



Poland Daily

HEADLINES:

POL: MPC member Cezary Kochalski said he didn't see a room for big rate hike. In his view rate hikes of total 665bps in this tightening cycle were sufficient reaction of the central bank. He expressed a view that further rate hikes could generate, besides decline in inflation, excessive costs to economy in the form of economic slowdown.

POL: According to NBP's survey share of companies experiencing problems with liquidity rose to 23% in Q2 2022 (slightly below long-term average) while share of companies that have frequent problems with liquidity was 5%. A decline in liquidity of companies stems from the fact that costs and prices of components and raw materials rise faster than prices of final goods and services.

THE DAY AHEAD...

POL: Consumer confidence (Oct)

EMU: CPI (Sep)

USA: Housing starts (Sep)

TODAY'S FOCUS:

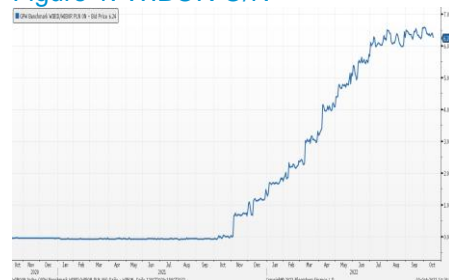
Today economic calendar contains Poland's consumer confidence for October, euro-zone's CPI for September and US housing starts for September.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Consumer confidence (Oct)	-45.0	-45.5	-44.7
EMU	9:00	Inflation (Sep)	1.2% (9.9%)		1.2% (10.0%)
USA	12:30	Hosuing starts (Sep)	1510k		1561k

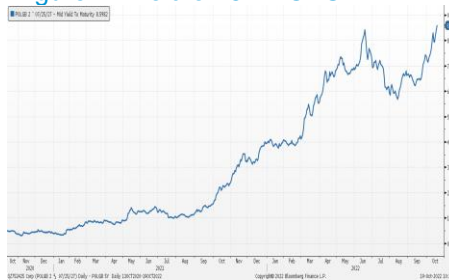
Source: Deutsche Bank Estimates and Bloomberg Finance LP

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% firmer versus the USD, firmed by 0.3% versus the EUR and firmed by 0.5% versus the CHF compared to the previous NBP fixing. The zloty firmed by 0.5% versus GBP.

The USD remained unchanged versus the EUR compared to the previous NBP.

Fixed Income

The yields on Poland's government bonds were 21-25 bps up in all tenors and the yield on 10-year government bond rose to 20-year high of above 8.40%. Strong rise in yields of government bonds occurred across Europe but was the strongest in Poland and Hungary.

At auction on Thursday the Finance Ministry will offer government bonds series OK0724, PS0527, WZ1127, DS1030, DS0432 and WZ0533 worth total PLN4.0-6.0bn.

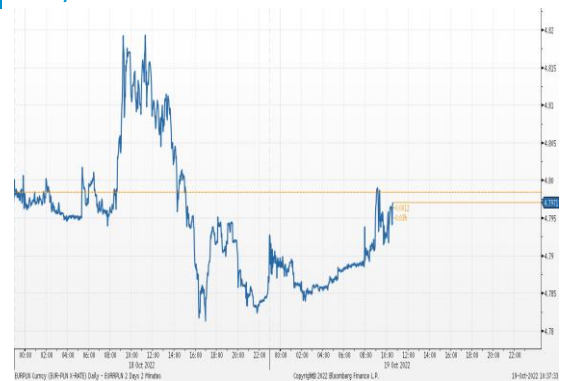
Interest Rates

PLN swap rates were 6bps up in 2-year sector and rose by 9-10bps elsewhere.

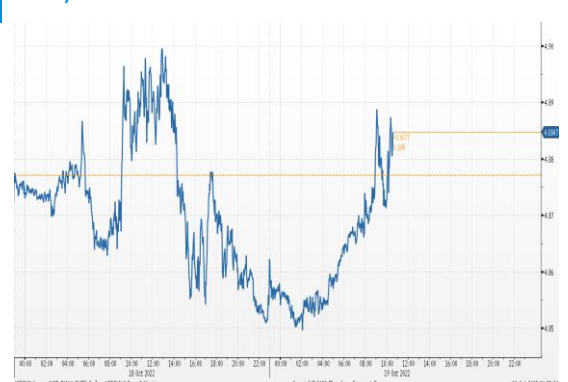
Equities

Yesterday the Dow Jones index closed 1,12% up and the S&P 500 index rose by 1.14%. Today in the morning the FTSE 100 index fell by 0.50%, the CAC 40 index was 0.08% down and the DAX index was 0.27% down. The Nikkei index closed 0.37% up. Today in the morning the WIG index fell by 1.09% and the WIG20 index was 1.13% down. Stock indices in Europe fell on worries of high inflation and incoming recession.

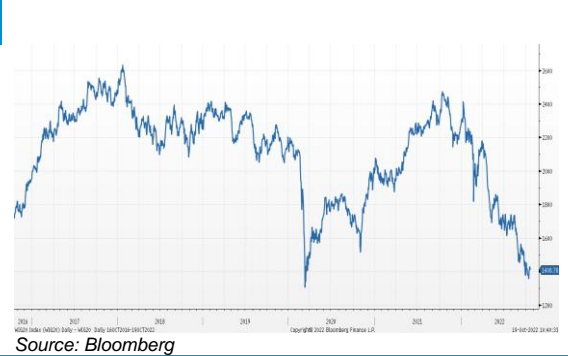
EUR/PLN



USD/PLN

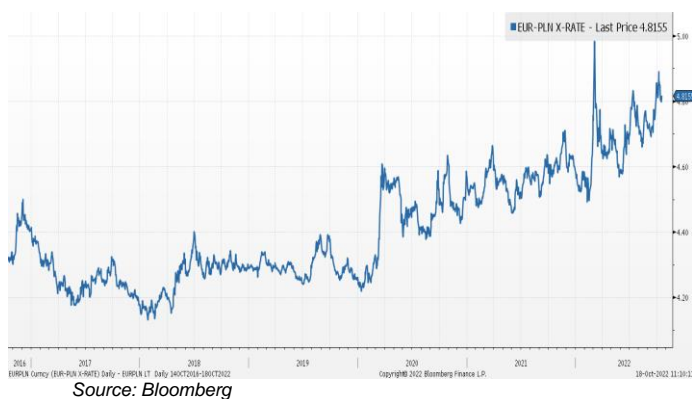


WIG20

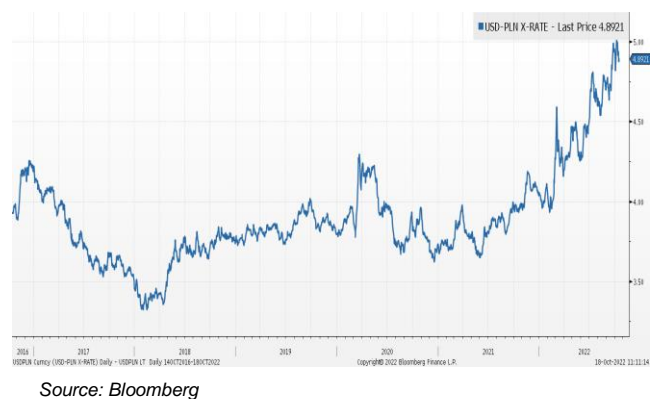


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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