



Poland Daily

HEADLINES:

POL: In the period of January-September 2020 budget deficit amounted to -PLN13.7bn. Budget revenues were PLN304.5bn while budget expenditures were PLN318.3bn. In the period of January-September VAT revenues were 1.2% down y/y (down PLN1.6bn), PIT revenues were 5.9% down y/y (down PLN2.8bn) and revenues from excise tax were 1.8% down y/y (down PLN1.0bn) while CIT revenues were unchanged y/y. In the first 9 months of 2020 non-tax revenues were PLN13.6bn up y/y due to, among others, payment of PLN7.9bn of NBP profit and auctions of CO2 emission permits.

POL: PFR President Pawel Borys estimates that Poland's real GDP growth will decline by 3-4% in 2020, assuming there will be no second lockdown but number of new cases will remain high. He expects a third wave of infections that will reduce economic activity in Q2 2021. He added that utilization of anti-crisis shield aid programme, initially planned at PLN100bn, was PLN61bn and final use will be about PLN70bn. In his opinion there was no need for "helicopter money" as liquidity of companies is record high. Today PM Morawiecki will announce help programme for branches of economy most affected by administrative restrictions related to covid-19.

THE DAY AHEAD...

EMU: Money supply M3 (Sep)

USA: Durable goods orders (Sep), consumer confidence (Oct)

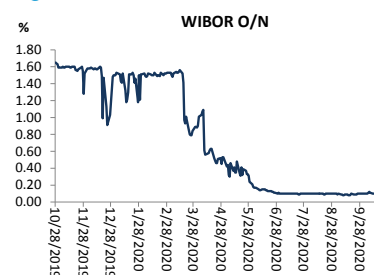
TODAY'S FOCUS:

Today economic calendar contains money supply from euro-zone and US durable goods orders and consumer confidence.

DIARY (Today)

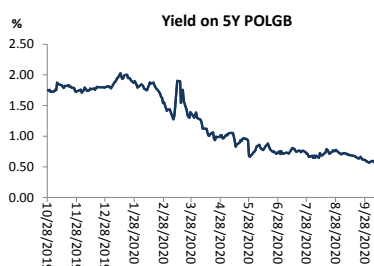
Country	GMT	Release	DB Expected	Actual	Consensus
EMU	8:00	Money supply M3 (Sep)		(10.4%)	(9.6%)
USA	11:30	Durable goods orders (Sep)	0.5%		0.5%
USA	13:00	Consumer confidence (Oct)	102.0		102.0

Figure 1: WIBOR O/N



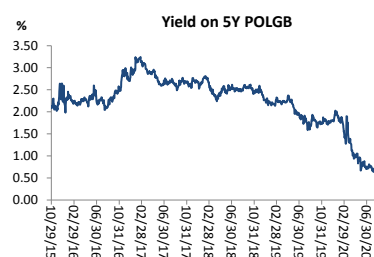
Source: Bloomberg

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 0.3% weaker versus the USD and was 0.3% weaker versus the EUR compared to the previous NBP fixing. Today the zloty should be moving again within a range of PLN4.5600-4.5950 PLN per EUR.

The USD was unchanged versus the EUR despite weaker than expected German IFO index.

Fixed Income

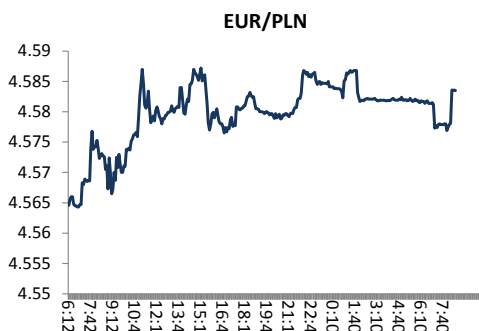
The yields on Poland's government bonds remained unchanged in all tenors.

Interest Rates

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

Equities

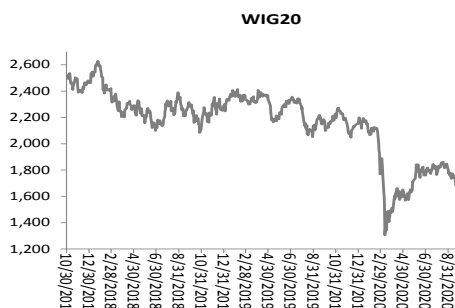
Yesterday the Dow Jones index closed 2.29% down and the S&P 500 index fell by 1.86%. Today in the morning the FTSE 100 index was 0.22% down, the CAC 40 index was 0.91% down and the DAX index was 0.47% down. The Nikkei index closed 0.04% down. Today in the morning the WIG index was 0.32% up and the WIG20 index was 0.43% up.



Source: Bloomberg

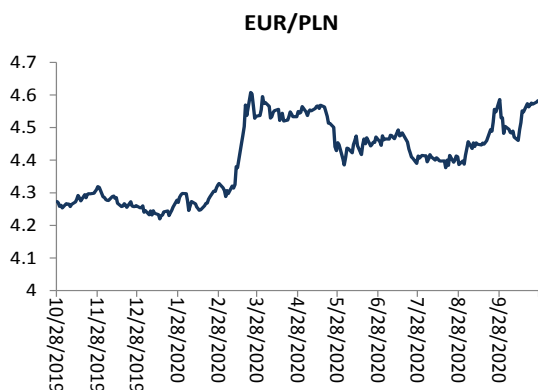


Source: Bloomberg

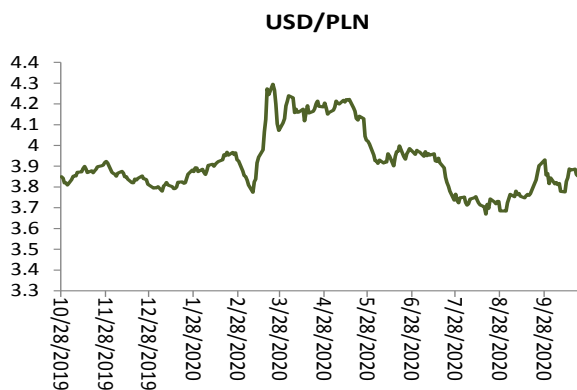


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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