



Poland Daily

HEADLINES:

POL: The PMI index in manufacturing fell to 48.3 points in August from 49.0 points in July, indicating a faster slowdown in industrial activity. New orders decreased in August at a quicker pace than in July due to a slowdown in the construction sector and competitive imports from China. Export orders only fell slightly. Industrial production dropped for the 14th month in a row in August. Employment in manufacturing fell in August after rising in July, due to employee departures, retirements, cost cuts, and lower labor demand because of fewer orders. Production cost inflation slightly accelerated in August after slowing in July, while finished goods price inflation fell again, but remained still at a high level. Despite the drop in production and new orders, production forecasts for the next 12 months improved.

POL: At the meeting of finance ministers and central bank governors of the G20 group in Asheville, North Carolina, which wrapped up yesterday, NBP President Adam Glapiński said that the NBP is analyzing incoming information, forecasts, and the risk balance, and makes decisions based on that. He added that the NBP does not signal the future path of interest rates and that monetary policy should be flexible and data-dependent.

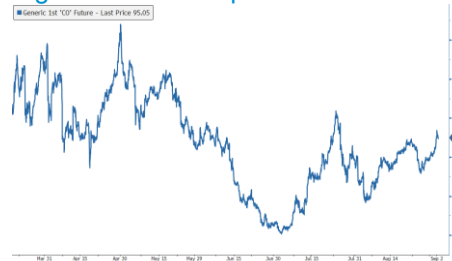
THE DAY AHEAD...

USA: Factory orders (Jul), ADP employment (Aug), Durable goods orders (Jul)

TODAY'S FOCUS:

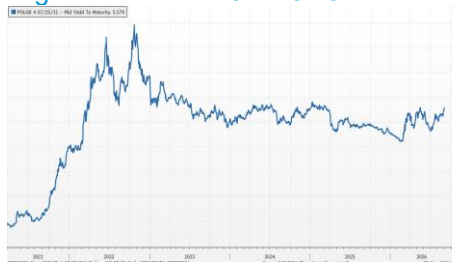
Today's economic calendar includes data from the US: the ADP employment report for August and industrial orders and durable goods orders for July.

Figure 1: Brent oil price



Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

DIARY (Today)

Country	CET	Release	DB Expected	Actual	Consensus
USA	14:15	Change in ADP employment (Aug)	47k.		47k.
USA	16:00	Factory orders (Jul)	0,7%		0,7%
USA	16:00	Durable goods orders (Jul)			1,1%



Foreign Exchange

Today at noon, the zloty was 0.2% weaker against the USD and unchanged against the EUR compared to yesterday's fixing. The zloty was 0.4% stronger against the CHF and 0.2% stronger against the GBP compared to yesterday's fixing.

Today at noon, the USD was 0.2% stronger against the EUR, the CHF was 0.4% weaker against the EUR, and the GBP was 0.4% weaker against the USD compared to yesterday's fixing.

Fixed Income

Today at noon, the yield on Polish government bonds went up by 11 basis points in the 2-year and 10-year sectors and increased by 10 basis points in the 5-year sector. At today's switch auction, the Ministry of Finance sold government bonds totaling 4.26 billion PLN.

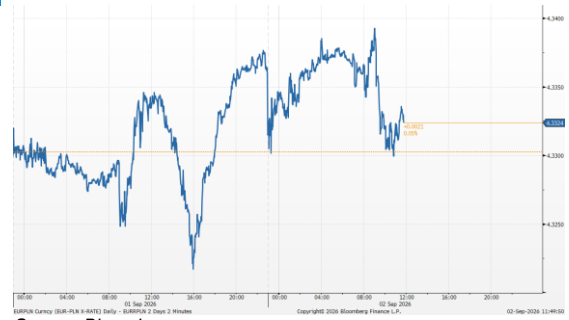
Interest Rates

Today at noon, swap rates rose by 10-12 basis points across all tenors, following the increase in government bond yields.

Equities

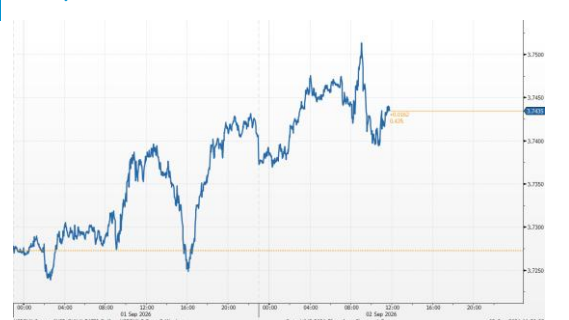
Yesterday at the close, the Dow Jones fell by 0.79%, the S&P 500 dropped by 0.71%, and the NASDAQ went down by 1.03%. This morning, the FTSE 100 was down by 0.51%, the CAC 40 fell 0.62%, and the DAX dropped 0.78%. The Nikkei fell 2.85% at the close, and the Hang Seng ended 0.07% lower. This morning, the WIG index was down 0.37%, and the WIG20 was 0.24% lower.

EUR/PLN



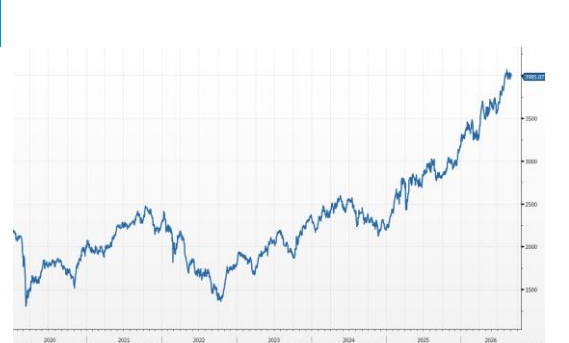
Source: Bloomberg

USD/PLN



Source: Bloomberg

WIG20



Source: Bloomberg

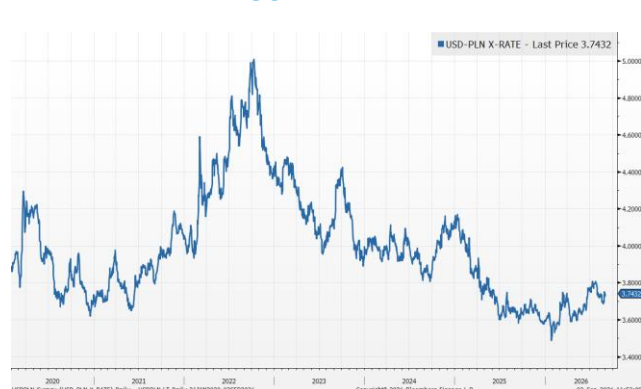
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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