



Poland Daily

HEADLINES:

POL: In September average wage in enterprises' sector rose by 1.6% m/m and increased by 14,5% y/y. Real wage fell by 2.3% y/y in September. Current structure of inflation (rising prices of energy and food) will lead to further erosion of households' purchasing power at the same time limiting ability of companies (especially SMEs) to raise wages. Average employment in enterprises' sector fell by 0,1% m/m and was 2.3% up y/y.

POL: In September industrial output rose by 9.8% m/m and was 9.8% up y/y. Output of investment goods rose by 29.1% y/y, output of non-durable consumer goods was 9.1% up y/y and output of intermediate goods rose by 6.9% y/y while output of durable consumer goods fell by 4.9% y/y and output of energy goods fell by 0.9% y/y in September. The strongest growth in industrial production was reported in production of automobiles (up 46.5% y/y), machinery and equipment (up 26.1% y/y), other transport equipment (up 19.2% y/y) and electric equipment (up 17.9% y/y). The deepest declines were reported in chemical industry (down 9.7% y/y) and manufacturing of furniture (down 7.5% y/y). In September producer prices rose by 0.2% m/m and increased by 24.6% y/y.

THE DAY AHEAD...

POL: Average wage (Sep), average employment (Sep), industrial output (Sep), PPI (Sep).

TODAY'S FOCUS:

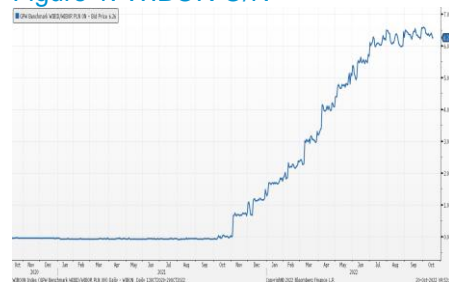
Today economic calendar contains Poland's average wage and employment, industrial output and PPI for September.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Average wage (Sep)	(13.0%)	1.6% (14.5%)	0.0% (13.4%)
POL	8:00	Average employment (Sep)	-0.1% (2.4%)	-0.1% (2.3%)	-0.1% (2.4%)
POL	8:00	Industrial output (Sep)	(8.5%)	9.8% (9.8%)	8.8% (8.8%)
POL	8:00	PPI (Sep)	0.9% (25.5%)	0.2% (24.6%)	0.9% (25.5%)

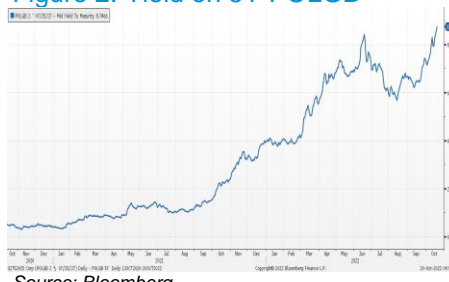
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



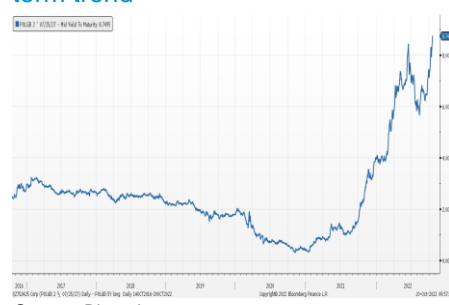
Source: Bloomberg

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, firmed by 0.2% versus the EUR and firmed by 0.4% versus the CHF compared to the previous NBP fixing. The zloty firmed by 0.6% versus GBP.

The USD firmed by 0.3% versus the EUR compared to the previous NBP.

Fixed Income

The yields on Poland's government bonds were 19-23 bps up in all tenors. At auction today the Finance Ministry offers government bonds series OK0724, PS0527, WZ1127, DS1030, DS0432 and WZ0533 worth total PLN4.0-6.0bn.

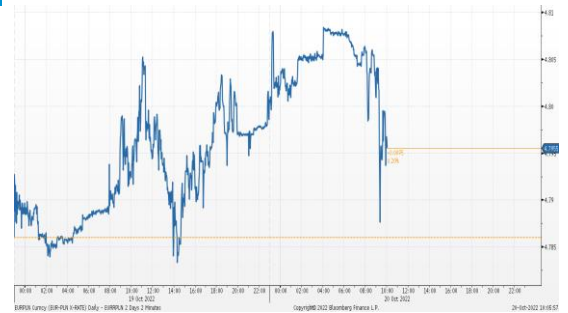
Interest Rates

PLN swap rates were 9bps up in 2-year sector and rose by 13-14bps elsewhere.

Equities

Yesterday the Dow Jones index closed 0,33% down and the S&P 500 index fell by 0.67%. Today in the morning the FTSE 100 index fell by 0.10%, the CAC 40 index was 0.04% down and the DAX index was 0.75% down. The Nikkei index closed 0.92% down. Today in the morning the WIG index rose by 0.38% and the WIG20 index was 0.41% up.

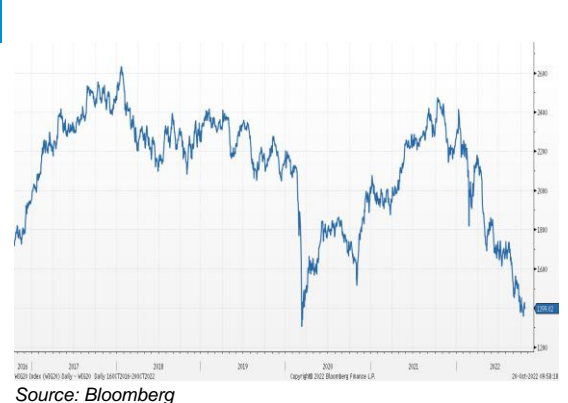
EUR/PLN



USD/PLN

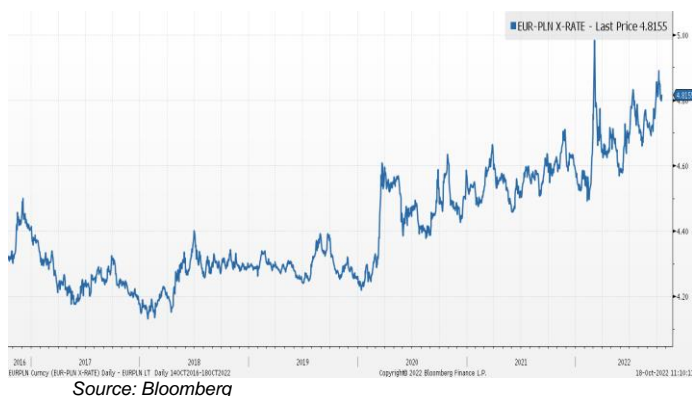


WIG20

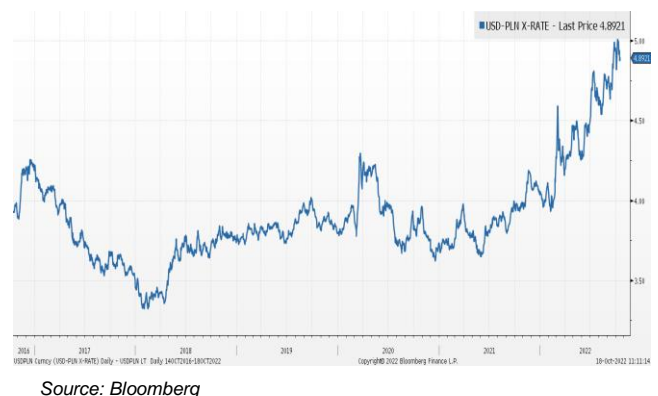


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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