



Poland Daily

HEADLINES:

POL: In August real retail sales rose by 1.1% m/m and was 2.6% up y/y after rising 4.4% y/y in July. In August the strongest growth was reported in retail sales of automobiles (up 15.7% y/y), other retail sales, including via Internet (up 13.9% y/y), retail sales of pharmaceuticals and cosmetics (up 11.2% y/y) and retail sales of fuels (up 5.7% y/y). A decline in real retail sales was reported in sales of footwear and clothing (down 13.6% y/y), furniture, consumer electronics and white goods (down 5.3% y/y), retail sales in specialized shops (down 1.9% y/y) and food (down 0.4% y/y). In August nominal retail sales were 0.9% up m/m and rose by 3.2% y/y.

POL: In August construction output fell by 9.6% y/y and rose by 0.9% y/y.

POL: Money supply M3 rose by 0.5% m/m and increased by 7.8% y/y in August after rising by 8.3% y/y in July.

THE DAY AHEAD...

POL: Unemployment rate (Aug)

DEU: IFO (Sep)

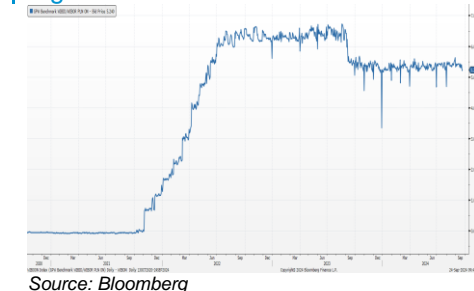
HUN: NBH decision

USA: Consumer confidence (Sep)

TODAY'S FOCUS:

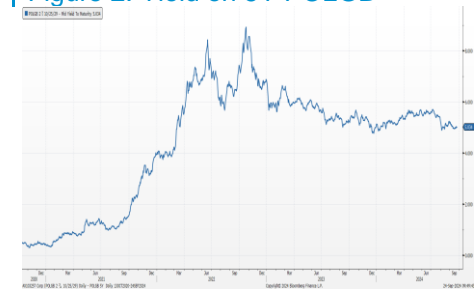
Today economic calendar contains IFO index for September from Germany and consumer confidence for September from the US. Today NBH will likely cut policy rate by 25 bps. On a domestic side unemployment rate for August is due today.

Figure 1: WIBOR O/N



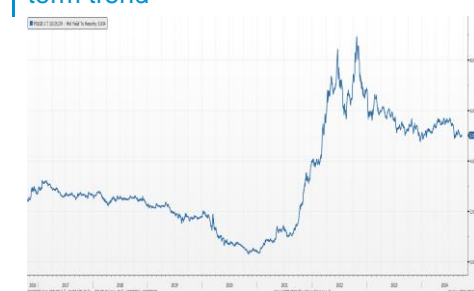
Source: Bloomberg

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
DEU	8:00	IFO (Sep)			86.0
POL	8:00	Unemployment rate (Aug)	5.0%		5.0%
HUN	12:00	NBH decision	6.50%		6.50%
USA	14:00	Consumer confidence (Sep)	105.5		104.0



Foreign Exchange

Today in the morning the zloty was firmer by 0.5% versus the USD, firmed by 0.2% versus the EUR and was 0.1% firmer versus the CHF compared to the previous NBP fixing. The zloty was 0.1% weaker versus the GBP compared to the previous NBP fixing.

Today in the morning the USD was 0.3% weaker versus the EUR compared to the previous NBP fixing. The CHF firmed by 0.1% versus the EUR and the GBP firmed by 0.6% versus the USD compared to the previous NBP fixing.

Fixed Income

The yields on Poland's government bonds were 2bps up in 5-year and 10-year sectors and fell by 3bps in 2-year one. At auction on Wednesday Finance Ministry will offer POLGBs series OK0127, PS0729, WZ0330, DS0432, DS1034 and IZ0836 worth total PLN6-10bn.

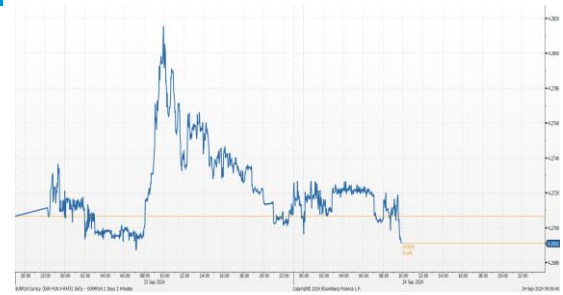
Interest Rates

Today in the morning PLN swap rates were 2bps up in 5-year and 10-year sectors and rose by 1bps in 2-year sector.

Equities

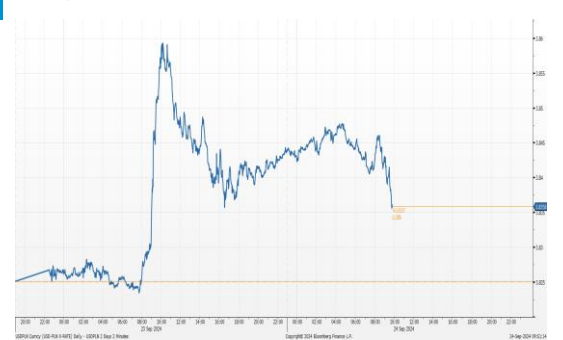
Yesterday the Dow Jones index closed 0.15% up and the S&P 500 index closed 0.28% up while NASDAQ rose by 0.14%. Today in the morning the FTSE 100 index rose by 0.42%, the CAC 40 index was 1.06% up and the DAX index was 0.56% up. The Nikkei index rose by 0.57%. Today in the morning the Hang Seng index rose by 3.95% as China announced launching stabilisation fund worth USD113bn. Today in the morning the WIG index rose by 1.03% and the WIG20 index was 1.18% up.

EUR/PLN



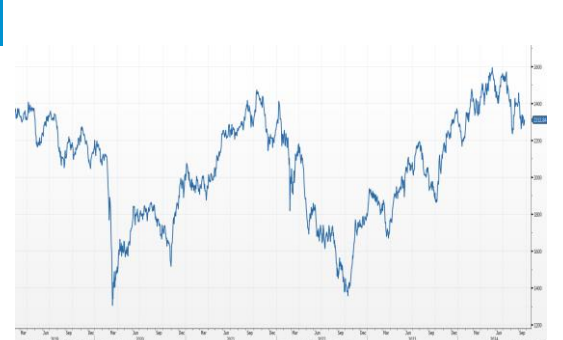
Source: Bloomberg

USD/PLN



Source: Bloomberg

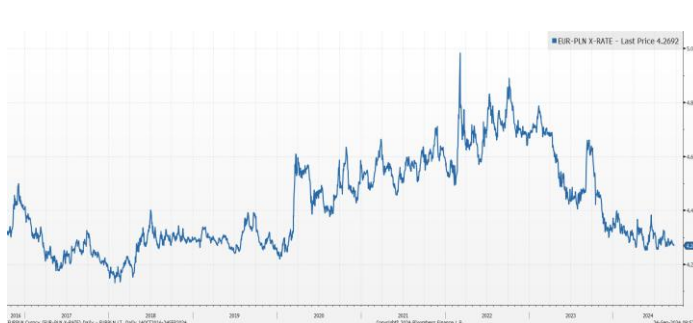
WIG20



Source: Bloomberg

Medium term FX trends:

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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