



# Poland Daily

## HEADLINES:

USA: The FOMC, as expected hiked interest rates by 75bps for a fourth time in a row, bringing fed funds rate to 3.75%-4.00%. DB expects another 75bps rate hike in December followed by slowing down the pace of hikes early in 2023. Terminal rate in this hiking cycle is expected at at least 5%.

POL: PFR head Paweł Borys said that rising costs of Poland's debt required fiscal tightening and signalled that government's anti-inflation shields might be cancelled in the beginning of 2023. Paweł Borys informed that government would be seeking financing in foreign bonds markets. In his view priority for macroeconomic policy should be firming of the zloty. Therefore the MPC should be hiking in a small steps of 25bps to 7.50%. In his view the need of further interest rate hikes by the MPC follows from rapid tightening by the Fed rather than from domestic factors.

POL: MPC member Ludwik Kotecki said that end of anti-inflation shields would mean one-off increase in inflation by 3-4 percentage points what would mean an increase in inflation from 20% to 24% in February 2023.

## THE DAY AHEAD...

UK: Bank of England decision

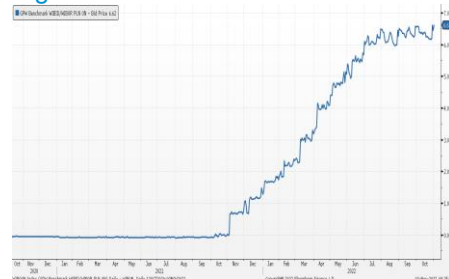
CZK: CNB decision

USA: Initial jobless claims, factory orders (Sep)

## TODAY'S FOCUS:

Today market participants will focus on Bank of England decision (75 bps hike expected) and Czech National Bank decision (no change expected). Economic calendar contains also U.S. initial jobless claims and factory orders for September.

Figure 1: WIBOR O/N



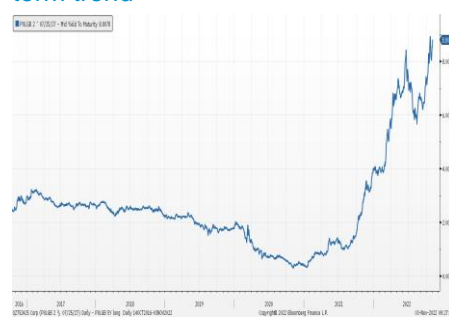
Source: Bloomberg

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
UK	12:00	BoE decision	3.00%		3.00%
CZK	12:30	CNB decision	7.00%		7.00%
USA	12:30	Initial jobless claims	222k		220k
USA	13:00	Factory orders (Sep)	0.3%		0.3%



### Foreign Exchange

Today in the morning the zloty was 1.7% weaker versus the USD, weakened by 0.2% versus the EUR and weakened by 0.2% versus the CHF compared to the previous NBP fixing. The zloty firmed by 0.4% versus GBP.

The USD firmed by 1.5% versus the EUR compared to the previous NBP fixing, as FOMC Chairman Powell said that terminal interest rate would be higher than previously expected by the FOMC.

### Fixed Income

The yields on Poland's government bonds were 21-24 bps up in all tenors.

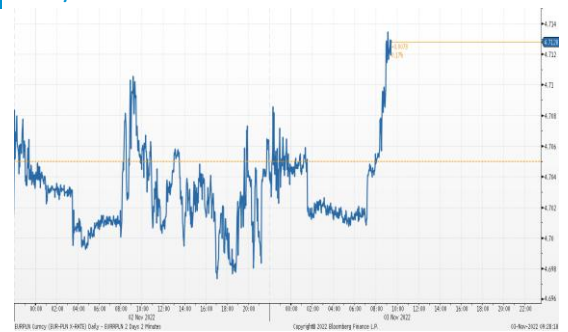
### Interest Rates

PLN swap rates were 10-12bps up across the curve.

### Equities

Yesterday the Dow Jones index closed 1.55% down and the S&P 500 index fell by 2.50%. Today in the morning the FTSE 100 index fell by 0.22%, the CAC 40 index was 0.66% down and the DAX index was 0.60% down. The Nikkei index closed 0.06% down. Today in the morning the WIG index fell by 0.97% and the WIG20 index was 1.30% down. Stock indices were negatively impacted by Fed's Chairman Powell signalling higher terminal interest rate.

#### EUR/PLN



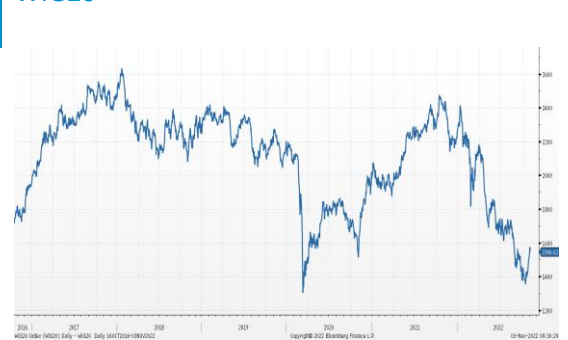
Source: Bloomberg

#### USD/PLN



Source: Bloomberg

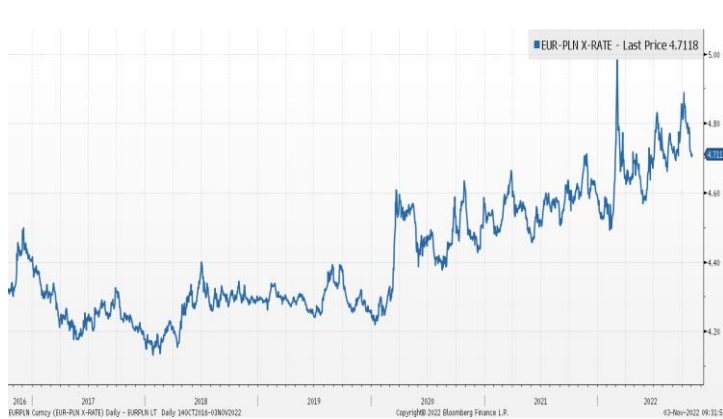
#### WIG20



Source: Bloomberg

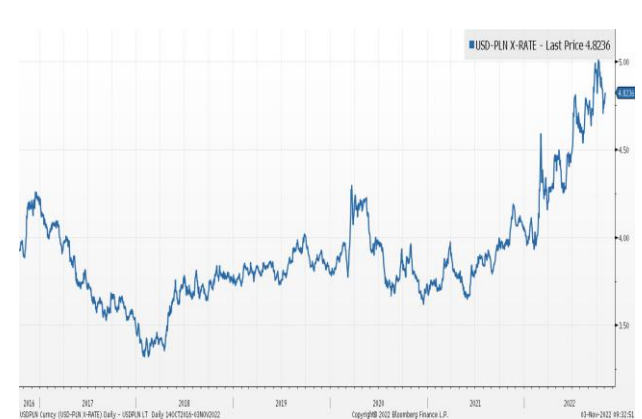
### Medium term FX trends:

#### EUR/PLN



Source: Bloomberg

#### USD/PLN



Source: Bloomberg



# Appendix 1

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