



Poland Daily

HEADLINES:

POL: In July consumer confidence rose to -13.5 from -14.8 in June. An improvement in consumer confidence stemmed from improved assessment of the current economic situation of Poland, improved financial conditions of the household and increased ability to purchase major items.

POL: MPC member Kamil Zubelewicz suggested that the central bank should end asset purchases programme and should return to gradual normalization of the level of interest rates. MPC member expressed skepticism on possibility of rate hike in near term, however, suggesting that rate hike would be possible only if the motion had been submitted by NBP President Adam Glapinski.

POL: MPC member Eugeniusz Gatnar said that interest rates should be already hiked in order to send a signal that the central banks was ready to counteract high inflation becoming persistent.

POL: In July business conditions indicator in industry fell to -3,7 from -3.1 in June, business conditions indicator in construction fell to -12.2 in July from -8.5 in June and business conditions indicator in retail trade fell to -1.4 in July from 0.6% in June.

THE DAY AHEAD...

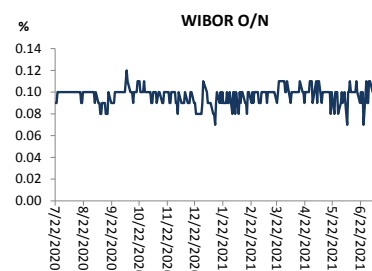
POL: Money supply M3 (Jun), business conditions (Jul).

EMU: ECB meeting.

TODAY'S FOCUS:

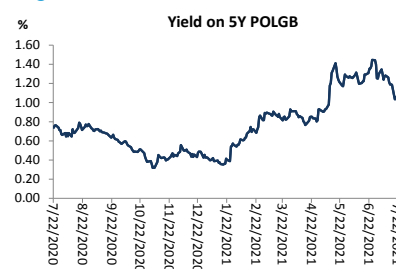
Today market participants will be focusing on ECB meeting, the first one after the ECB adopted symmetric 2% inflation target. On a domestic side money supply for June and business conditions indicators for July are due today.

Figure 1: WIBOR O/N



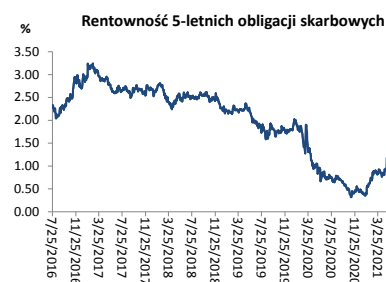
Source: Bloomberg

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
POL	8:00	Business conditions (Jul)			
POL	12:00	Money supply M3 (Jun)	1.0% (8.3%)		0.5% (7.8%)



Foreign Exchange

Today in the morning the zloty was 0.5% firmer versus the USD and versus the EUR compared to the previous NBP fixing. The zloty firmed on improved sentiment in Europe on hopes that Delta variant will be less deadly. The zloty should be moving in a range of 4.5600-4.5850 PLN per EUR today.

The USD was unchanged versus the EUR ahead of ECB meeting today. The GBP firmed by 0.8% versus the USD on expectations that new covid wave would be less destructive for economy than previous ones.

Fixed Income

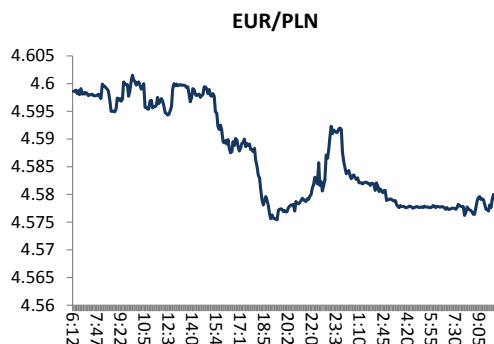
The yields on Poland's government bonds were practically unchanged in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were steady across the curve.

Equities

Yesterday the Dow Jones index closed 0.83% up and the S&P 500 index rose by 0.82%. Today in the morning the FTSE 100 index was -0.08% down, the CAC 40 index was 0.60% up and the DAX index was 0.80% up. Today in the morning the WIG index was 0.25% up and the WIG20 index was 0.22% up.



Source: Bloomberg

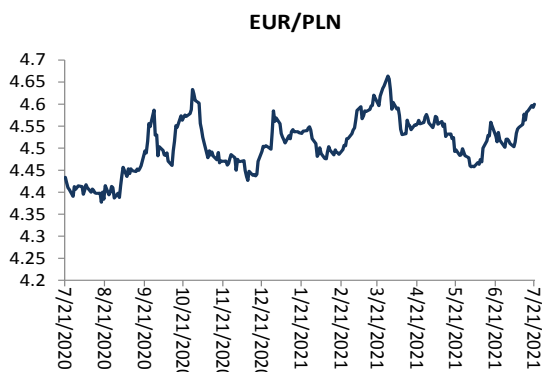


Source: Bloomberg

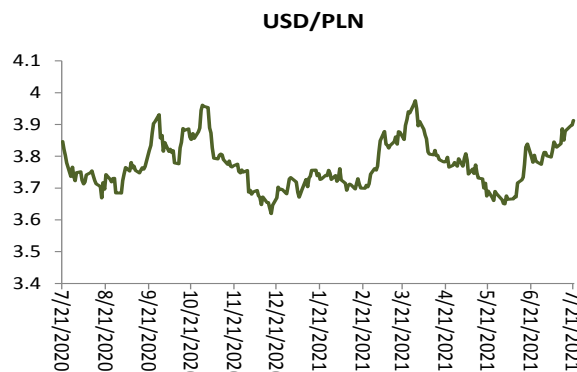


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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