



Poland Daily

HEADLINES:

POL: Government accepted draft budget for 2022 with –PLN30.9bn budget deficit. The draft envisages budget revenues of PLN481.4bn and budget expenditures of PLN512.4bn. According to budgetary assumptions general government deficit is envisaged at -2.8% of GDP and general government debt is envisaged at 56.6% of GDP. Draft budget bill envisages GDP growth of 4.9% in 2021 and 4.6% in 2022.

POL: S&P Global Ratings revised Poland’s GDP growth forecasts to 5.1% in 2021 (from 4.5%) and 5.3% in 2022 (from 5.4%). The agency underlined that the main engine of growth would be private consumption, supported by strong labour market and loose fiscal policy while EU funds and Polish Deal would accelerate investments. S&P Global Ratings expects rate hike in the beginning of 2022 and forecasts reference rate at 1.0% in the end of 2022 and 1.5% in the end of 2023.

THE DAY AHEAD...

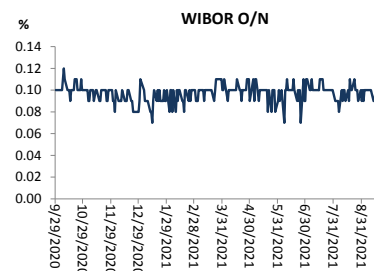
EMU: Economic confidence (Sep)

TODAY’S FOCUS:

Today economic calendar contains EMU economic confidence for September. At ECB central banking forum governors of FOMC, ECB, Bank of Japan and Bank of England participate in a panel discussion.

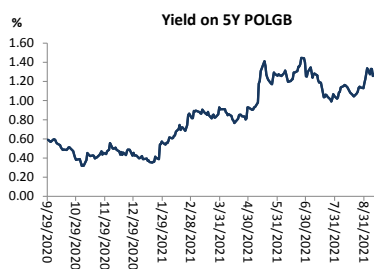
DIARY (Today)

Figure 1: WIBOR O/N



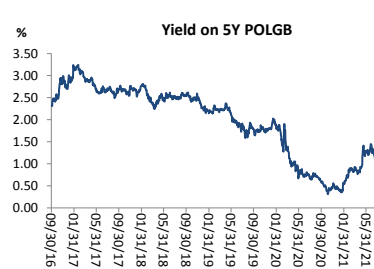
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

Country	GMT	Release	DB Expected	Actual	Consensus
EMU	9:00	Economic confidence (Sep)	117.2	117.8	117.0



Foreign Exchange

Today in the morning the zloty was 0.3% weaker versus the USD and was 0.2% weaker versus the EUR compared to previous NBP fixing. The zloty weakened as risk aversion increased due to rise in yields on government bonds in core markets. The zloty should be moving within a range of 4.6000-4.6450 PLN per EUR today.

Today in the morning the USD was firming versus the EUR on increased risk aversion.

Fixed Income

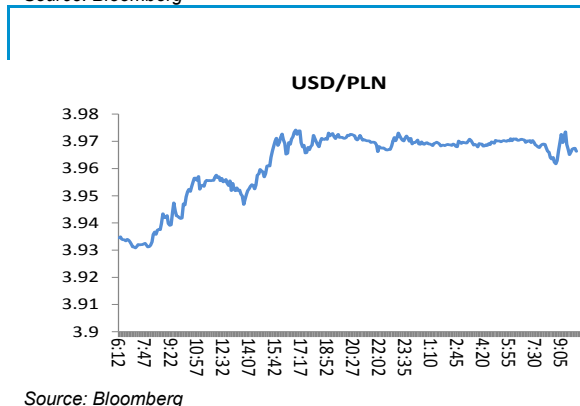
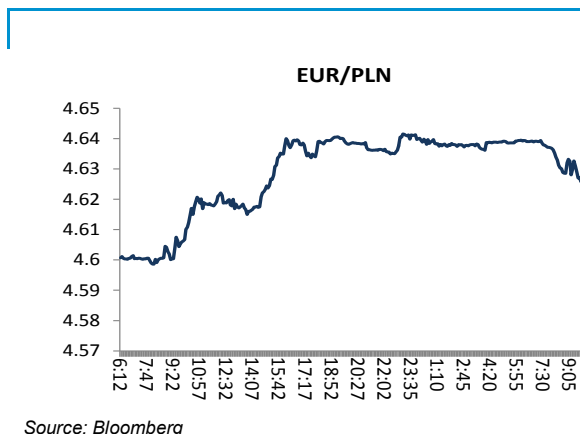
The yields on Poland's government bonds fell by 3-4bps across the curve.

Interest Rates

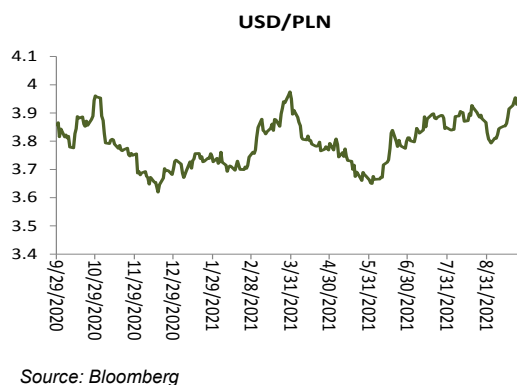
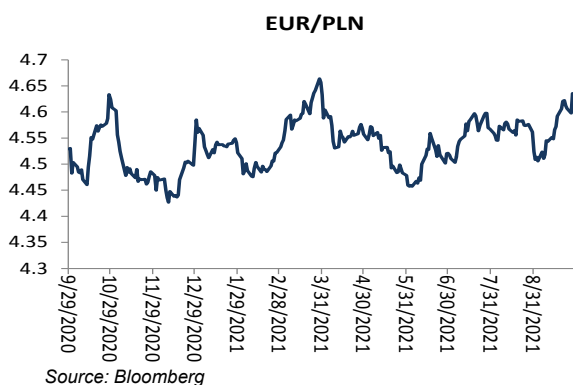
Today the O/N bid rate should be within a range of -0.13% - -0.08%. Swap rates were 4-6bps down in all tenors.

Equities

Yesterday the Dow Jones index closed 1.63% down and the S&P 500 index fell by 2.04%. Today in the morning the FTSE 100 index was 0.91% up, the CAC 40 index was 1.00% up and the DAX index was 0.97% up. The Nikkei index closed 2.12% down. Today in the morning the WIG index was 0.49% up and the WIG20 index was 0.64% up. Stock markets rebounded as yields on US Treasuries stabilised.



Medium term FX trends:





Appendix 1

Important Disclosures

Additional information available upon request

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