



Poland Daily

HEADLINES:

POL: In August a surplus on the current account amounted to EUR947mn versus EUR1012mn surplus in July. In August trade surplus amounted to EUR735mn versus trade surplus of EUR818mn in July. Export rose by 0.8% y/y to EUR17.7bn while imports fell by 5.1% y/y to EUR17.0bn in August.

POL: According to GUS in the period of January-August 2020 exports fell by 5.6% y/y to EUR147.7bn while imports fell by 9.6% y/y to EUR141.4bn what resulted in EUR6.3bn trade surplus.

POL: In September inflation was 0.2% m/m and 3.2% y/y. Food prices increased by 2.8% y/y, housing and energy prices rose by 7.2% y/y, education costs increased by 5.8% y/y, prices of communication rose by 5.5% y/y and healthcare costs increased by 5.0% y/y in September. Prices of consumer goods rose by 1.7% y/y while prices of services rose by 7.2% y/y in September.

THE DAY AHEAD...

- POL: Inflation (Sep)
- FRA: Inflation (Sep)
- USA: Initial jobless claims

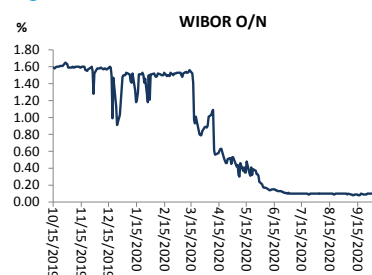
TODAY'S FOCUS:

Today economic calendar contains inflation for September from Poland and France and US initial jobless claims.

DIARY (Today)

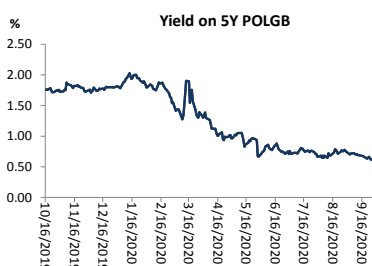
Country	GMT	Release	DB Expected	Actual	Consensus
FRA	6:45	Inflation (Sep)		-0.5% (0.0%)	-0.5% (0.1%)
POL	8:00	Inflation (Sep)	0.2% (3.2%)	0.2% (3.2%)	0.2% (3.2%)
USA	12:30	Initial jobless claims	800k		825k

Figure 1: WIBOR O/N



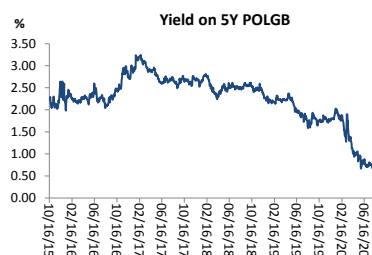
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg



Foreign Exchange

Today in the morning the zloty was 1.5% weaker versus the USD and was 1.2% weaker versus the EUR compared to the previous NBP fixing. The zloty weakened on fears that recent surge in new covid cases in Europe would lead to second lockdown. Today the zloty should be moving within a range of PLN4.5200-4.5600 PLN per EUR.

The USD firmed by 0.3% versus the EUR as new covid cases surged while there was no progress on fiscal stimulus package for the US economy .

Fixed Income

The yields on Poland's government bonds were 3-4bp down in 2-year and 5-year sectors as market participant expects now much longer period of near zero interest rates in Poland.

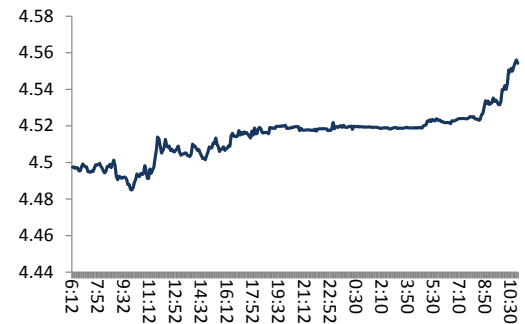
Interest Rates

Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were 7-9bps down in 5-year and 10-year sectors and declined by 4bps in 2-year one.

Equities

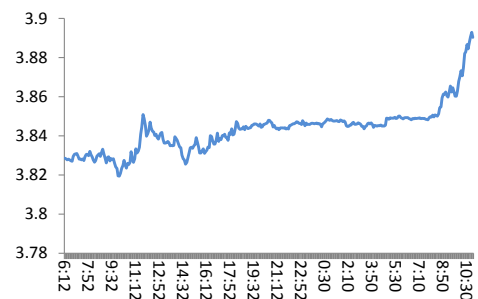
Yesterday the Dow Jones index closed 0.58% down and the S&P 500 index fell by 0.66%. Today in the morning the FTSE 100 index was 2.37% down, the CAC 40 index was 2.43% down and the DAX index was 3.08% down. The Nikkei index closed 0.51% down. Today in the morning the WIG index was 1.94% down and the WIG20 index was 2.00% down.

EUR/PLN



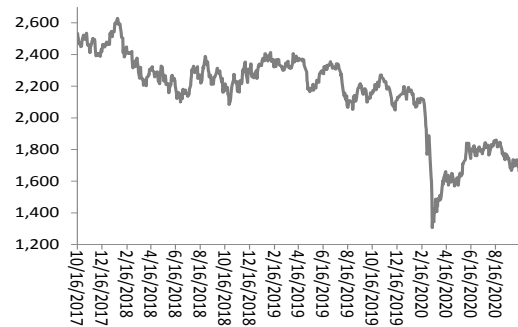
Source: Bloomberg

USD/PLN



Source: Bloomberg

WIG20



Source: Bloomberg

Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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