



## Poland Daily

### HEADLINES:

**POL:** According to flash estimate, inflation in September rose to 3.2% y/y from 2.9% y/y in August. In September consumer prices rose by 0.2% m/m including 1.6% m/m increase in fuel prices and 0.1% m/m increase in energy prices. In September food prices fell by 0.4% m/m due to seasonal factors. The increase in inflation in September stems from increase in fuel prices and (most likely) services prices.

**POL:** PMI manufacturing index rose to 50.8pts in September from 50.6pts in August what means slow improvement in business conditions in manufacturing. In September increase was reported in employment, new orders and purchases while delivery time and output indices deteriorated. Output has been increasing for a third month in a row. New orders increased somewhat faster than in August including moderate rise in export orders. New orders have been increasing for two months, albeit at a weak pace. Declining but long-lasting inflationary pressure, partially due to PLN weakening resulted in a marginal increase in prices of output. Companies are more optimistic on level of output in a 12-month horizon.

### THE DAY AHEAD...

**POL:** PMI manufacturing (Sep), inflation (Sep, flash)

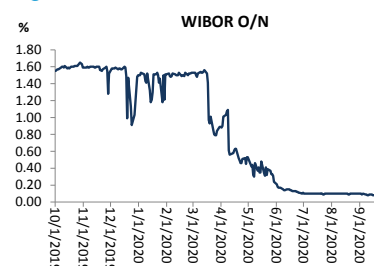
**EMU:** PMI manufacturing (Sep),

**USA:** Initial jobless claims, ISM manufacturing (Sep),

### TODAY'S FOCUS:

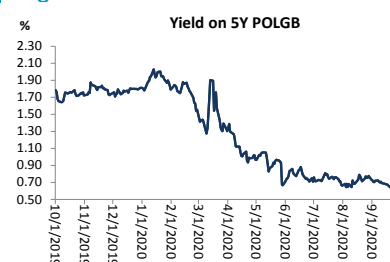
Today economic calendar contains manufacturing PMI and flash inflation from Poland, manufacturing PMIs from Europe and the US and US initial jobless claims.

Figure 1: WIBOR O/N



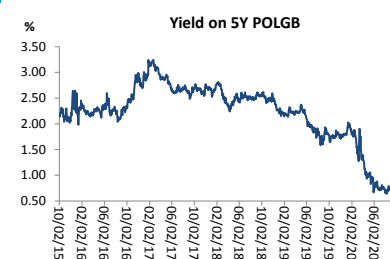
Source: Bloomberg

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	7:00	PMI manufacturing (Sep)	51.7	50.8	52.5
POL	8:00	Inflation (Sep, P)	0.1% (3.0%)	0.2% (3.2%)	0.0% (3.0%)
EMU	8:00	PMI manufacturing (Sep)	53.7	53.7	53.7
USA	12:30	Initial jobless claims	850k		850k
USA	14:00	ISM manufacturing (Sep)	55.4		56.4



### Foreign Exchange

Today in the morning the zloty was 0.5% firmer 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 PLN4.5000-4.5350 PLN per EUR.

The USD weakened by 0.4% versus the EUR as risk appetites increased due to hopes for political compromise on US fiscal stimulus package.

### Fixed Income

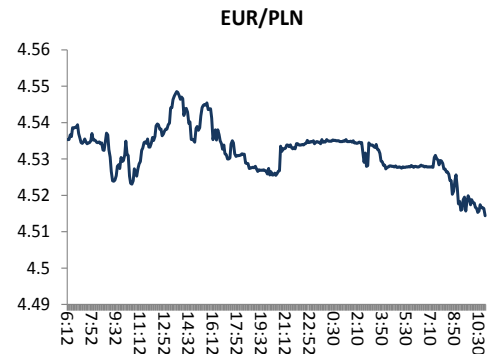
The yields on Poland's government bonds were 1bp down in all tenors.

### Interest Rates

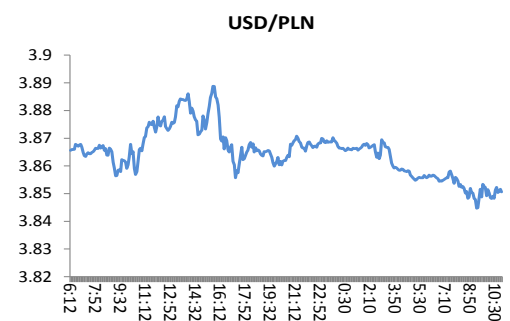
Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were 1-2bps up in all tenors.

### Equities

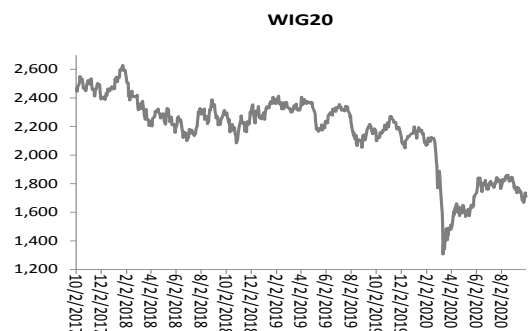
Yesterday the Dow Jones index closed 1.20% up and the S&P 500 index rose by 0.83%. Today in the morning the FTSE 100 index was 0.84% up, the CAC 40 index was 0.65% up and the DAX index was 0.13% up. The Nikkei index closed unchanged. Today in the morning the WIG index was 0.03% down and the WIG20 index was 0.01% 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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