



Poland Daily

HEADLINES:

POL: Yesterday PM Mateusz Morawiecki dismissed deputy PM Jaroslaw Gowin – leader of Porozumienie that had 11 deputies in Law and Justice parliamentary club (and two MPs outside the club). The reason for dismissal was difference of opinions on tax reform and new media bill proposed by Law and Justice. Today Porozumienie announced their withdrawal from Law and Justice parliamentary club what means that government lost formal majority in parliament. As 10 votes are required to regain majority, government spokesperson said that Law and Justice counted on support from independents and minor parliamentary clubs.

THE DAY AHEAD...

HUN: Minutes from NBH meeting

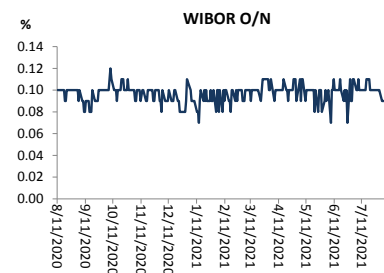
DEU: Inflation (Jul)

USA: Inflation (Jul)

TODAY'S FOCUS:

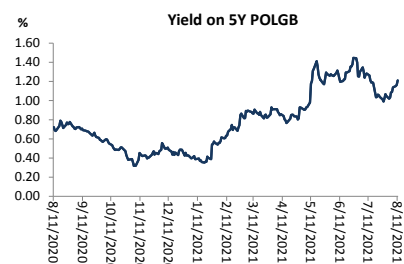
Today market participants will be focusing on inflation from Germany and the US for July. Economic calendar also contains minutes from NBH meeting.

Figure 1: WIBOR O/N



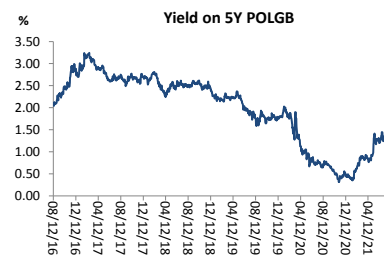
Source: Bloomberg

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
DEU	6:00	Inflation (Jul)		0.9% (3.8%)	0.9% (3.8%)
HUN	12:00	Minutes from NBH meeting			
USA	12:30	Inflation (Jul)	0.6%		0.5% (5.3%)



Foreign Exchange

Today in the morning the zloty was 0.6% weaker versus the USD and was 0.4% weaker versus the EUR compared to the previous NBP fixing. The zloty weakened as government lost majority in Sejm. The zloty should be moving within a range of 4.5700-4.6000 PLN per EUR today.

The USD was 0.2% firmer versus the EUR as US Senate accepted USD1trn infrastructure bill.

Fixed Income

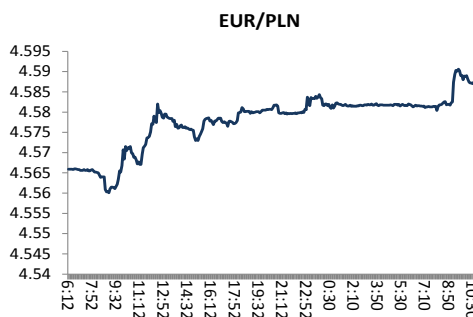
The yields on Poland's government bonds were 4bps up in 5-year and 10-year sectors and remained unchanged in the short end of the curve.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 2-4bps up across the curve.

Equities

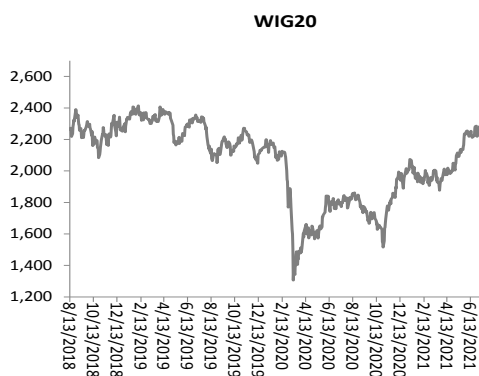
Yesterday the Dow Jones index closed 0.46% up and the S&P 500 index rose by 0.10%. Today in the morning the FTSE 100 index was 0.40% up, the CAC 40 index was 0.24% up and the DAX index was 0.09% up. The Nikkei index closed 0.65% up today. Today in the morning the WIG index was 0.18% down and the WIG20 index was 0.26% down.



Source: Bloomberg

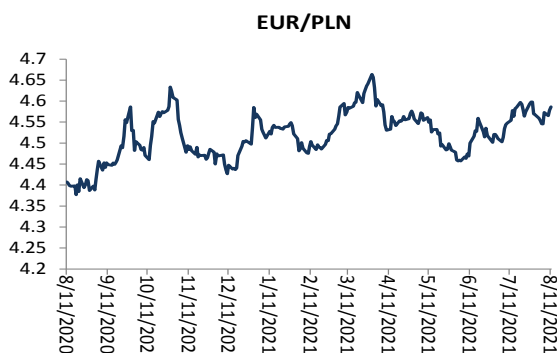


Source: Bloomberg

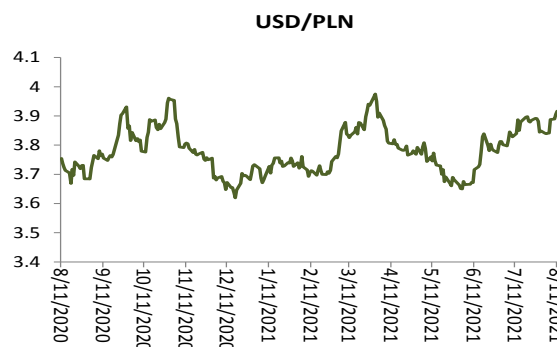


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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