



Poland Daily

HEADLINES:

POL: Yesterday at Press conference after a meeting of the National Security Council (BBN) President Andrzej Duda and PM Mateusz Morawiecki jointly stated that the explosion in Przewodow was most likely caused by Ukrainian anti-aircraft missile but the event was not intentional and occurred when Ukraine defended itself against massive Russian missile attack on Ukraine.

POL: MPC member Henryk Wnorowski said he saw a chance that the MPC would resume rate hikes after the current pause if scenario presented in new NBP projection were to materialize. He added he was surprised how much inflation expectations had de-anchored. He also stated that the central bank was seeing signs of impending recession in the economy and the MPC didn't want to worsen the situation by rising rates.

POL: MPC member Cezary Kochalski said that given The current inflation projection, Poland interest rates were at an appropriate level. He said that inflation might exceed 19% in Q1 2023 and would start easing in Q2 2023. In his view rate hikes were already taking effect and thus the MPC didn't want to lead to excessive disinflationary processes. He added that the MPC didn't want excessive social costs of monetary tightening and negative impact for financial sector.

PO: Core inflation (ex food and energy) amounted to 1.0% m/m and 11.0% y/y in October versus 10.7% y/y in September.

THE DAY AHEAD...

EMU: CPI (Oct)

USA: Housing starts (Oct), initial jobless claims

TODAY'S FOCUS:

Today economic calendar contains CPI for October from euro-zone and housing starts for October and initial jobless claims from the U.S.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
EMU	10:00	CPI (Oct)			1.5% (10.7%)
USA	13:30	Housing starts (Oct)	1450k		1410k
USA	13:30	Initial jobless claims	230k		228k

Source: Deutsche Bank Estimates and Bloomberg Finance LP

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 0.8% weaker versus the USD, weakened by 0.3% versus the EUR and weakened by 0.1% versus the CHF compared to the previous NBP fixing. The zloty weakened by 0.7% versus GBP.

The USD firmed by 0.5% versus the EUR compared to the previous NBP fixing, after stronger than expected U.S. retail sales for October.

Fixed Income

The yields on Poland's government bonds were 11-12bps up across the curve.

Interest Rates

PLN swap rates were 12bps up in 2-year sector, and rose by 17-18bps in 5-year and 10-year ones.

Equities

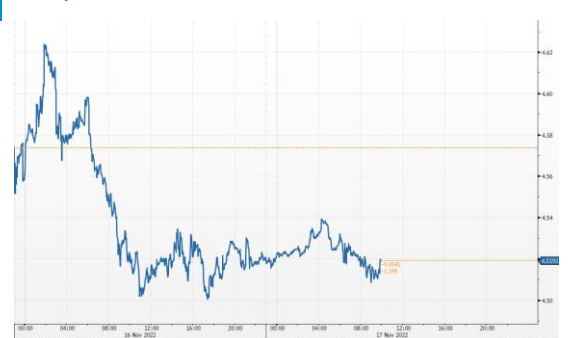
Yesterday the Dow Jones index closed 0.12% down and the S&P 500 index fell by 0.83%. Today in the morning the FTSE 100 index fell by 0.58%, the CAC 40 index was 0.43% down and the DAX index was 0.26% up. The Nikkei index closed 0.35% down. Today in the morning the WIG index fell by 1.32% and the WIG20 index was 1.58% down.

EUR/PLN



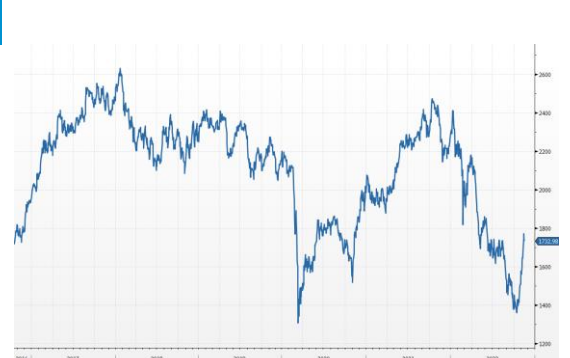
Source: Bloomberg

USD/PLN



Source: Bloomberg

WIG20



Source: Bloomberg

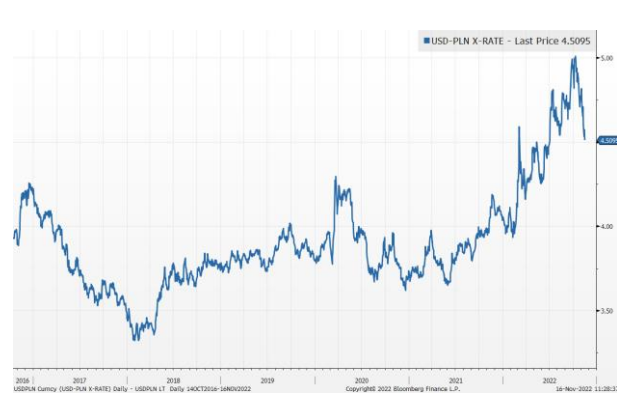
Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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