



Poland Daily

HEADLINES:

POL: In July retail sales in nominal prices rose by 2.5% m/m and increased by 8.9% y/y, in line with our forecast. Real retail sales rose by 2.1% m/m and increased by 3.9% y/y in July, below market consensus forecast. In July the strongest growth in real retail sales was reported in fuels (up 5.3% m/m) and food (up 5.1% m/m) what was due to holiday-related expenditures. In July real retail sales of pharmaceuticals and cosmetics rose by 1.6% m/m, retail sales of furniture, consumer electronics and white goods rose by 0.3% m/m and other retail sales (comprising retail sales via Internet) rose by 2.8%. In July real retail sales of automobiles fell by 4.7% m/m and retail sales of footwear and clothing fell by 6.0% m/m. In July prices in retail sales rose by 4.8% y/y after 4.1% y/y growth in June.

POL: In July construction output fell by 4.7% m/m and rose by 3.3% y/y, and was much weaker than market consensus forecast of 6.0% y/y growth. In July construction of buildings fell by 1.5% m/m, specialized construction works were down by 2.9% y/y and infrastructure construction declined by 8.2% m/m.

THE DAY AHEAD...

POL: retail sales (Jul), construction output (Jul)

TODAY'S FOCUS:

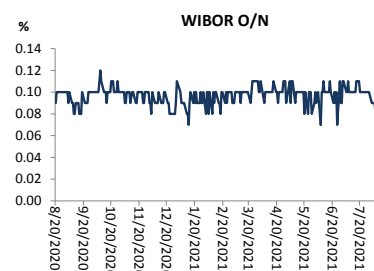
Today domestic economic calendar contains retail sales for July and construction output. There are no important macro-economic releases on a foreign side today.

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
POL	8:00	Construction output (Jul)	(5.6%)	-4.7% (3.3%)	(6.8%)
POL	8:00	Retail sales (Jul)	2.5% (8.9%)	2.5% (8.9%)	(8.1%)

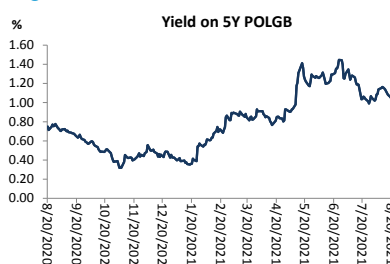
Source: Deutsche Bank Estimates and Bloomberg Finance LP

Figure 1: WIBOR O/N



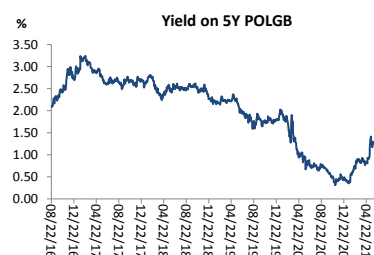
Source: Bloomberg

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 0.2% weaker versus the USD and was 0.1% weaker versus the EUR compared to the previous NBP fixing. The zloty should be moving within a range of 4.5650-4.6050 PLN per EUR today.

The USD was 0.1% firmer versus the EUR on increased uncertainty caused by weaker US macro indicators, concerns of increased cases of Delta variant and geopolitical worries.

Fixed Income

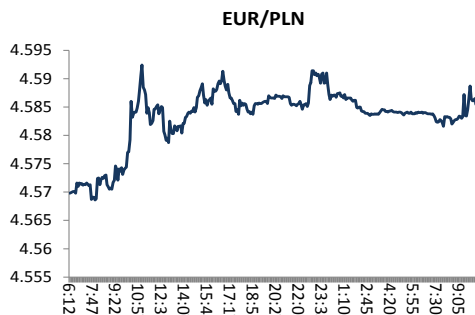
The yields on Poland's government bonds were 1-2bps down in all tenors.

Interest Rates

Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 1bp down in all tenors.

Equities

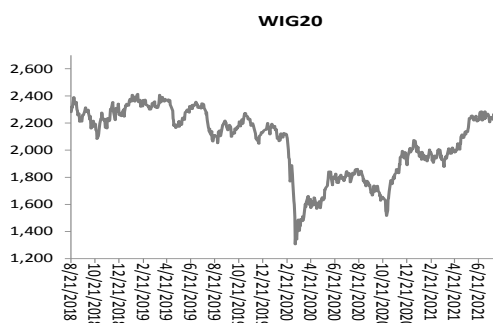
Yesterday the Dow Jones index closed 0.19% down while the S&P 500 index rose by 0.13%. Today in the morning the FTSE 100 index was 0.21% down, the CAC 40 index was 0.30% down and the DAX index was 0.42% down. The Nikkei index closed 0.98% down today. Today in the morning the WIG index was 0.33% down and the WIG20 index was 0.44% down.



Source: Bloomberg

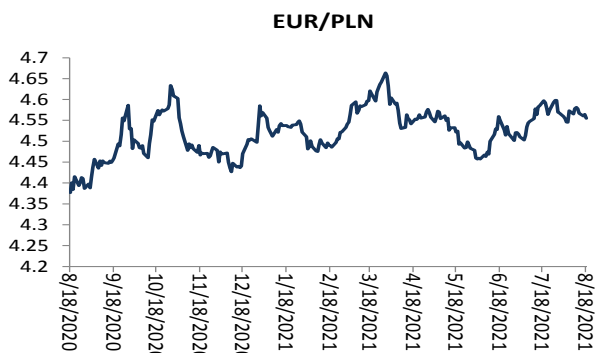


Source: Bloomberg



Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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