



Poland Daily

HEADLINES:

POL: NBP President Adam Glapinski said that the MPC stopped interest rate hiking cycle but hasn't end it. In his opinion if new NBP projection that will be published in November shows increase in inflationary pressure stemming from domestic factors then the MPC might hike interest rates again. According to NBP President the fact that main central banks like Fed and the ECB hike interest rates at a fast pace leads to reducing demand for commodities and thus reduces external inflationary pressure in Poland, as well. In the opinion of Adam Glapinski already done monetary tightening in Poland reduced significantly domestic demand pressure. He added that incoming data confirm a scenario of gradual deceleration of GDP growth in Poland. Referring to higher than expected inflation, NBP President said that inflation in 2023 would depend on fiscal policy, including potential extension of anti-inflation shields and the extend of energy prices freezes. He suggested that rate cut might take place near end of 2023.

Figure 1: WIBOR O/N

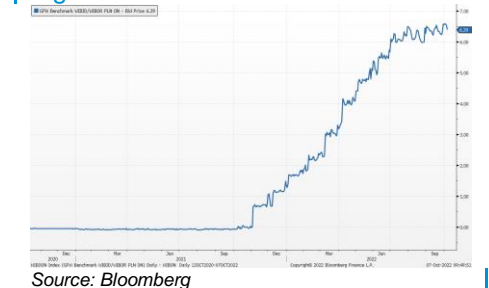


Figure 2: Yield on 5Y POLGB

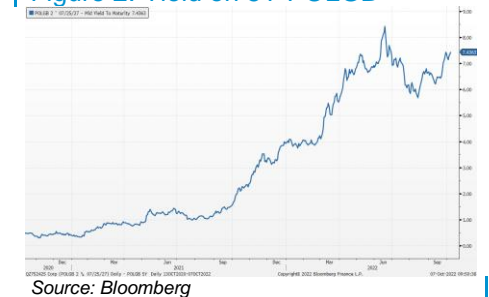


Figure 3: Yield on 5Y POLGB – long term trend



THE DAY AHEAD...

DEU: Industrial production (Aug)

POL: Minutes from MPC meeting

USA: Change in non-farm payrolls (Sep), unemployment rate (Sep)

TODAY'S FOCUS:

Today economic calendar contains US employment report for September, industrial production for August from Germany and minutes from MPC meeting from Poland.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	6:00	Industrial production (Aug)		-0.8% (2.1%)	-0.5% (-4.1%)
POL	12:00	Minutes from MPC meeting			
USA	12:30	Change in non-farm payrolls (Sep)	275k		255k
USA	12:30	Unemployment rate (Sep)	3.7%		3.7%



Foreign Exchange

Today in the morning the zloty was 1,2% weaker versus the USD, weakened by 0.5% versus the EUR and weakened by 0.5% versus the CHF compared to the previous NBP fixing. The zloty sharply weakened after NBP President comments that the MPC stopped (but not ended) rate hiking cycle.

The USD firmed by 0.8% versus the EUR compared to the previous NBP fixing ahead of US employment report for September.

Fixed Income

The yields on Poland's government bonds were 6 bps up in 2-year sector and rose by 9-10bps in 5-year and 10-year sectors.

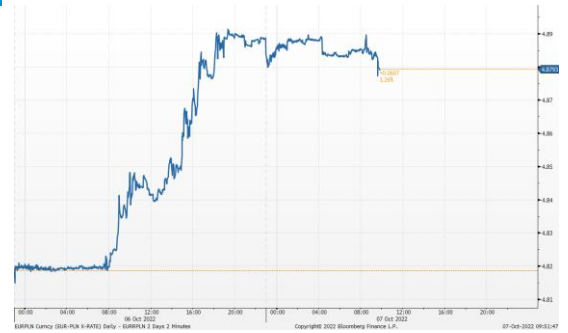
Interest Rates

PLN swap rates were 3 bps up in 2-year sector and rose by 7-8bps in 5-year and 10-year sectors.

Equities

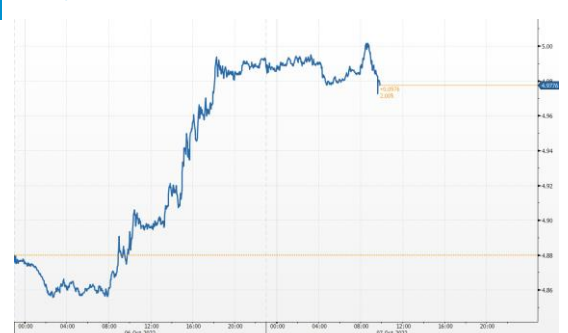
Yesterday the Dow Jones index closed 1,15% down and the S&P 500 index fell by 1.02%. Today in the morning the FTSE 100 index fell by 0.11%, the CAC 40 index was 0.09% down and the DAX index was 0.23% down. The Nikkei index closed 0.71% down. Today in the morning the WIG index fell by 0.36% and the WIG20 index was 0.28% down.

EUR/PLN



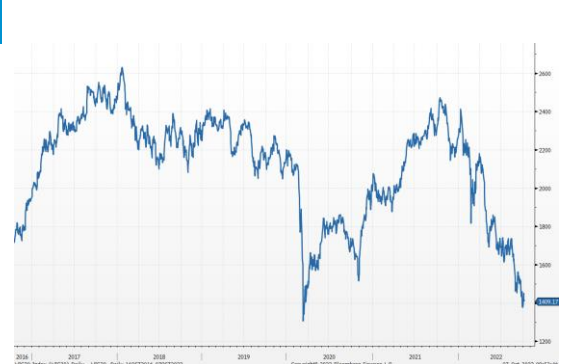
Source: Bloomberg

USD/PLN



Source: Bloomberg

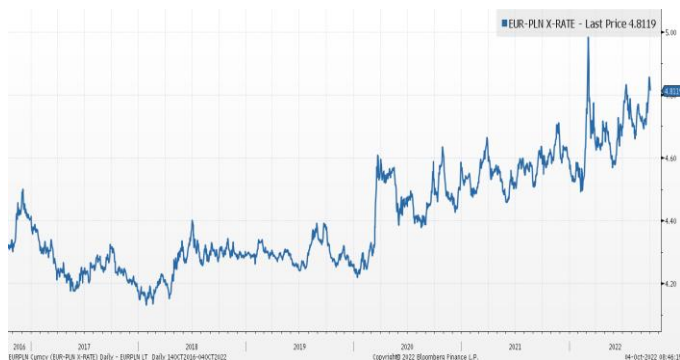
WIG20



Source: Bloomberg

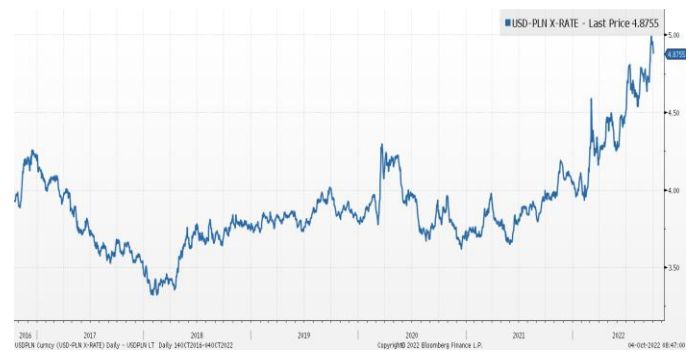
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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