



Poland Daily

HEADLINES:

POL: In August nominal retail sales fell by 0.9% m/m and rose by 10.7% y/y. Real retail sales fell by 1.0% m/m and rose by 5.4% y/y in August. In August the highest growth in real retail sales was reported in footwear and clothing (up 28.6% y/y), other sales – including retail sales via Internet (up 12.5% y/y), in specialized shops (up 7.9% y/y), pharmaceuticals and cosmetics (up 7.5% y/y) and automobiles (up 5.7% y/y). Real retail sales of fuels and food declined respectively by 2.3% y/y and 1.3% y/y while real retail sales of furniture, consumer electronics and white good were practically unchanged (up 0.1% y/y). In August real retail sales growth was close to pre-Covid levels.

POL: In August real construction output rose by 3.2% m/m and increased by 10.2% y/y. Strong growth in construction output was mainly a result of robust growth in specialized works that grew by 29.7% y/y. In August investments in infrastructure rose by 6.8% y/y in contrast to 0.4% y/y growth in construction of buildings.

THE DAY AHEAD...

POL: Money supply M3 (Aug), consumer confidence (Sep)

USA: FOMC decision, existing home sales (Aug)

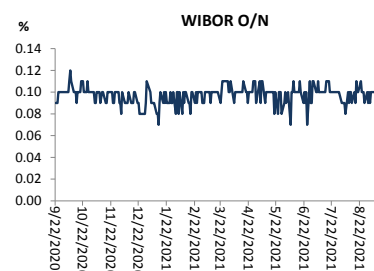
TODAY'S FOCUS:

Today market participants will be focusing on FOMC meeting which should provide hints on Fed's tapering plans. The FOMC will also publish new set of economic projections. On a domestic side data on money supply for August are due today.

DIARY (Today)

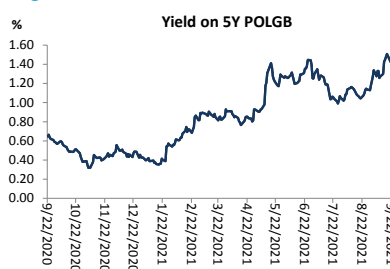
Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Consumer confidence (Sep)	-13.0	-13.0	-15.0
POL	12:00	Money supply M3 (Aug)	0.1% (8.7%)		0.3% (9.2%)
USA	12:30	Existing home sales (Aug)	5.93mn		5.89mn
USA	18:00	FOMC decision	0.00% - 0.25%		0.00% - 0.25%

Figure 1: WIBOR O/N



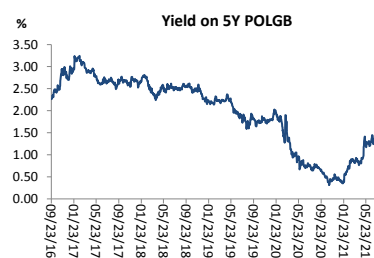
Source: Bloomberg

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 0.3% weaker versus the USD and was 0.3% weaker versus the EUR compared to previous NBP fixing. Today the zloty will likely be under the pressure to weaken as risk aversion is still elevated. The zloty should be moving within a range of 4.6100-4.6450 PLN per EUR today.

The USD firmed by 0.1% versus the EUR as US housing starts data were stronger than expected.

Fixed Income

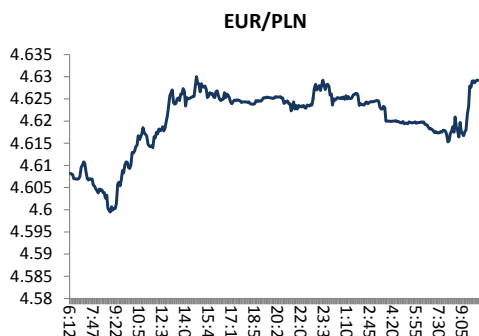
The yields on Poland's government bonds fell by 2-3bps in 5-year and 10-year sectors.

Interest Rates

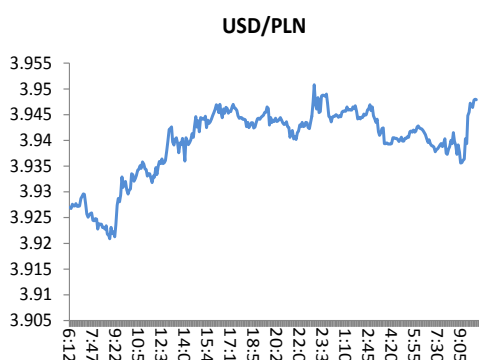
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 3-4bps down in 5-year and 10-year sectors.

Equities

Yesterday the Dow Jones index closed 0.15% down and the S&P 500 index fell by 0.08%. Today in the morning the FTSE 100 index was 0.82% up, the CAC 40 index was 0.84% up and the DAX index was 0.31% up. The Nikkei index closed 0.67% down. Today in the morning the WIG index was 1.29% up and the WIG20 index was 1.44% up.



Source: Bloomberg

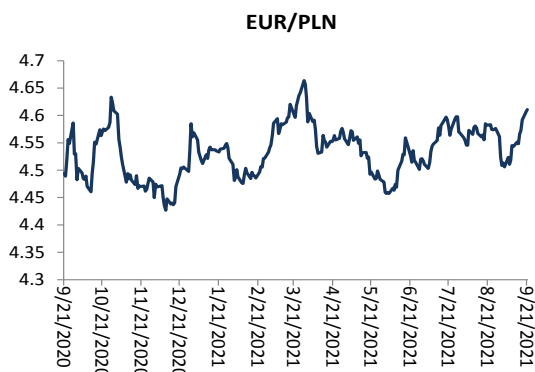


Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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