



Poland Daily

HEADLINES:

POL: Today the Monetary Policy Council ends two-day policy meeting. There is a broad consensus among analysts that the MPC will leave interest rates unchanged today. Consumer inflation is rising, in line with NBP projection and expectations of MPC members. The rise in CPI is caused by rising energy prices after partial removal of price caps, rising nominal wages and secondary effects in the form of rising prices of services. Recent comments from MPC members suggest that the Council is ready to start discussing rate cuts after release of NBP projection in March 2025. The MPC would need two conditions to be fulfilled before taking decision to cut interest rates: (1) inflation should pass its peak expected in January/February 2025 and should start decreasing and (2) forecasts should point to sustainable decline of inflation to MPC's goal. In this context press conference of NBP President on Thursday will be interesting as it may bring new pieces of information on potential date of first cut in interest rates.

THE DAY AHEAD...

POL: MPC decision

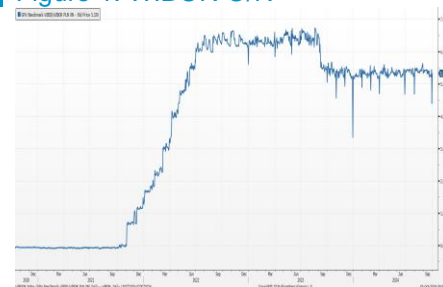
EMU: Unemployment rate (Aug)

USA: Change in employment ADP (Sep)

TODAY'S FOCUS:

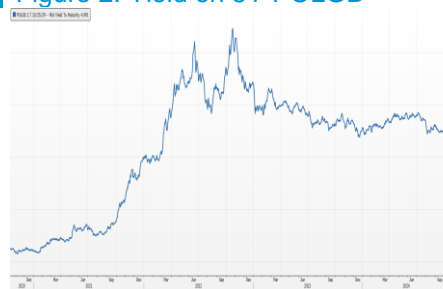
Today economic calendar contains unemployment rate from euro-zone for August and ADP employment report for September. Today the MPC most likely will leave interest rates unchanged.

Figure 1: WIBOR O/N



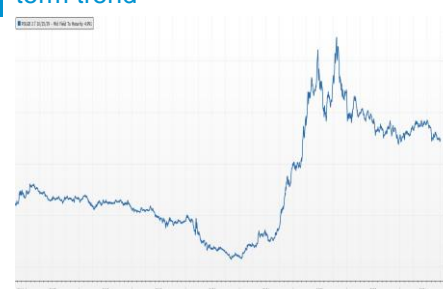
Source: Bloomberg

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
EMU	9:00	Unemployment rate (Aug)			6.4%
USA	12:15	Change in employment ADP (Sep)	125k		125k
POL		MPC decision	5.75%		5.75%



Foreign Exchange

Today in the morning the zloty was weaker by 0.5% versus the USD, weakened by 0.2% versus the EUR and was 0.7% weaker versus the CHF compared to the previous NBP fixing. The zloty was 0.2% weaker versus the GBP compared to the previous NBP fixing.

Today in the morning the USD was 0.2% firmer versus the EUR and firmed by 0.3% versus the GBP compared to the previous NBP fixing. The USD firmed on rising risk aversion. The CHF firmed by 0.5% versus the EUR compared to the previous NBP fixing.

Fixed Income

The yields on Poland's government bonds were 3bps up in 2-year sector, rose by 6pbs in 5-year one and rose by 5pbs in 10-year one.

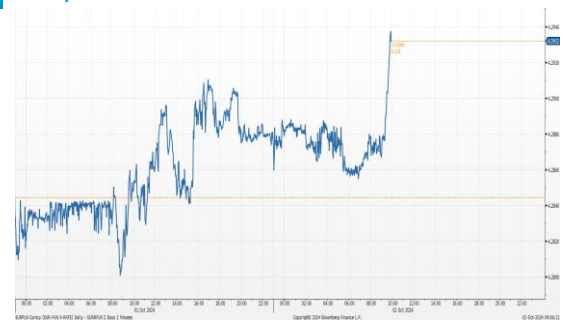
Interest Rates

Today in the morning PLN swap rates were 7bps up in 2-year and 5-year sectors and were 8bps up in 10-year one.

Equities

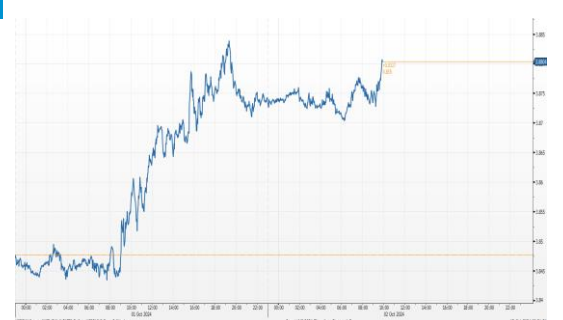
Yesterday the Dow Jones index closed 0.41% down and the S&P 500 index closed 0.93% down while NASDAQ fell by 1.53%. Today in the morning the FTSE 100 index rose by 0.48%, the CAC 40 index was 0.53% up and the DAX index was 0.14% up. The Nikkei index fell by 2.18%, the Hang Seng index rose by 6.20%. Today in the morning the WIG index rose by 0.27% and the WIG20 index was 0.41% up.

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg

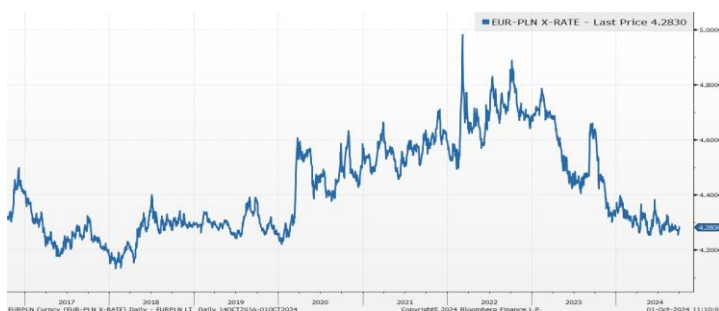
WIG20



Source: Bloomberg

Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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