



Poland Daily

HEADLINES:

POL: In September industrial output rose by 11.0% and was 8.8% up y/y. Growth in industrial output was very robust and there are no signs of deceleration in industrial activity except from automobile industry, that contracted by 13.7% y/y due to shortages of components. In September the strongest growth in industrial output was reported in energy production and distribution (up 22.1% y/y), chemical industry (up 21.0% y/y), clothing (up 22.3% y/y) and coal and lignite mining (up 19.6% y/y).

POL: In September PPI amounted to 0.7% m/m and 10.2% y/y. The highest growth in prices occurred in oil refining (up 4.3% m/m), printing (up 1.3% m/m) and products of wood (up 1.0% m/m) and chemicals (up 1.0% m/m). Prices declined, among others, in mining of metal ores (down 1.4% m/m), pharmaceuticals (down 0.3% m/m) and automobile industry (down 0.1% m/m).

POL: Consumer confidence fell to -17.8pts in October from -13.0pts in September. In October all sub-indices of consumer confidence indicator fell, but most impact came from decline in potential for significant purchases and decline in assessment of future and current financial conditions of household.

THE DAY AHEAD...

POL: Industrial output (Sep), PPI (Sep), consumer confidence (Oct)
 EMU: CPI (Sep)

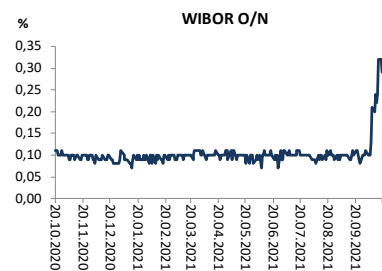
TODAY'S FOCUS:

Today economic calendar contains industrial output and PPI for September and consumer confidence for October from Poland and euro-zone's CPI for September.

DIARY (Today)

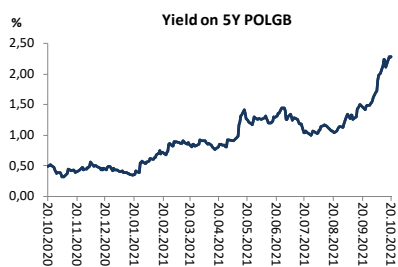
Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	PPI (Sep)	0.7% (9.9%)	0.7% (10.2%)	0.6% (10.0%)
POL	8:00	Consumer confidence (Oct)	-15.0	-17.8	-14.5
POL	8:00	Industrial output (Sep)	(8.6%)	11.0% (8.8%)	10.2% (8.0%)
EMU	9:00	Inflation (Sep)		0.5% (3.4%)	0.5% (3.4%)

Figure 1: WIBOR O/N



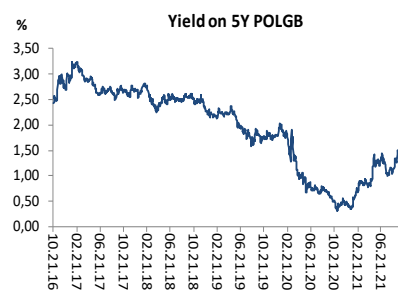
Source: Bloomberg

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 0.6% weaker versus the USD and was 0.3% weaker versus the EUR compared to previous NBP fixing. The zloty should be moving within a wide range of 4.5700-4.6000 PLN per EUR today.

The USD firmed by 0.3% versus the EUR ahead of speeches from the FOMC members, including Chairman Powell, scheduled for today.

Fixed Income

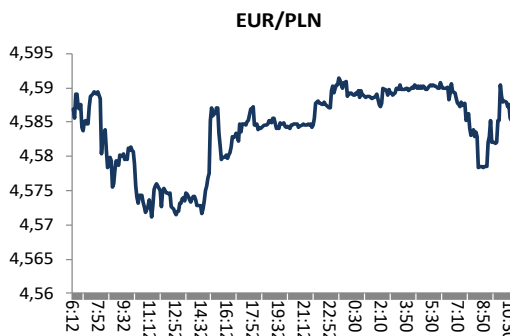
The yields on Poland's government bonds rose by 2bps in 5-year and 10-year sectors.

Interest Rates

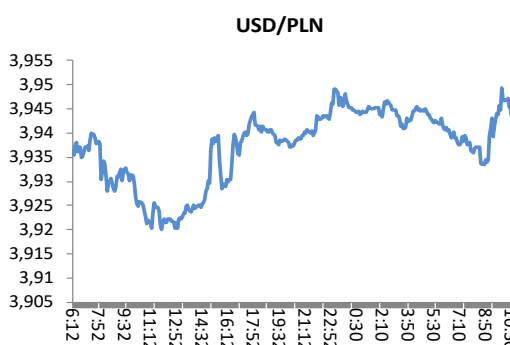
Today the O/N bid rate should be within a range of 0.0% - 0.20%. Swap rates were 1bp up in 5-year and 10-year sectors.

Equities

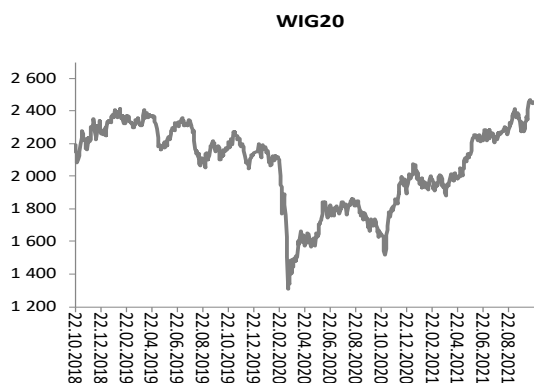
Yesterday the Dow Jones index closed 0.56% up and the S&P 500 index rose by 0.74%. Today in the morning the FTSE 100 index was 0.24% down, the CAC 40 index was 0.21% down and the DAX index was 0.10% up. The Nikkei index closed 0.14% up. Today in the morning the WIG index was 0.24% down and the WIG20 index was 0.25% down.



Source: Bloomberg

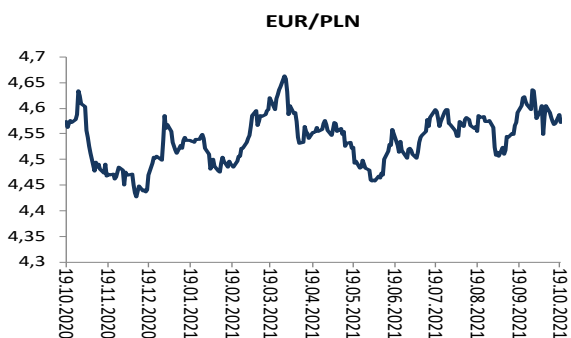


Source: Bloomberg

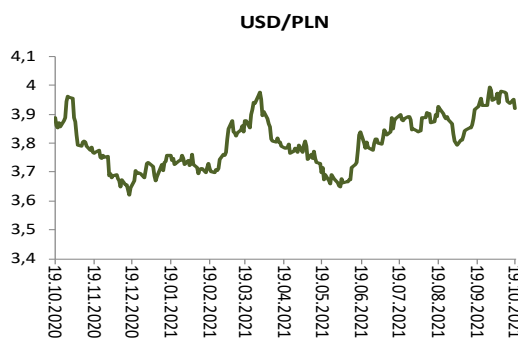


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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