



Poland Daily

HEADLINES:

POL: MPC member Henryk Wnorowski cautioned against overreacting to a recent decline in retail sales for September. In his view reaction of financial markets to retail sales data were excessive. He suggested that weaker retail sales in September might be attributed to adjustment of households' spending after a period of increased spending during summer holidays. MPC member added that he awaits new NBP inflation projection due in November.

POL: Consumer confidence fell to -15.8pts in October from -13.9pts in September. A decline in consumer confidence stemmed from moderate deterioration in all sub-categories of the confidence index. In October the biggest decline occurred in assessment of the current economic situation of Poland what can be related to deterioration in assessment of the current and future financial situation of households.

POL: Registered unemployment rate amounted to 5.0% in September and has been unchanged for 3 three months in a row. Situation in labour market is still good despite year-on-year decline in employment due to structural deficit of labour.

THE DAY AHEAD...

EMU: PMI (Oct)

DEU: PMI (Oct)

FRA: PMI (Oct)

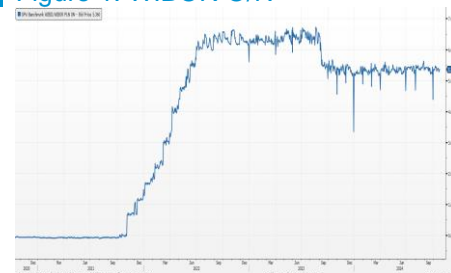
USA: PMI (Oct) initial jobless claims, New home sales (Oct)

TODAY'S FOCUS:

Today economic calendar contains preliminary data on PMIs for October from euro-zone and the USA. The calendar contains also initial jobless claims and new home sales for October from the USA.

DIARY (Today)

Figure 1: WIBOR O/N



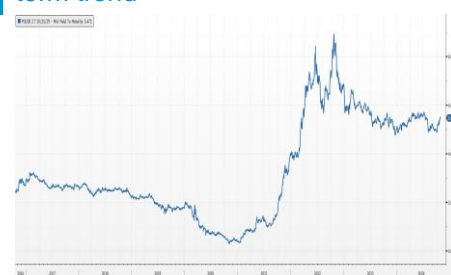
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

Figure 3: Yield on 5Y POLGB – long term trend



Source: Bloomberg

Country	GMT	Release	DB Expected	Actual	Consensus
FRA	7:15	PMI services (Oct, prel.)		48.3	49.9
DEU	7:30	PMI manufacturing (Oct, prel.)		42.6	40.8
EMU	8:00	PMI manufacturing (Oct, prel.)		45.9	45.1
USA	12:30	Initial jobless claims			242k
USA	13:45	PMI manufacturing (Oct, prel.)			47.5
USA	14:00	New home sales (Oct)	700k		720k

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

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

Today in the morning the USD was unchanged versus the EUR and was 0.2% firmer versus the GBP compared to the previous NBP fixing. The CHF was unchanged versus the EUR compared to the previous NBP fixing.

Fixed Income

The yields on Poland's government bonds were 5bps down in 2-year sector and fell by 8bp in 5-year and 10-year sectors. At auction yesterday Finance Ministry will offer government bonds series OK0127, PS0130, WZ0330, DS0432, DS1034, IZ0836 and WS0437 worth total PLN8.6bn versus PLN9.7bn demand.

Interest Rates

Today in the morning PLN swap rates were 6bps down in 2-year and 5-year sectors and fell by 8bps in 5-year sector.

Equities

Yesterday the Dow Jones index closed 0.95% down and the S&P 500 index closed 0.92% down while NASDAQ fell by 1.60%. Today in the morning the FTSE 100 index rose by 0.13%, the CAC 40 index was 0.46% up and the DAX index was 0.55% up. The Nikkei index rose by 0.10% and the Hang Seng index fell by 1.26%. Today in the morning the WIG index rose by 0.75% and the WIG20 index was 0.73% up.

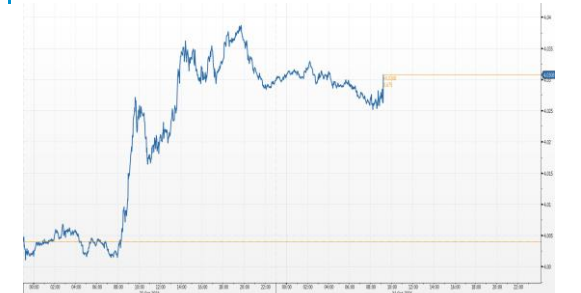
Medium term FX trends:

EUR/PLN



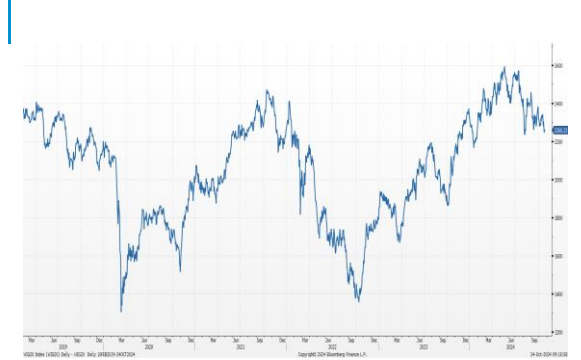
Source: Bloomberg

USD/PLN



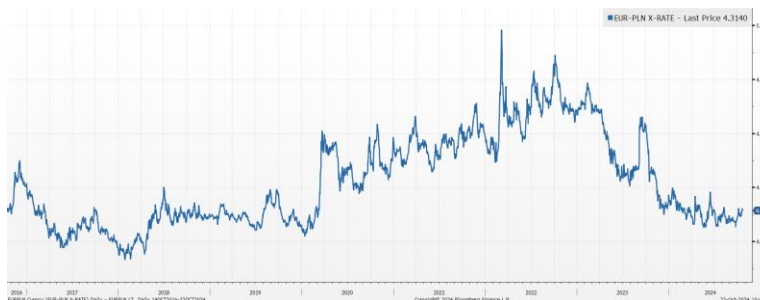
Source: Bloomberg

WIG20



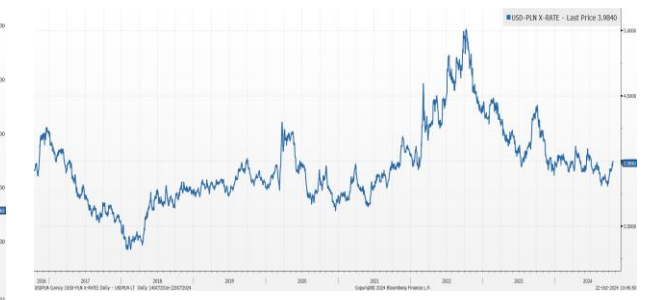
Source: Bloomberg

EUR/PLN



Source: Bloomberg

USD/PLN



Source: Bloomberg



Appendix 1

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