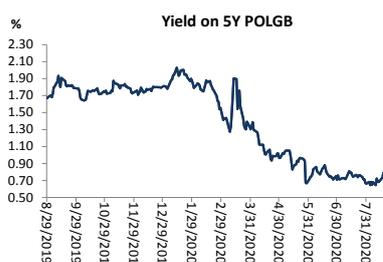
. Today economic calendar contains US consumer sentiment for August, consumer confidence from euro-zone for August and Q2 GDP from France.

Figure 1: WIBOR O/N



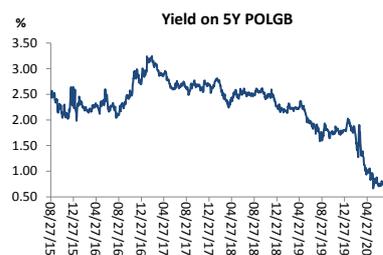
Source: Bloomberg

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
FRA	6:45	GDP (Q2)		-13.8(-18.9%)	-13.8% (-19.0%)
EMU	9:00	Cosnumer confidence (Aug)			
USA	14:00	Univ. of Michigan Consumer sentiment (Aug)	72.0		72.8



Foreign Exchange

Today in the morning the zloty firmed by 0.7% versus the USD and was 0.1% firmer versus the EUR compared to the previous NBP fixing. Today the zloty should be moving within a range of PLN4.3900-4.4200 per EUR.

The USD weakened by 0.6% versus the EUR as Fed announced the shift to average inflation targeting what means looser monetary policy in the future.

Fixed Income

The yields on Poland's government bonds were 1bps down in 2-year sector and rose by 3bps and 7bps respectively in 5-year and 10-year sectors.

Interest Rates

Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were 4bps up in 2-year sector and increased by 7-8bps in 5-year and 10-year sectors.

Equities

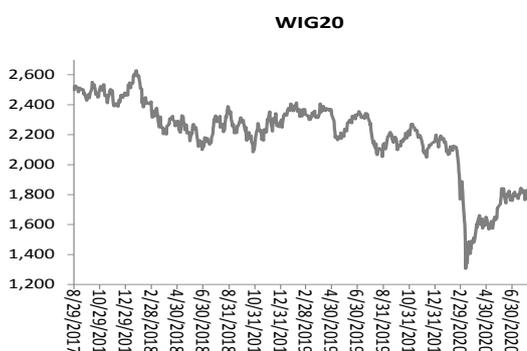
Yesterday the Dow Jones index was 0.57% up and the S&P 500 index was 0.17% up. Today in the morning the FTSE 100 index was 0.19% up, the CAC 40 index was 0.10% down and the DAX index was 0.30% down. The Nikkei index decreased by 1.41%. Today in the morning the WIG index was 0.04% down and the WIG20 index was 0.19% 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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