



Poland Daily

HEADLINES:

POL: In September average employment in enterprises' sector increased by 0.3% m/m and fell by 1.2% y/y. Employment in enterprises' sector in Q3 was recovering slowly and suggests that social distancing (voluntary and/or administrative), restrictions on services and smaller foreign demand (mainly from the EU) will result in slower post-covid recovery.

POL: In September average wage in enterprises' sector increased by 0.6% m/m and rose by 5.6% y/y, above expectations.

POL: Industrial output rose by 15.5% m/m and increased by 5.9% y/y in September. An increase in industrial output stemmed from a strong rise in production of consumer durables (up 21.2%) and intermediate goods (up 7.3%) and consumer non-durables (up 4.1%) and investment goods (up 2.6%).

POL: In September producer prices rose by 0.1% m/m and fell by 1.6% y/y.

THE DAY AHEAD...

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

HUN: NBH decision

USA: Housing starts (Sep)

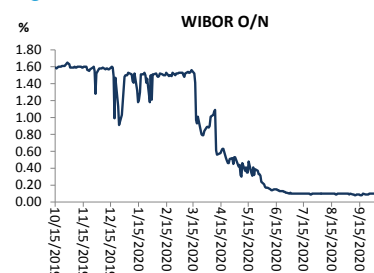
TODAY'S FOCUS:

Today economic calendar contains industrial output and PPI for September from Poland, NBH decision and US housing starts for September.

DIARY (Today)

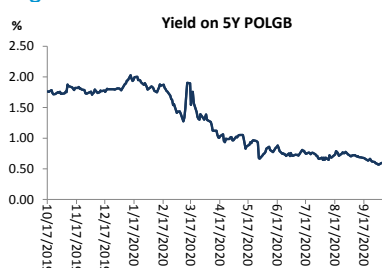
Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Industrial output (Sep)	10.2% (0.9%)	15.5% (5.9%)	13.4% (3.7%)
POL	8:00	PPI (Sep)	0.1% (-1.5%)	0.1% (-1.6%)	0.1% (-1.5%)
HUN	12:00	NBH decision	0.60%		0.60%
USA	12:30	Housing starts (Sep)	1375k		1465k

Figure 1: WIBOR O/N



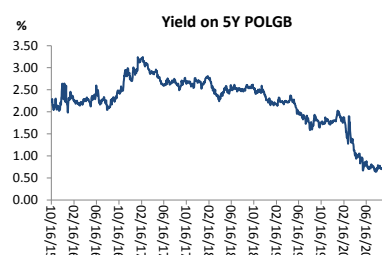
Source: Bloomberg

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 0.4% weaker versus the USD and was 0.8% weaker versus the EUR compared to the previous NBP fixing. Today the zloty should be moving within a range of PLN4.5700-4.5950 PLN per EUR.

The EUR rose by 0.4% versus the USD on hopes that agreement on fiscal stimulus in the US would be reached soon.

Fixed Income

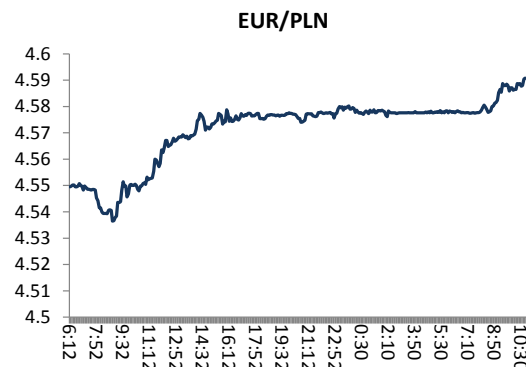
The yields on Poland's government bonds were 7 and 4bps down respectively in 5-year and 10-year sectors compared to Friday's opening.

Interest Rates

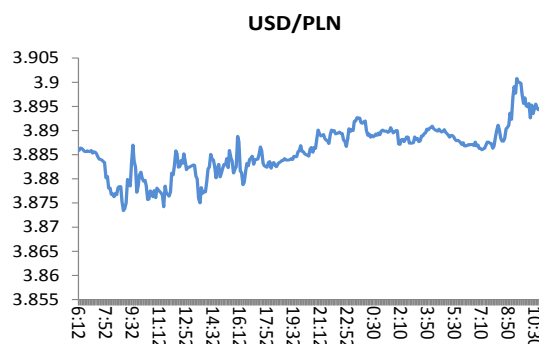
Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were 10-13bps down in 5-year and 10-year sectors and fell by 5bps in 2-year one compared to Friday's opening.

Equities

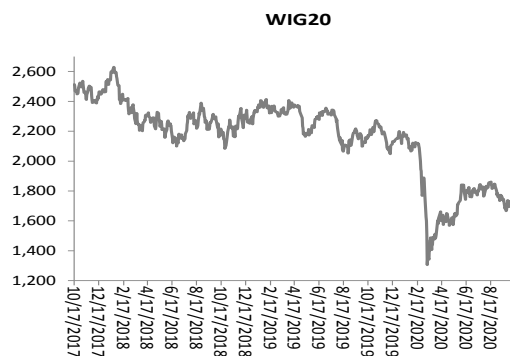
Yesterday the Dow Jones index closed 1.44% down and the S&P 500 index fell by 1.63%. Today in the morning the FTSE 100 index was 0.31% up, the CAC 40 index was 0.67% up and the DAX index was 0.14% down. The Nikkei index closed 0.44% down. Today in the morning the WIG index was 0.64% up and the WIG20 index was 0.82% up.



Source: Bloomberg

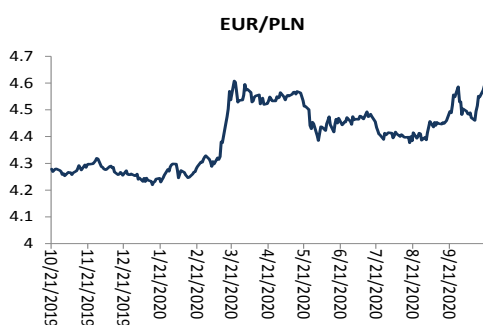


Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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