



Poland Daily

HEADLINES:

POL: Finance Minister Tadeusz Kosciński said that during the fourth wave of coronavirus only local lock-downs might be introduced and added that economy would recover from the fourth wave without excessive economic costs. In the period of January-September budget revenues amounted to PLN360.1bn (or 89.0% of annual plan), expenditures amounted to PLN312.5bn (or 64.2% of plan) and budget surplus rose to PLN47.6bn versus PLN43.4bn in January-August this year. Finance Minister expressed a view that the current surplus trend in public finances would continue but it would turn into a deficit in year end, albeit smaller than -PLN40bn.

THE DAY AHEAD...

DEU: CPI (Oct)

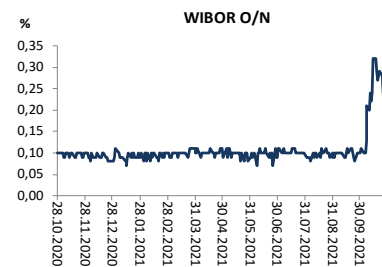
EMU: ECB decision

USA: initial jobless claims, GDP (Q3, A)

TODAY'S FOCUS:

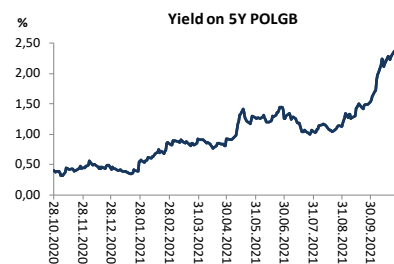
Today market participants will be focusing on ECB decision (DB expects the ECB to repeat its forward guidance). Economic calendar also contains Germany's CPI for October and US initial jobless claims and Q3 GDP.

Figure 1: WIBOR O/N



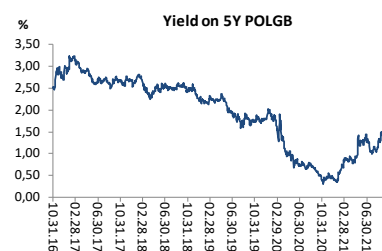
Source: Bloomberg

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 |
|---------|-------|------------------------|-------------|--------|-------------|
| EMU | 11:45 | ECB decision | 0.00% | | 0.00% |
| DEU | 12:00 | Inflation (Oct) | (4.4%) | | 0.4% (4.4%) |
| USA | 12:30 | Initial jobless claims | 295k | | 288k |
| USA | 12:30 | GDP (Q3, A) | 2.3% | | 2.6% |

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

Today in the morning the zloty was 0.3% weaker versus the USD and was 0.3% weaker versus the EUR compared to previous NBP fixing. The zloty weakened yesterday as Germany's government revised down its GDP growth forecast for 2021. The zloty should be moving within a range of 4.6150-4.6350 PLN per EUR today.

The EUR/USD exchange rate stabilised after volatile day yesterday. The CAD gained 0.4% versus the USD as the Bank of Canada ended QE programme and expressed readiness to hike interest rates.

Fixed Income

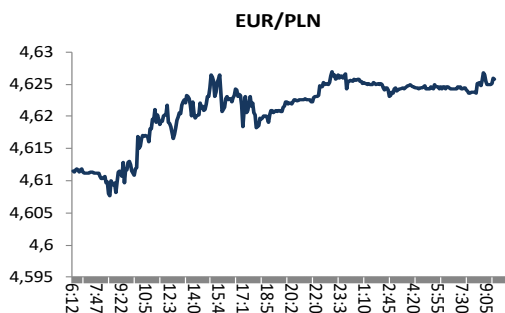
The yields on Poland's government bonds rose by 2-3bps in all tenors following weakening of the zloty.

Interest Rates

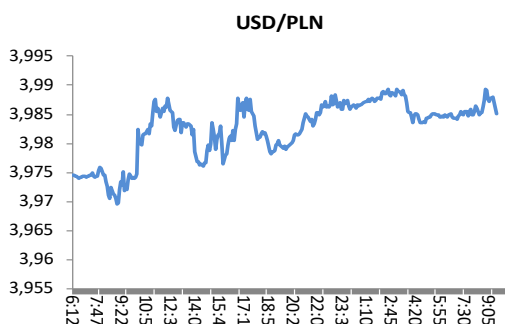
Today the O/N bid rate should be within a range of 0.0% - 0.15%. Swap rates were 3-4bps up in all tenors.

Equities

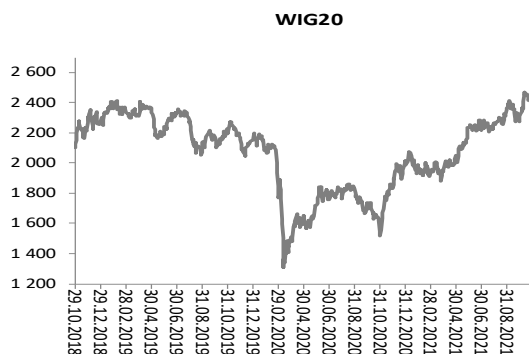
Yesterday the Dow Jones index closed 0.74% down and the S&P 500 index fell by 0.51%. Today in the morning the FTSE 100 index was 0.42% down, the CAC 40 index was 0.06% up and the DAX index was 0.23% down. The Nikkei index closed 0.96% down. Today in the morning the WIG index was 0.26% down and the WIG20 index was 0.18% down.



Source: Bloomberg

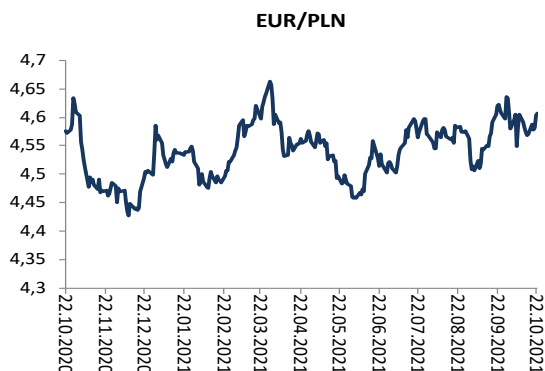


Source: Bloomberg

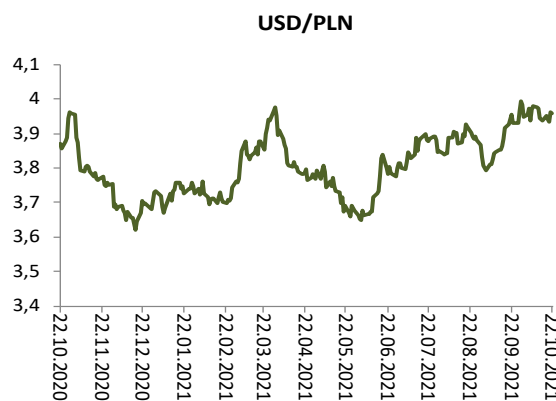


Source: Bloomberg

Medium term FX trends:



Source: Bloomberg



Source: Bloomberg



Appendix 1

Important Disclosures

Additional information available upon request

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