



Poland Daily

HEADLINES:

POL: Iwona Duda from the Monetary Policy Council stated that interest rates will remain unchanged until the end of this year, or potentially longer, because inflation could temporarily rise to the upper limit of the inflation target and exceed it by the end of the year. She pointed to the end of the government's regulated fuel price program and the increase in fertilizer prices, as well as risks arising from loose fiscal policy, as factors driving inflation. In her view, there is currently no need to raise interest rates, but the National Bank of Poland is ready to counteract rising inflation expectations. She added that expectations of a rate cut this year are also unfounded.

THE DAY AHEAD...

DEU: Factory orders (Jul)

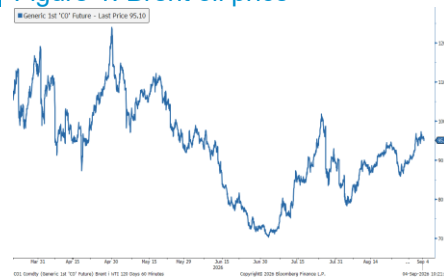
CZK: CPI (Aug, prel.)

USA: Employment report

TODAY'S FOCUS:

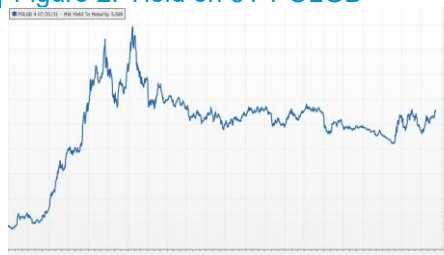
Today, the focus of market participants will be the US employment report for August – DB expects an increase of 65,000 non-farm jobs. The economic calendar also includes German industrial orders for July and preliminary inflation data for August from the Czech Republic.

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
DEU	8:00	Factory orders (Jul)		2.5% (13.1%)	0.3% (10.5%)
CZK	9:00	CPI (Aug,prel.)		0.3% (1.9%)	0.3% (1.9%)
USA	14:30	Change in non-farm payrolls (Aug)	65k		55k
USA	14:30	Unemployment rate (Aug)	4.1%		4.1%



Foreign Exchange

This morning, the zloty was 0.2% stronger against the USD and 0.1% stronger against the EUR compared to yesterday's fixing. The zloty was 0.1% stronger against the CHF and 0.1% weaker against the GBP compared to yesterday's fixing.

This morning, the USD was 0.1% weaker against the EUR, the CHF was 0.1% weaker against the EUR, and the GBP was 0.2% stronger against the USD compared to yesterday's fixing.

Fixed Income

Today in the morning the yield on Polish government bonds rose by 1 bps across the curve.

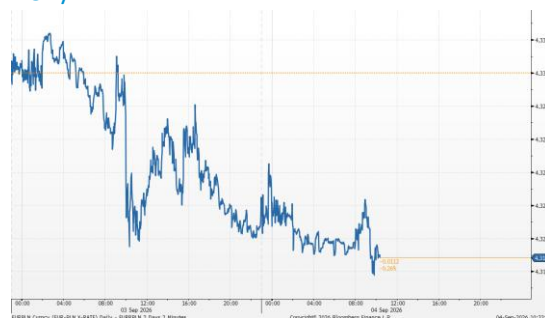
Interest Rates

Today in the morning swap rates were unchanged across all tenors, following stabilisation in government bond yields.

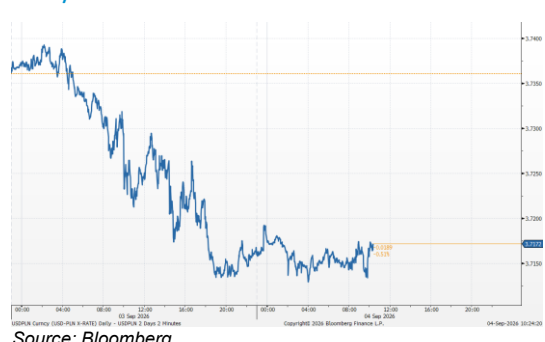
Equities

Yesterday at the close, the Dow Jones went up by 1.18%, the S&P 500 rose by 1.06%, and the NASDAQ increased by 1.40%. This morning, the FTSE 100 was down 0.18%, the CAC 40 dropped 0.16%, and the DAX fell 0.03%. The Nikkei rose 1.26% at the close, and the Hang Seng closed 1.74% higher. This morning, the WIG went up 0.39% and the WIG20 was up 0.47%.

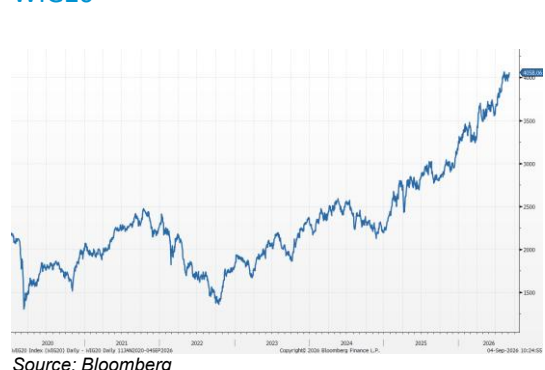
EUR/PLN



USD/PLN



WIG20



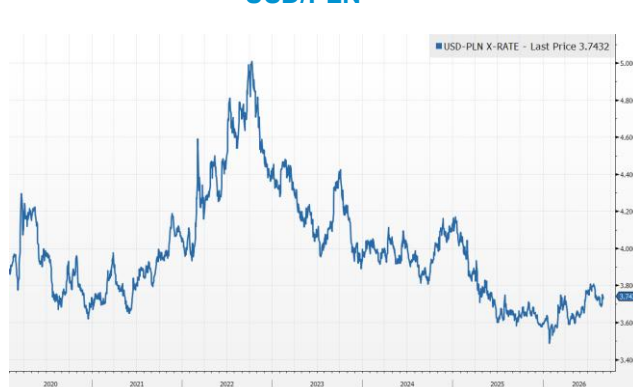
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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