



Poland Daily

HEADLINES:

POL: According to flash estimate, GDP in Q3 rose by 2.7% y/y and fell by 0.2% q/q in real terms. Preliminary GDP data were weaker than market consensus of 3.0% y/y and 0.3% q/q growth. Weaker than expected GDP growth most likely reflects weakening of private consumption and weaker investment activity of companies.

POL: In October consumer inflation was confirmed at 5.0% y/y and 0.3% m/m. The strongest impact on inflation in October had food prices that rose by 4.9% y/y and 0.7% m/m, adding 0.19 percentage points to monthly CPI. Second factor rising prices was an increase in footwear and clothing prices by 3.4% m/m (and 1.8% m/m decline) that added 0.13 pp. to monthly CPI and an increase in energy and housing costs by 9.7% y/y and 0.3% m/m what added 0.07 pp. to monthly CPI. A decline in transport prices (down 0.4% m/m and down 1.4% y/y) and decline of price of recreation and culture (down 0.5% m/m and up 5.5% y/y) reduced monthly CPI respectively by 0.12 pp. and 0.03 pp.

THE DAY AHEAD...

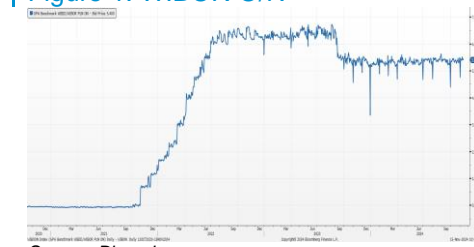
POL: CPI (Oct)

USA: Retail sales (Oct), industrial production (Oct)

TODAY'S FOCUS:

Today economic calendar contains final data on CPI for October from Poland and retail sales and industrial production for October from the US.

Figure 1: WIBOR O/N



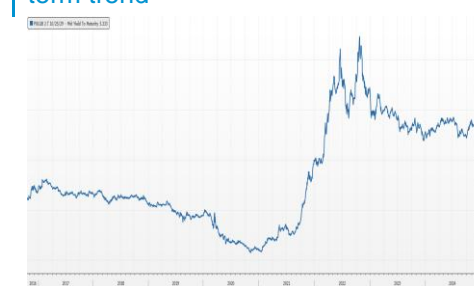
Source: Bloomberg

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	GDP (Q3)	(3.0%)		0.3% (2.9%)
USA	13:30	PPI (Oct)	0.2%		0.2% (2.3%)
USA	13:30	Initial jobless claims	220k		220k



Foreign Exchange

Today in the morning the zloty was firmer by 0.9% versus the USD and was 0.4% firmer versus the EUR compared to the previous NBP fixing. The zloty was 0.8% firmer versus the CHF and was 0.9% firmer versus the GBP compared to the previous NBP fixing.

Today in the morning the USD was 0.4% weaker versus the EUR and CHF was 0.3% weaker versus the EUR compared to the previous NBP fixing. The USD was unchanged versus the GBP compared to the previous NBP fixing.

Fixed Income

Today in the morning the yields on Poland's government bonds were 7bps down in 2-year sector, fell by 11bps in 5-year one and fell by 9bps in 10-year sector. At auction yesterday Finance Ministry sold POLGBs series OK0127, DS0727, DS1029, PS0130, WZ0330, DS1034 and WS0447 worth total PLN8.97bn versus PLN9.53bn demand.

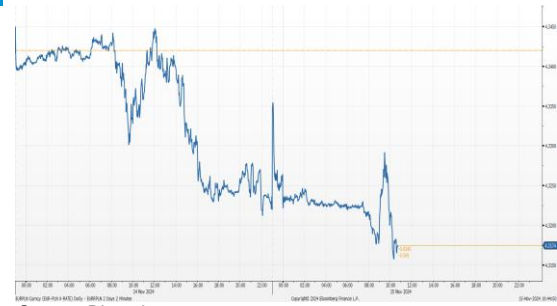
Interest Rates

Today in the morning PLN swap rates were 6bps down in 2-year sector, fell by 10bps in 5-year one and fell by 9bps in 10-year sector.

Equities

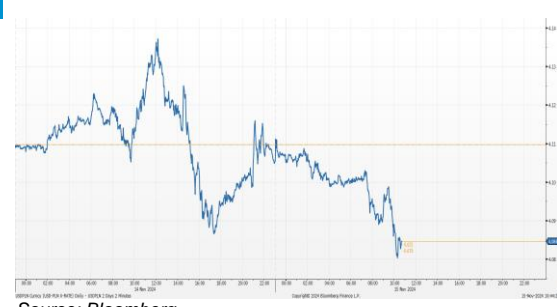
Yesterday the Dow Jones index closed 0.47% down and the S&P 500 index closed 0.61% down while NASDAQ fell by 0.64%. Today in the morning the FTSE 100 index rose by 0.12%, the CAC 40 index was 0.03% up and the DAX index was unchanged. The Nikkei index rose by 0.28% and the Hang Seng index fell by 0.05%. Today in the morning the WIG index was 1.05% down and the WIG20 index was 1.23% down.

EUR/PLN



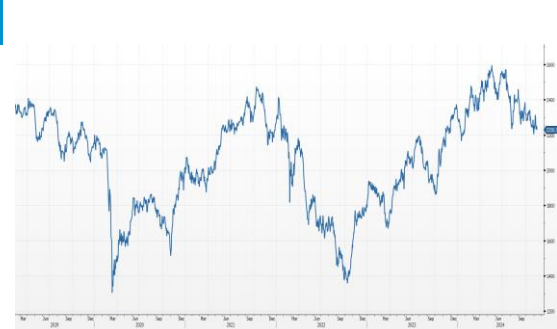
Source: Bloomberg

USD/PLN



Source: Bloomberg

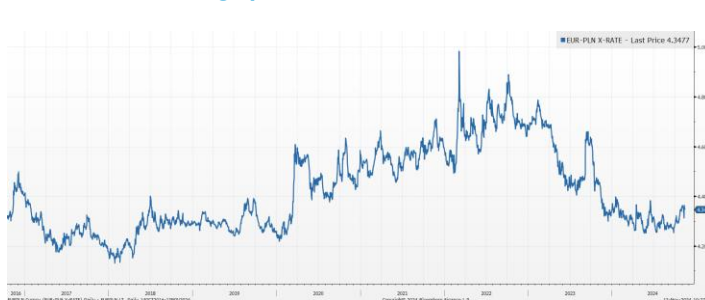
WIG20



Source: Bloomberg

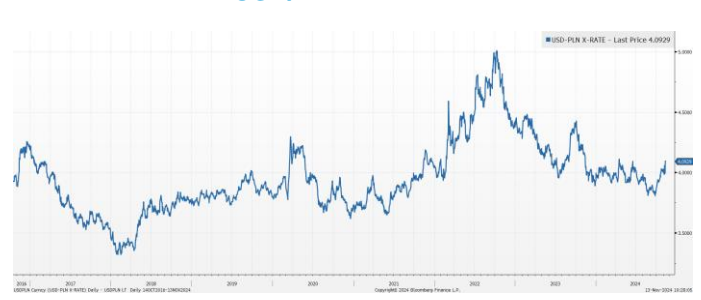
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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