



Poland Daily

HEADLINES:

POL: In August money supply (M3) rose by 0.4% m/m and increased by 9.1% y/y. In August loans to households increased by 4.3% y/y including 7.0% y/y growth in mortgages while loans to companies fell by 1.7% y/y including 2.2% y/y decline in investment loans.

POL: Business climate indicators in manufacturing, construction and hotels and restaurants moderately deteriorated in September. Good business climate prevails in wholesale trade, logistics, information and telecommunication and banking and insurance. Business climate is neutral in retail trade. Logistics is the only branch of economy in which business climate improved above pre-covid level.

POL: Consumer confidence rose to -13.0pts in September from -14.6pts in August. The improvement stems mainly from improvement in significant current purchases indicator.

US: The FOMC signaled start of tapering already this year (most likely in November) and the end of tapering in mid-2022. The tone of communique was hawkish and “dot plot” showed that half of Fed members expected rate hike in 2022 and median expected fed funds was 1.0% in 2023 and 1.8% in 2024.

THE DAY AHEAD...

POL: unemployment rate (Aug)

CHE: SNB decision

NOR: Norges Bank decision

GBR: BoE decision

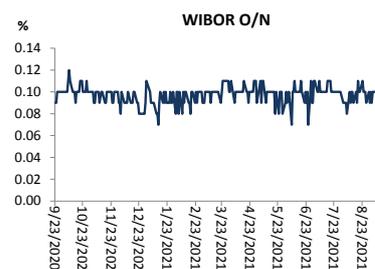
TODAY'S FOCUS:

Today market participants will be focusing on central banks' meetings: Norges Bank (25bps hike expected), SNB and Bank of England (no change expected). Economic calendar also contains series of PMIs from Europe and the US for September.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
CHE	7:30	SNB decision	-0.75%	-0.75%	-0.75%
NOR	8:00	Norges Bank decision	0.25%	0.25%	0.25%
POL	8:00	Unemployment rate (Aug)	5.8%	5.8%	5.8%
GBR	11:00	BoE decision	0.01%		0.10%

Figure 1: WIBOR O/N



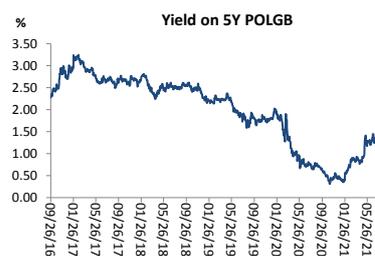
Source: Bloomberg

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 0.4% firmer versus the USD and was 0.6% firmer versus the EUR compared to previous NBP fixing. The zloty firmed as market participants expect Evergrande to default without much contagion and as hawkish Fed means more pressure on the MPC to hike earlier. The zloty should be moving within a range of 4.5900-4.6250 PLN per EUR today.

The USD firmed by 0.1% versus the EUR as FOMC signalled start of tapering by the end of this year and as "dot plot" showed half of FOMC member expected rate hike in 2H2022.

Fixed Income

The yields on Poland's government bonds rose by 4bps in the short end of the curve.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 2bps up in 2-year sector.

Equities

Yesterday the Dow Jones index closed 1.00% up and the S&P 500 index rose by 0.95%. Today in the morning the FTSE 100 index was 0.48% up, the CAC 40 index was 0.88% up and the DAX index was 1.02% up. Today in the morning the WIG index was 0.38% up and the WIG20 index was 0.36% up. Stock indices rose as Fed signalled start of tapering already this year and as the tone of communique was hawkish.



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

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Additional information available upon request

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