



Poland Daily

HEADLINES:

POL: Today Constitutional Tribunal will rule on whether EU law has precedence over Poland's constitution and whether Treaty on the EU gives the TSUE right to control lawfulness of nomination and to control independence of judges nominated by President.

POL: Flash inflation for August was significantly above market consensus expectations and amounted to 0.2% m/m and 5.4% y/y after 5.0% y/y in July. An increase in inflation in August resulted mainly from higher fuel and energy prices.

POL: Real GDP growth in Q2 was revised up to 11.1% y/y and 2.1% q/q. In Q2 private consumption grew by 13.3% y/y in real terms, public consumption increased by 3.8% y/y, investments in fixed assets rose by 5.0% y/y, exports grew by 29.3% y/y and imports increased by 35.8% y/y. Strong growth in GDP in Q2 was a result of robust recovery in private consumption and inventory investments. In Q2 net exports reduced GDP growth by 0.7 percentage point.

THE DAY AHEAD...

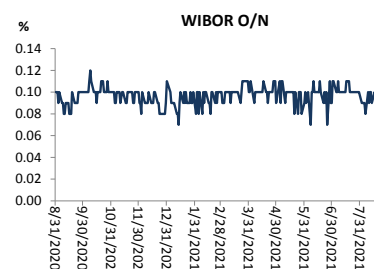
POL: Inflation (flash, Aug), GDP (Q2)

USA: Consumer confidence (Aug)

TODAY'S FOCUS:

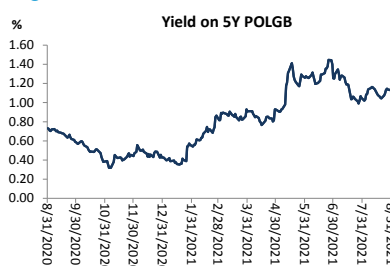
Today economic calendar contains flash inflation for August and Q2 GDP from Poland and US consumer confidence for August.

Figure 1: WIBOR O/N



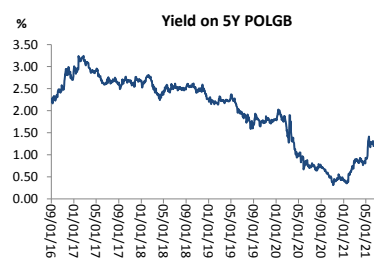
Source: Bloomberg

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	Inflataion (flash, Aug)	0.0% (5.0%)	0.2% (5.4%)	0.1% (5.1%)
POL	8:00	GDP (Q2)	1.9% (10.9%)	2.1% (11.1%)	1.9% (10.9%)
USA	14:00	Consumer confidence (Aug)	122.5		123.0



Foreign Exchange

Today in the morning the zloty was 0.9% firmer versus the USD and was 0.7% firmer versus the EUR compared to the previous NBP fixing. The zloty firmed today in the morning as inflation for August proved to be much above market consensus, fuelling expectations that the MPC may hike interest rates sooner than previously expected. The zloty should be moving within a range of 4.5250-4.5850 PLN per EUR today.

The USD weakened by 0.2% versus the EUR, as the tone of FOMC Chairman Powell speech at conference in Jackson Hole was dovish.

Fixed Income

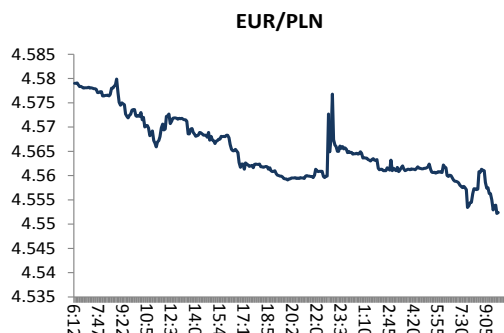
The yields on Poland's government bonds rose by 3bps in 2-year and 10-year sectors and rose by 4bps in 5-year one as inflation for August was much above market.

Interest Rates

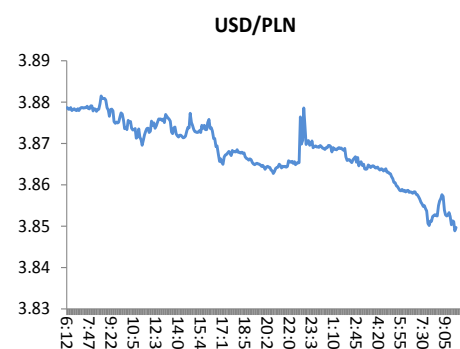
Today the O/N bid rate should be within a range of -0.12% - -0.08%. Swap rates were 4-6bps up across the curve.

Equities

Yesterday the Dow Jones index closed 0.16% down and the S&P 500 index rose by 0.43%. Today in the morning the FTSE 100 index was 0.12% down, the CAC 40 index was 0.09% up and the DAX index was 0.56% up. The Nikkei index closed 1.08% up today. Today in the morning the WIG index was 0.07% up and the WIG20 index was 0.27% up.



Source: Bloomberg



Source: Bloomberg

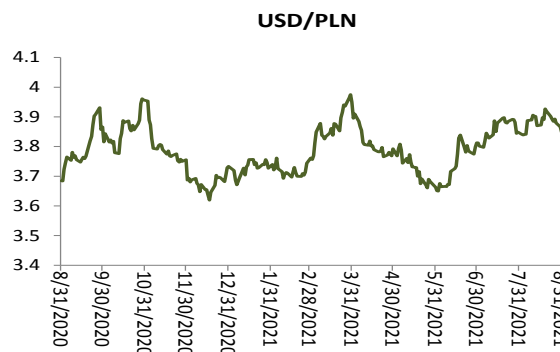


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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