



Poland Daily

HEADLINES:

EMU: The European Central Bank didn't change monetary policy settings at policy meeting yesterday. At press conference ECB President Lagarde said that the ECB would support Eurozone economy to counteract economic impact of the second lockdown in Europe, as it did it during the first wave of virus. Lagarde said that the ECB unanimously decided to act at the next meeting on December 10 and added that all policy tools would be considered. Market participants interpreted this as a signal that current asset purchase programmes will be expanded (PEPP, TLTRO and APP) and that deposit rate could be cut further. We think that in December the ECB will expand asset purchases but will remain interest rates unchanged.

POL: PM Mateusz Morawiecki will announce further covid-related restrictions today.

THE DAY AHEAD...

POL: Inflation (Oct, flash)

DEU: GDP (Q3, A)

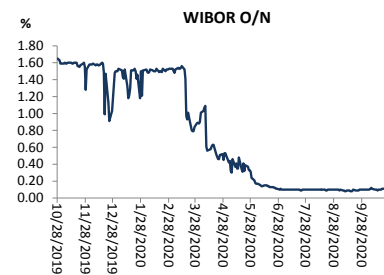
EMU: GDP (Q3, A)

USA: Consumer sentiment (Oct)

TODAY'S FOCUS:

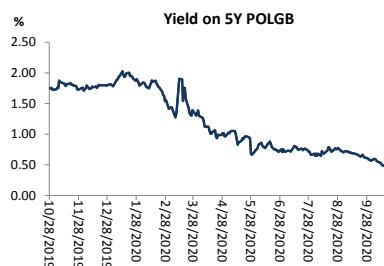
Today economic calendar contains flash inflation for October from Poland, Q3 GDP from Germany and euro-zone and US consumer sentiment for October.

Figure 1: WIBOR O/N



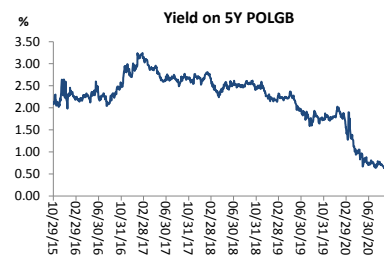
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	9:00	Inflation (Oct, prel.)	0.1% (3.1%)	0.1% (3.0%)	0.2% (3.2%)
DEU	9:00	GDP (Q3, A)		8.2% (-4.1%)	7.3% (-5.2%)
EMU	10:00	GDP (Q3, A)			9.6% (-7.0%)
USA	14:00	Consumer sentiment (Oct)			81.2



Foreign Exchange

Today in the morning the zloty was 0.2% weaker versus the USD and was 0.2% firmer versus the EUR compared to the previous NBP fixing. The zloty remained weak on fears of second lockdowns in Poland and Europe. Yesterday the zloty temporarily weakened to PLN4.6440 per EUR.

The USD firmed by 0.4% versus the EUR as the ECB signalled significant policy easing in December.

Fixed Income

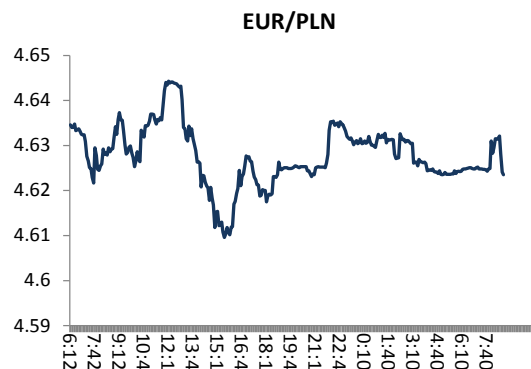
The yields on Poland's government bonds fell by 2bps in 5-year and 10-year sectors.

Interest Rates

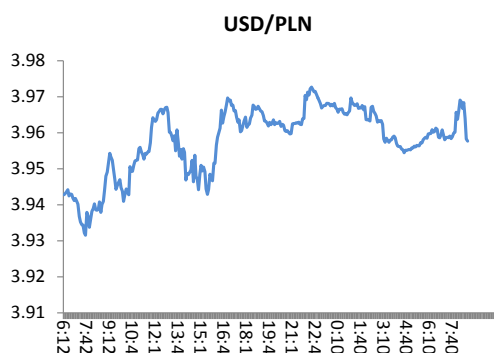
Today the O/N bid rate should be within a range of -0.05% - 0.00%. Swap rates were unchanged across the curve.

Equities

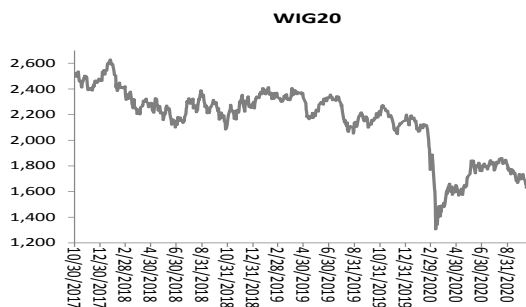
Yesterday the Dow Jones index closed 0.52% up and the S&P 500 index rose by 1.19%. Today in the morning the FTSE 100 index was 0.09% down, the CAC 40 index was 0.02% up and the DAX index was 0.30% down. The Nikkei index closed 1.52% down. Today in the morning the WIG index was 0.71% down and the WIG20 index was 0.83% down.



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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