



Poland Daily

HEADLINES:

POL: NBP President Adam Glapinski said that current increase in inflation was caused by supply-side shock while aggregate demand barely returned to its pre-covid level and growth in demand was still far from stable level that had prevailed before pandemic. In his view NBP's reaction to covid-19 shock was prompt, adequate and resulted in less economic damage and faster recovery in Poland than in many other countries in Europe. In his view rate hike in the current situation would be premature and would lead to unnecessary deceleration in economic growth while having little impact on inflation. NBP President repeated that the central bank might intervene in the FX market to weaken PLN as firming of the currency reduced effectiveness of loose monetary policy.

THE DAY AHEAD...

DEU: Industrial production (Jul), ZEW index (Sep)

CZK: Retail sales (Jul)

HUN: Industrial production (Jul),

EMU: GDP (Q2)

POL: Official reserve assets (Aug)

TODAY'S FOCUS:

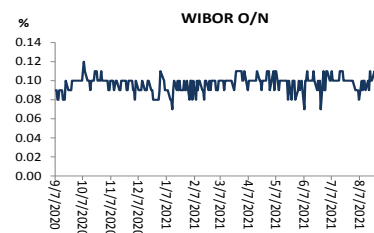
Today economic calendar contains industrial production for July from Germany and Hungary, German ZEW index for September, Czech retail sales for July and euro-zone final Q2 GDP.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	6:00	Industrial production (Jul)		1.0% (5.7%)	0.8% (5.1%)
CZK	7:00	Retail sales (Jul)		(1.5%)	(3.6%)
HUN	7:00	Industrial production (Jul)		-0.5% (10.2%)	(11.5%)
DEU	9:00	ZEW (Sep)		26.5	30.3
EMU	9:00	GDP (Q2)			2.0% (13.6%)
POL	12:00	Official reserve assets (Aug)			

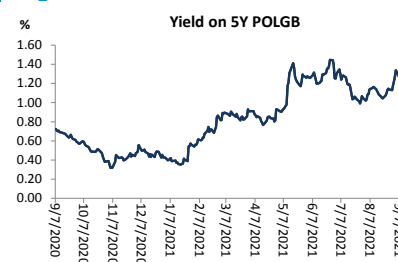
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



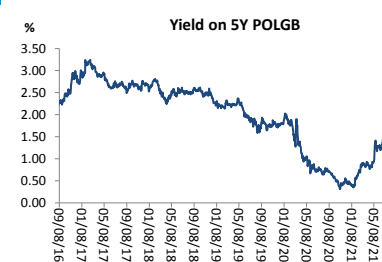
Source: Bloomberg

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 0.1% weaker versus the USD and was 0.2% weaker versus the EUR compared to previous NBP fixing. Yesterday the zloty weakened as NBP President said rate hike would be premature. The zloty should be moving within a range of 4.5050-4.5350 PLN per EUR today.

The USD remained relatively steady versus the EUR.

Fixed Income

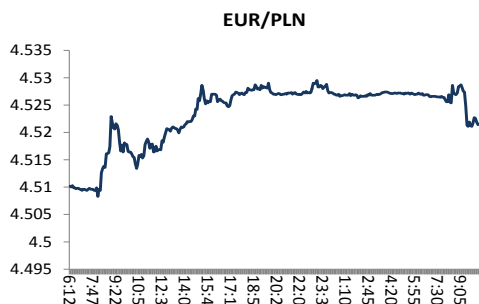
The yields on Poland's government bonds rose by 2bps in 2-year sector and rose by 5bps elsewhere.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 8-10bps up across the curve.

Equities

Today in the morning the FTSE 100 index was 0.16% down, the CAC 40 index was 0.04% down and the DAX index was 0.14% down. The Nikkei index closed 0.86% up today. Today in the morning the WIG index was 0.46% down and the WIG20 index was 0.73% down.



Source: Bloomberg

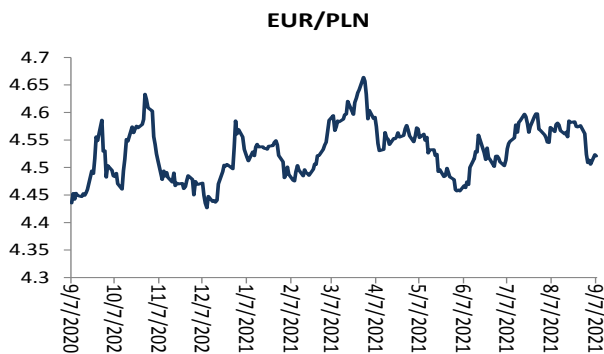


Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., al. Armii Ludowej 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 1,744,449,384 paid up in full.

Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krzeński