



Poland Daily

HEADLINES:

POL: PM Mateusz Morawiecki said that the current level of the exchange rate was good for economy. He added that government was absolutely not concerned with PLN exchange rate that was good for stability of Poland's economy, good for exporting sectors and at the same time had a potential to appreciate. PM Morawiecki underlined that revised budget for 2020 envisaged 4.5% decline in real GDP but the newest estimates suggested that Poland's economy would shrink by about 3.5%. PM Morawiecki added that further rescue programmes were not excluded but government was looking how economy behaved before taking any decision. In our view Poland's economy recovers from crisis relatively fast. We expect Poland's real GDP to contract by 3.2% in 2020 and to grow by 3.1% in 2021.

THE DAY AHEAD...

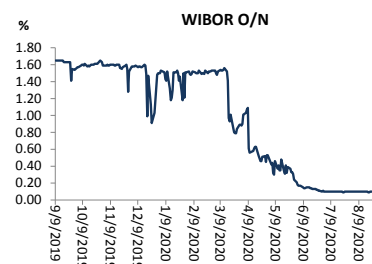
DEU: Trade balance (Jul)

EMU: GDP(Q2, final)

TODAY'S FOCUS:

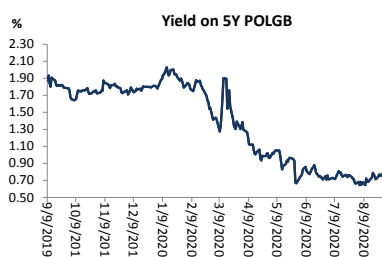
Today economic calendar contains euro-zone's final Q2 GDP and trade balance from Germany for July.

Figure 1: WIBOR O/N



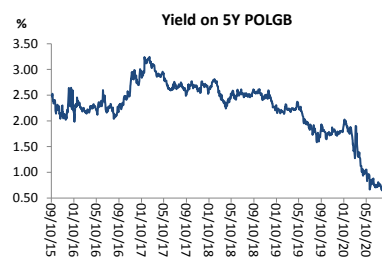
Source: Bloomberg

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
DEU	6:00	Trade balance (Jul)		EUR19.2bn	EUR15.9bn
EMU	9:00	GDP (Q2, fin.)			-12.1% (-15.0%)



Foreign Exchange

Today in the morning the zloty firmed by 0.2% versus the USD and was 0.3% firmer versus the EUR compared to the previous NBP fixing. Yesterday the zloty firmed as PM Mprawiecki said PLN exchange rate was good for economy. Today the zloty should be moving within a range of PLN4.4350-4.4600 per EUR.

The USD firmed by 0.1% versus the EUR. The GBP weakened by 0.3% versus the USD as PM Boris Johnson said he would rather choose non-deal Brexit than to accept a deal that would compromise issues important for the UK.

Fixed Income

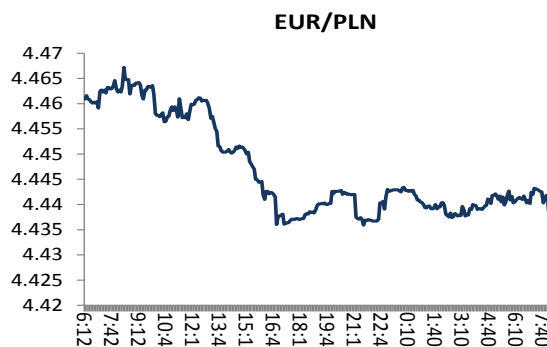
The yields on Poland's government bonds remained unchanged in all tenors.

Interest Rates

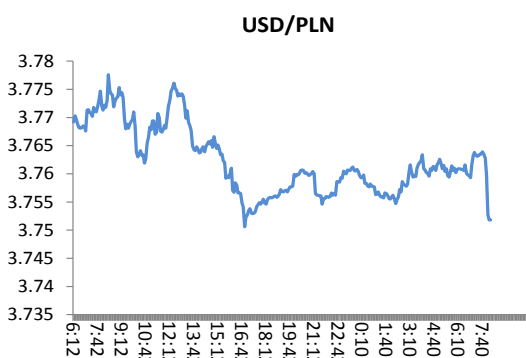
Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were practically unchanged across the curve.

Equities

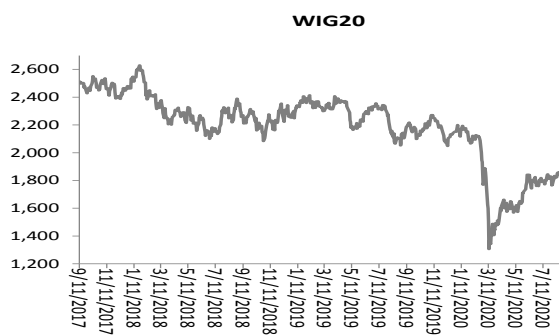
On Friday the Dow Jones index closed 0.56% down and the S&P 500 index fell by 0.81% as tech stocks retreated. Today in the morning the FTSE 100 index was 0.43% up, the CAC 40 index was 0.18% down and the DAX index was 0.04% up. The Nikkei index increased by 0.80%. Today in the morning the WIG index was 0.18% up and the WIG20 index was 0.28% up.



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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