



# Poland Daily

## HEADLINES:

POL: MPC member Kropiwnicki said that inflation would be increasing also due to hikes in administrative prices as local governments would be trying to compensate for decline in PIT and CIT revenues by hiking local taxes and fees. Kropiwnicki expressed a view, that government ought to prolong and extend help programmes that were applied during the first lockdown as budget deficit was of secondary importance. Kropiwnicki underlined that PLN exchange rate, in particular versus the EUR was crucial for maintaining competitiveness of Poland's economy.

POL: Polish Development Fund informed that average demand for electricity in 42-nd week of 2020 (October 12-18) increased by 4.9% y/y. In the first 42 weeks of 2020 average demand for electricity was 3.8% down y/y.

POL: The GUS revised down GDP growth to 1.9% y/y from 2.0% y/y for Q1 2020, and to -8.4% y/y from -8.2% y/y for Q2 2020.

## THE DAY AHEAD...

- POL: Money supply M3 (Sep)
- DEU: GfK consumer confidence (Nov)
- USA: initial jobless claims, existing home sales (Sep)

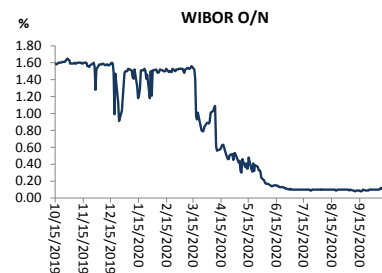
## TODAY'S FOCUS:

Today economic calendar contains money supply M3 for September from Poland, consumer confidence for November from Germany and US initial jobless claims and existing home sales for September.

## DIARY (Today)

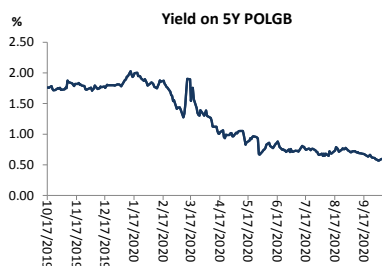
Country	GMT	Release	DB Expected	Actual	Consensus
DEU	6:00	GfK consumer confidence (Nov)		90	92
POL	12:00	Money supply M3 (Sep)	0.2% (16.1%)		0.2% (16.2%)
USA	12:30	Initial jobless claims (Sep)	870k		870k
USA	14:00	Existing home sales (Sep)	6.3mn		6.2mn

Figure 1: WIBOR O/N



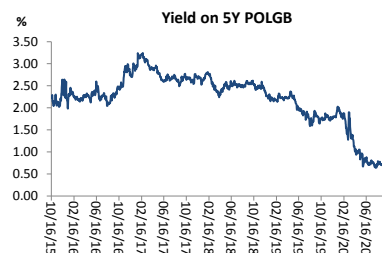
Source: Bloomberg

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 0.1% firmer versus the USD and was 0.1% firmer versus the EUR compared to the previous NBP fixing. Yesterday the zloty didn't break resistance level of 4.5950 PLN for EUR. Today the zloty should be moving again within a range of PLN4.5550-4.5950 PLN per EUR.

The EUR was unchanged versus the USD.

### Fixed Income

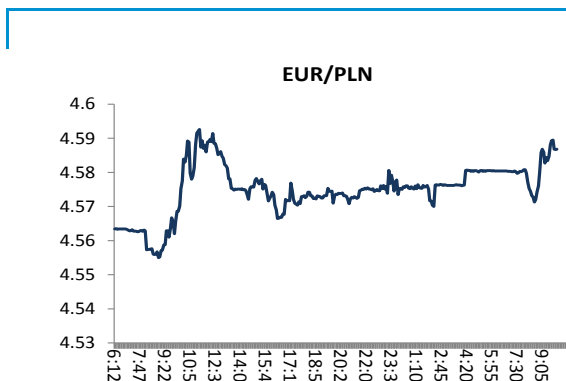
The yields on Poland's government bonds fell 1bp in 2-year sector to -0.01% and were unchanged elsewhere.

### Interest Rates

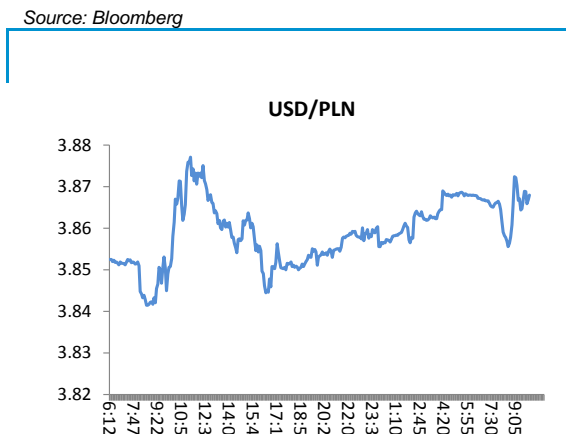
Today the O/N bid rate should be within a range of 0.00%-0.05%. Swap rates were 1-2bps down across the curve.

### Equities

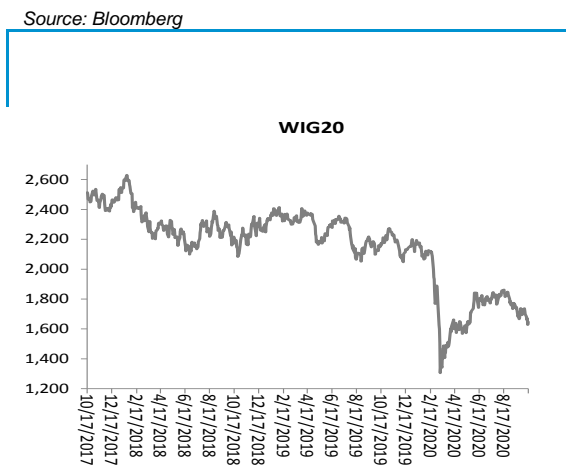
Yesterday the Dow Jones index closed 0.35% down and the S&P 500 index fell by 0.22%. Today in the morning the FTSE 100 index was 0.36% down the CAC 40 index was 0.75% down and the DAX index was 0.92% down. The Nikkei index closed 0.70% down. Today in the morning the WIG index was 0.11% down and the WIG20 index was 0.03% up.



Source: Bloomberg

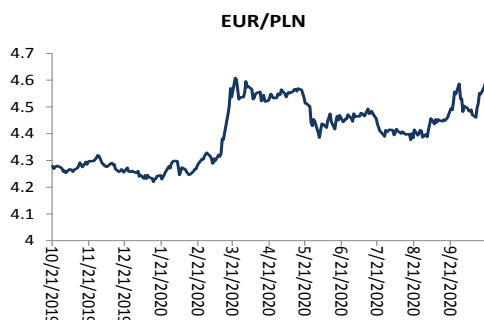


Source: Bloomberg

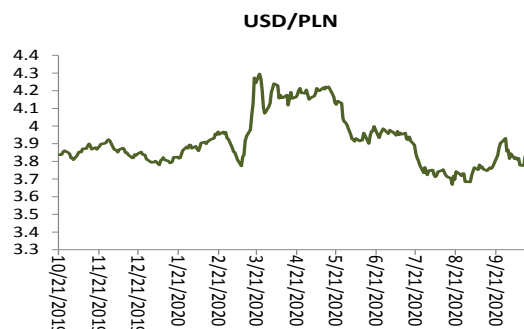


Source: Bloomberg

### Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



# Appendix 1

## Important Disclosures

### Additional information available upon request

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