



Poland Daily

HEADLINES:

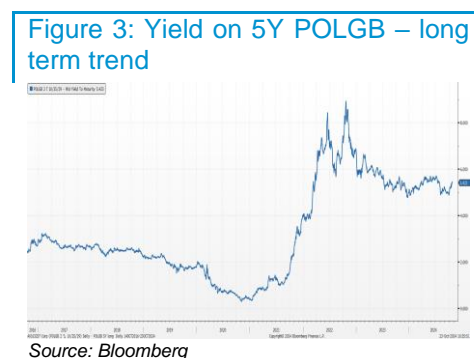
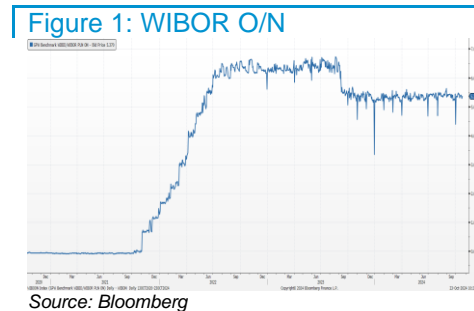
POL: MPC member Ludwik Kotecki said that weaker data on retail sales for September were concerning, but one should wait for data of October to draw any firmer conclusions. MPC member said that from the point of view of monetary policy data on retail sales gave hope for faster than expected decline in inflation. Ludwik Kotecki underlined that year-on-year inflation would be increasing due to transitory factors. In his view more concerning is that core inflation stopped declining and stabilized around 4% what shows that conditions for any modification of monetary policy were not met and would not be met in coming couple of months.

THE DAY AHEAD...

POL: Consumer confidence (Oct), unemployment rate (Sep)
 EMU: Consumer confidence (Oct), existing home sales (Sep)

TODAY'S FOCUS:

Today economic calendar contains data on consumer confidence for October from Poland and euro-zone, unemployment rate for September from Poland and existing home sales for September from the USA.



DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Consumer confidence (Oct)		-15.8	-14.1
POL	8:00	Unemployment rate (Sep)		5.0%	5.0%
EMU	14:00	Consumer confidence (Oct)			-12.5
USA	14:00	Existing home sales (Sep)	3.90mn		3.88mn



Foreign Exchange

Today in the morning the zloty was weaker by 1.0% versus the USD and was 0.5% weaker versus the EUR compared to the previous NBP fixing. The zloty was 0.7% weaker versus the CHF and was 0.8% weaker versus the GBP compared to the previous NBP fixing. The zloty weakened this morning after firming of the USD.

Today in the morning the USD was 0.4% firmer versus the EUR and was 0.2% firmer versus the GBP compared to the previous NBP fixing. The CHF was 0.1% firmer versus the EUR compared to the previous NBP fixing.

Fixed Income

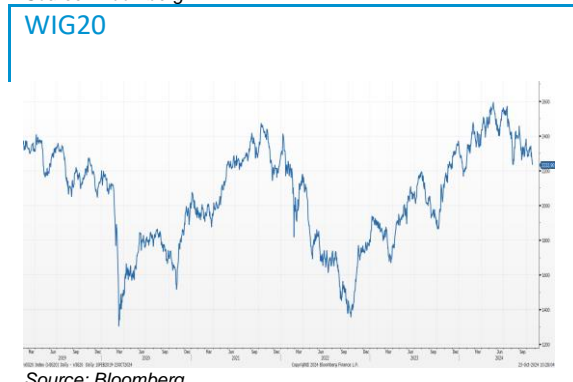
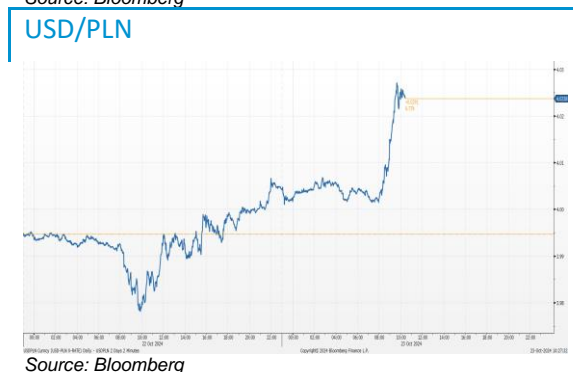
The yields on Poland's government bonds were 2bps down in 2-year sector and fell by 1bp in 5-year sector. At auction today Finance Ministry will offer government bonds series OK0127, PS0130, WZ0330, DS0432, DS1034, IZ0836 and WS0437 worth total PLN7bn-11bn.

Interest Rates

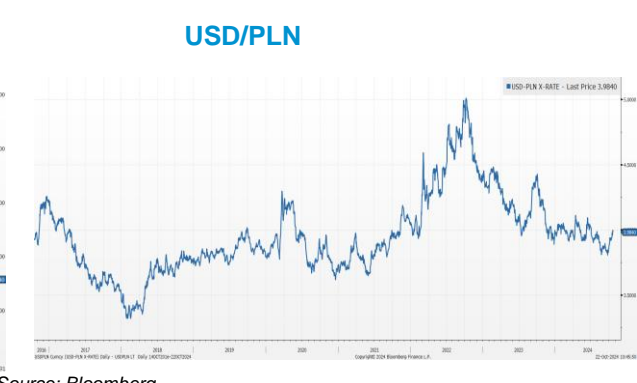
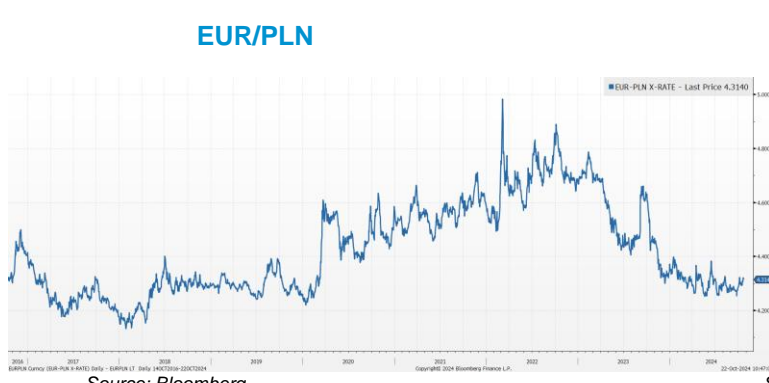
Today in the morning PLN swap rates were 2bps down in 2-year sector and remained practically unchanged in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index closed 0.02% down and the S&P 500 index closed 0.05% down while NASDAQ rose by 0.18%. Today in the morning the FTSE 100 index fell by 0.13%, the CAC 40 index was 0.54% down and the DAX index was 0.10% down. The Nikkei index fell by 0.80%, the Hang Seng index rose by 1.27%. Today in the morning the WIG index fell by 0.63% and the WIG20 index was 0.68% down.



Medium term FX trends:





Appendix 1

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