



Poland Daily

HEADLINES:

POL: In September construction output fell by 9.8% y/y of which buildings construction fell by 6.3% y/y, infrastructure construction declined by 14.5% y/y and specialized works fell by 4.4% y/y.

POL: In September retail sales in constant prices fell by 2.2% m/m and rose by 2.5% y/y while retail sales in the current prices declined by 1.8% m/m and increased by 2.7% y/y. Retail sales in constant prices of automobiles rose by 4.9% y/y, retail sales of food were 1.4% y/y up and retail sales of consumer durables rose by 8.6% y/y. In September decline in nominal retail sales was reported in fuels (down 4.6% y/y) and footwear and clothing (down 1.7% y/y).

THE DAY AHEAD...

POL: Construction output (Sep), retail sales (Sep)

UK: CPI (Sep), Core CPI (Sep)

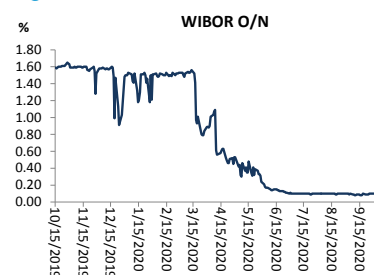
TODAY'S FOCUS:

Today economic calendar contains construction output and retail sales for September from Poland, and inflation and core inflation for the UK for September.

DIARY (Today)

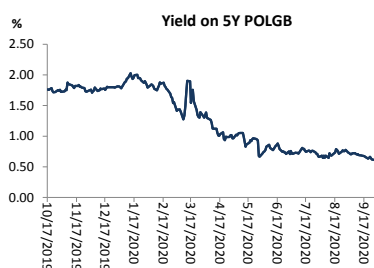
Country	GMT	Release	DB Expected	Actual	Consensus
UK	6:00	Inflation (Sep)		0.5% (0.6%)	0.5% (0.6%)
UK	6:00	Core inflation (Sep)		(1.3%)	(1.3%)
POL	8:00	Construction output (Sep)	(-12.0%)	(-9.8%)	(-10.8%)
POL	8:00	Retail sales (Sep)	-2.0% (2.6%)	-1.8% (2.7%)	-2.4% (2.0%)

Figure 1: WIBOR O/N



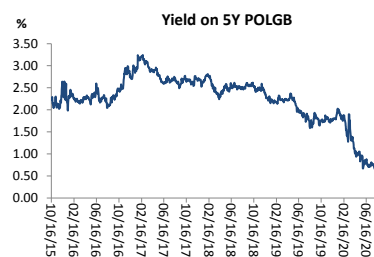
Source: Bloomberg

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 0.6% firmer versus the USD and was unchanged versus the EUR compared to the previous NBP fixing. Today the zloty should be moving within a range of PLN4.5550-4.5950 PLN per EUR.

The EUR firmed by 0.6% versus the USD on hopes that agreement on fiscal stimulus in the US would be reached soon.

Fixed Income

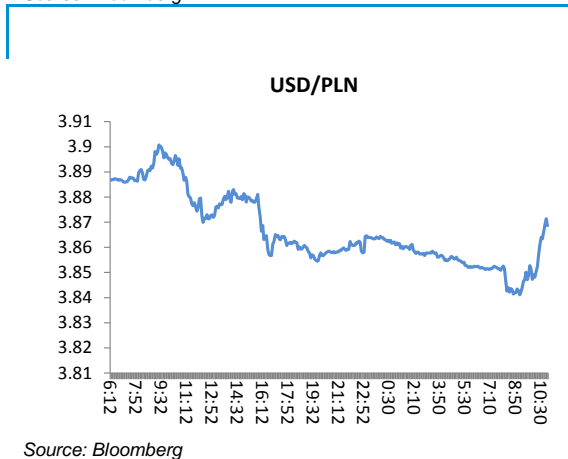
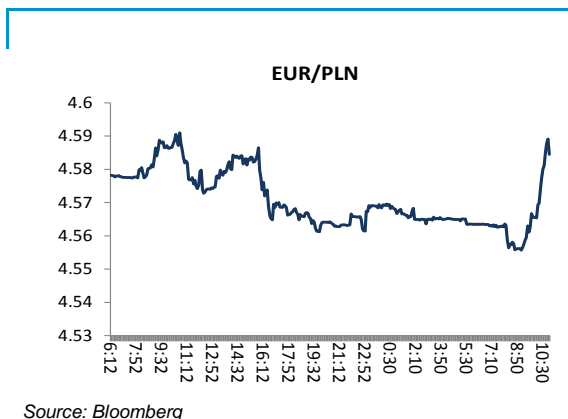
The yields on Poland's government bonds were practically unchanged in all tenors.

Interest Rates

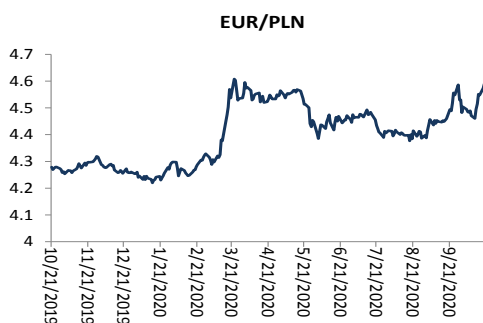
Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were unchanged across the curve.

Equities

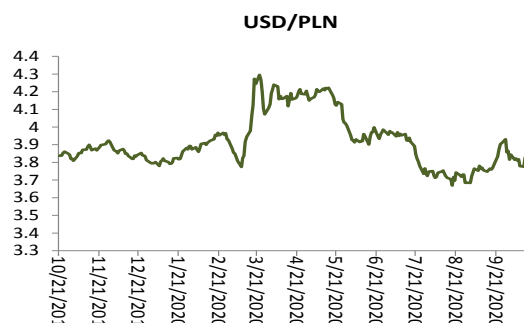
Yesterday the Dow Jones index closed 0.40% up and the S&P 500 index rose by 0.47%. Today in the morning the FTSE 100 index was 1.56% down the CAC 40 index was 1.34% down and the DAX index was 1.19% down. The Nikkei index closed 0.31% up. Today in the morning the WIG index was 0.74% down and the WIG20 index was 0.85% down.



Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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