



Poland Daily

HEADLINES:

POL: MPC member Jerzy Kropiwnicki said he would support 15bps rate hike in November if November's NBP projection warranted it. In his opinion rate hike before November is unlikely as NBP projection will not be available yet.

POL: Inflation for July was confirmed at 0.4% m/m and 5.0% y/y. In July an increase of consumer prices versus June was generated mainly by fuels (that contributed 0.27 p.p. to monthly inflation), tourism (+0.06 p.p.) and furniture (+0.04 p.p.).

POL: According to flash estimate of Statistics Poland (GUS) real GDP growth in Q2 amounted to 1.9% q/q and 10.9% y/y and was above market consensus expectations of 10.7% y/y. The GUS also revised up quarterly GDP growth for Q1 to 1.3% q/q from 1.1% q/q.

THE DAY AHEAD...

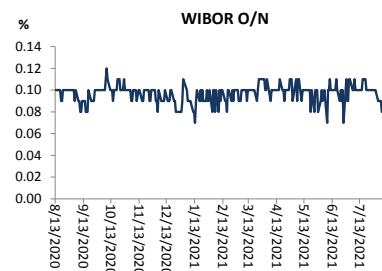
POL: GDP (Q2), inflation (Jul), balance of payments (Jun)

USA: University of Michigan Consumer Sentiment (Aug)

TODAY'S FOCUS:

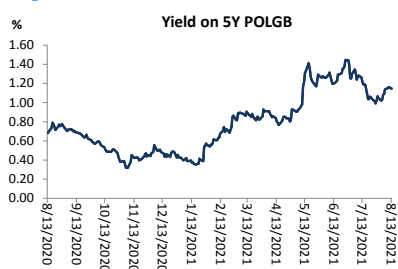
Today economic calendar on a domestic side contains flash Q2 GDP, final inflation for July and balance of payments for June. On a foreign side US preliminary Michigan consumer sentiment for August will be the highlight today.

Figure 1: WIBOR O/N



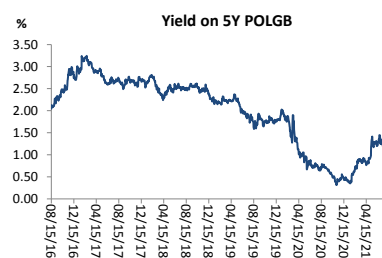
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Inflation (Jul)	0.4% (5.0%)	0.4% (5.0%)	0.4% (5.0%)
POL	8:00	GDP (Q2 kw, prel.)	1.4% (9.8%)	1.9% (10.9%)	2.0% (10.7%)
POL	12:00	Current account (Jun)	EUR764mn		EUR456mn
POL	12:00	Trade balance (Jun)	EUR815mn		EUR848mn
USA	14:00	Consumer sentiment (Aug, P)	82.0		81.2

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.3% firmer versus the USD and was 0.4% firmer versus the EUR compared to the previous NBP fixing. The zloty should be moving within a range of 4.5600-4.5950 PLN per EUR today.

The USD was 0.1% firmer versus the EUR ahead of release of US consumer sentiment data for August.

Fixed Income

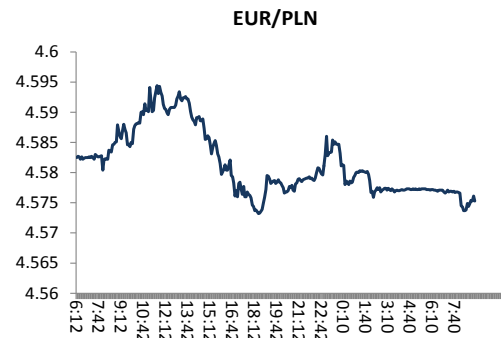
The yields on Poland's government bonds were 2bps up in 5-year and 10-year sectors and remained unchanged in the short end of the curve.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 3bps up in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index closed 0.04% up and the S&P 500 index rose by 0.30% reaching new historical highs. Today in the morning the FTSE 100 index was 0.30% up, the CAC 40 index was 0.16% up and the DAX index was 0.12% up. The Nikkei index closed 0.14% down today. Today in the morning the WIG index was 0.18% down and the WIG20 index was 0.20% down.



Source: Bloomberg

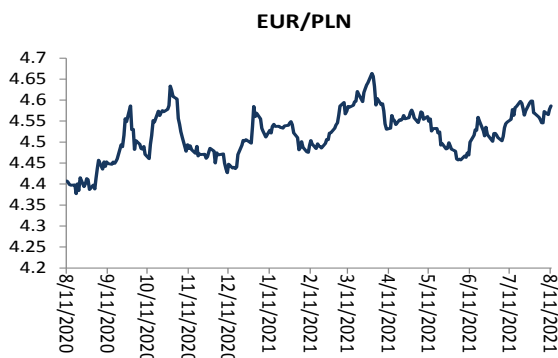


Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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