



Poland Daily

HEADLINES:

POL: MPC member Lukasz Hardt expressed a view that the NBP could start raising interest rates without having to signal the end of its bond-buying programme. He sees a need for a small, signaling rate hike of 15bps in order to anchor inflation expectations. In his view second-round effects of current high inflation are already visible in Poland's economy. He expects that new NBP projection in November will show higher inflation path than July's NBP projection.

POL: MPC member Eryk Lon said he didn't support solutions that could lead to radical strengthening of the zloty, which could result from rapid action of the MPC consisting of several strong rate hikes.

THE DAY AHEAD...

USA: Consumer confidence (Sep)

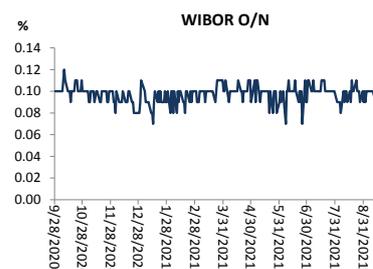
TODAY'S FOCUS:

Today economic calendar contains US consumer confidence for September. Today FOMC Chairman Powell speaks before US Senate Banking committee.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
USA	14:00	Consumer confidence (Sep)	115.0		115.0

Figure 1: WIBOR O/N



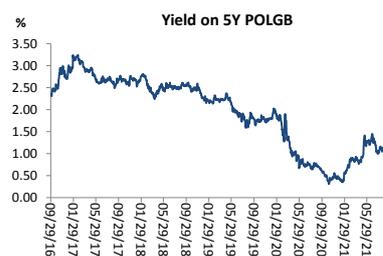
Source: Bloomberg

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 previous NBP fixing. The zloty should be moving within a range of 4.5900-4.6300 PLN per EUR today.

Today in the morning the USD was firming versus the EUR.

Fixed Income

The yields on Poland's government bonds rose by 4-5bps in 5-year and 10-year sectors.

Interest Rates

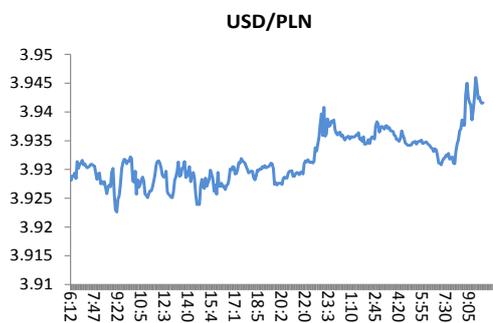
Today the O/N bid rate should be within a range of -0.18% - -0.08%. Swap rates were 3-4bps up across the curve.

Equities

Yesterday the Dow Jones index closed 0.21% up and the S&P 500 index fell by 0.28%. Today in the morning the FTSE 100 index was 0.34% down, the CAC 40 index was 1.12% down and the DAX index was 0.68% down. The Nikkei index 0.19% down. Today in the morning the WIG index was 0.19% down and the WIG20 index was 0.13% down. Stock markets reacted negatively to rise in yields on US Treasuries as Fed's tapering approaches.



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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