



Poland Daily

HEADLINES:

POL: Today the Monetary Policy Council ends policy meeting. We expect the Council to keep interest rates unchanged today. Press conference of NBP President on Thursday will be of interest for market participants.

USA: At 10:00 CET Donald Trump leads in US presidential elections with 266 electoral votes (and 51.2% of counted votes) ahead of Kamala Harris with 219 electoral votes (and 47.2% of counted votes). Trump's win will mean geopolitical shift in US policies towards Asia and Pacific with less engagement in Europe. Economic impact of Trump's win will comprise of lower taxes in the US and significantly higher US tariffs, leading to higher inflation in the US. Impact on financial markets will comprise of stronger USD, mainly versus the EM FX (including PLN), rise in prices of US equities, rise in yields on US treasuries and rise in yields on POLGBs in long and medium segment of the curve.

THE DAY AHEAD...

POL: MPC decision

DEU: Factory orders (Sep)

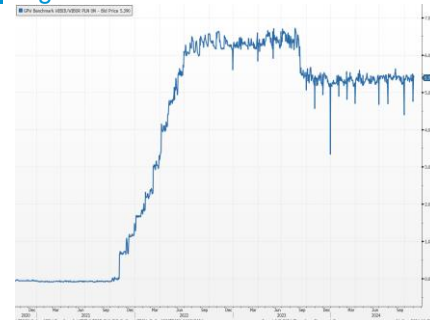
HUN: Industrial production (Sep)

FRA: PMI services (Oct)

TODAY'S FOCUS:

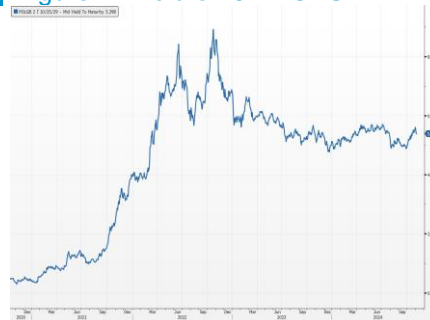
Today economic calendar contains MPC decision from Poland, industrial production for September from Hungary, factory orders for September from Germany and French services PMI for October. Financial markets await the outcome of US elections.

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
DEU	7:00	Factory orders (Sep)		4.2% (1.0%)	1.5% (-2.1%)
HUN	7:30	Industrial output (Sep)		-0.7% (-5.4%)	-0.7% (-4.4%)
FRA	8:50	PMI services (Oct)		49.2	48.3
POL		MPC decision	5.75%		5.75%

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was weaker by 1.3% versus the USD and was 0.1% weaker versus the EUR compared to the previous NBP fixing. The zloty was unchanged versus the CHF and was 0.8% weaker versus the GBP compared to the previous NBP fixing.

Today in the morning the USD was firmer by 1.2% versus the EUR and CHF was 0.2% weaker versus the EUR compared to the previous NBP fixing. The USD firmed by 0.5% versus the GBP compared to the previous NBP fixing. The USD was firming as likelihood of Trump winning presidential elections increased.

Fixed Income

Today in the morning the yields on Poland's government bonds were 1bp down in 2-year sector and rose by 2bps in 5-year and 10-year ones.

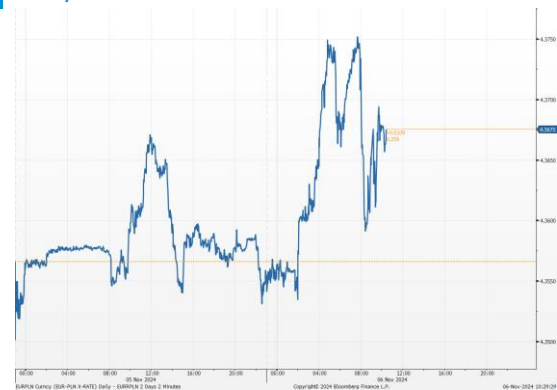
Interest Rates

Today in the morning PLN swap rates were 1bp down in 2-year sector and rose by 4bps and 5bps respectively in 5-year and 10-year sectors.

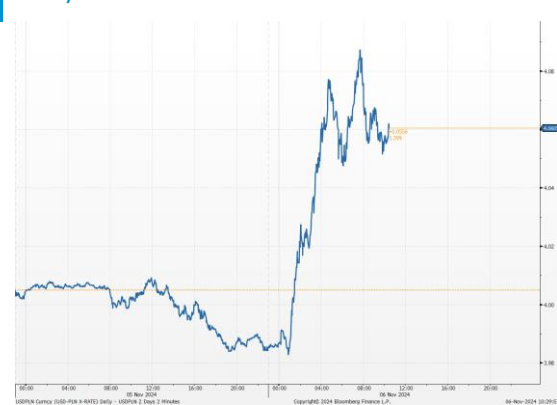
Equities

Yesterday the Dow Jones index closed 1.02% up and the S&P 500 index closed 1.23% up while NASDAQ rose by 1.43%. Today in the morning the FTSE 100 index rose by 1.30%, the CAC 40 index was 1.51% up and the DAX index was 0.95% up. The Nikkei index rose by 2.61% and the Hang Seng index fell by 2.23%. Today in the morning the WIG index rose by 1.09% and the WIG20 index was 1.12% up. Equity indices in the US, Europe and Japan rose following Donald Trump's lead in US elections.

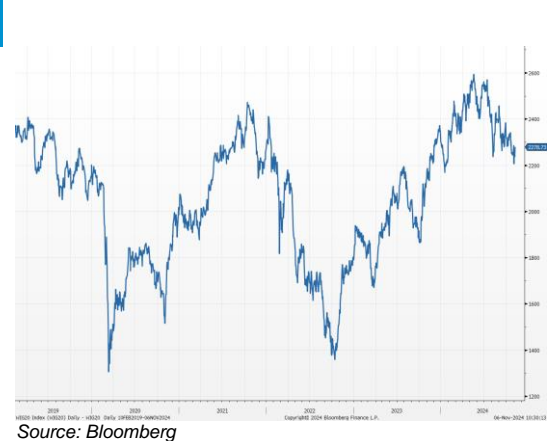
EUR/PLN



USD/PLN

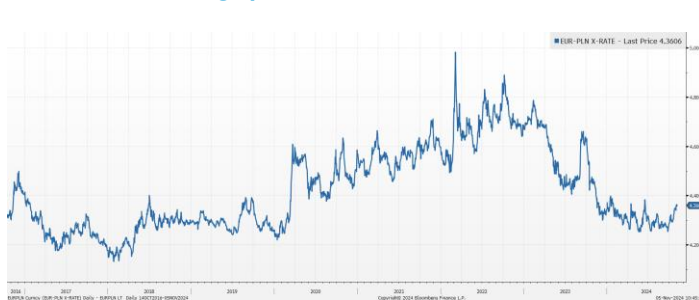


WIG20



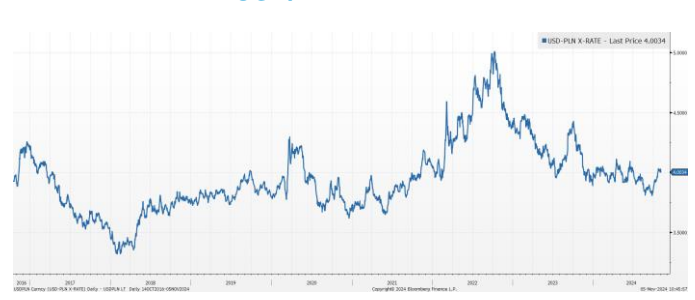
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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