



# Poland Daily

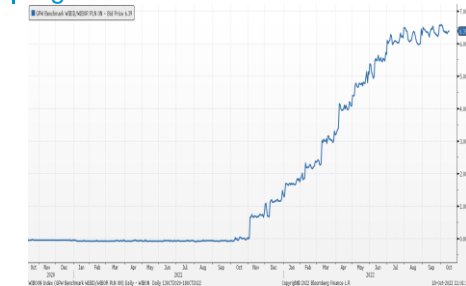
## HEADLINES:

POL: In September core CPI (ex food and energy) rose by 1.4% m/m and increased by 10.7% y/y. Core inflation has been rising since June 2021 following rising consumer prices. As of the current inflationary shock is mainly generated by shock to energy prices, pass-through to core CPI is relatively quick. This is also facilitated by rising wages as Poland's economy is practically at full employment and unemployment rate is record low.

POL: MPC member Joanna Tyrowicz said that there was a room for 100bps rate hike at November's MPC meeting. In her opinion it might be justified by a strong data from labour market, data on retail sales, industrial production and construction.

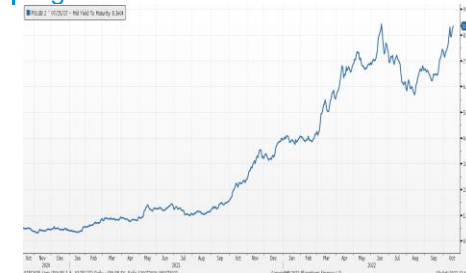
POL: MPC member Ireneusz Dąbrowski said that rate further hikes would generate costs to economy without benefits in fighting inflation. In his view small rate hikes wouldn't have impact on inflation expectations while big hikes in interest rates would cause economy to slide into recession.

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

## THE DAY AHEAD...

DEU: ZEW (Oct)

USA: Industrial production (Sep)

## TODAY'S FOCUS:

Today economic calendar contains German ZEW index for October and US industrial production for September.

## DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
DEU	9:00	ZEW (Oct)		-59.2	-66.5
USA	13:15	Industrial production (Sep)	0.2%		0.1%



### Foreign Exchange

Today in the morning the zloty was 1,3% firmer versus the USD, firmed by 0.2% versus the EUR and firmed by 0.4% versus the CHF compared to the previous NBP fixing. The zloty firmed by 0.8% versus GBP.

The USD weakened by 1.1% versus the EUR compared to the previous NBP fixing as UK Finance Minister rejected PM Truss's plan of huge tax cuts in the UK.

### Fixed Income

The yields on Poland's government bonds were 21-22 bps up in all tenors after comment from MPC Tyrowicz that there was a room for 100bps hike in November.

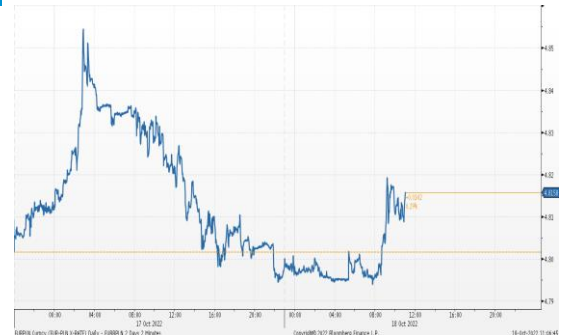
### Interest Rates

PLN swap rates were 12-15 bps up in all tenors.

### Equities

Yesterday the Dow Jones index closed 1,86% up and the S&P 500 index rose by 2.65%. Today in the morning the FTSE 100 index rose by 0.51%, the CAC 40 index was 0.58% up and the DAX index was 1.06% up. The Nikkei index closed 1.42% up. Today in the morning the WIG index rose by 0.84% and the WIG20 index was 1.01% up.

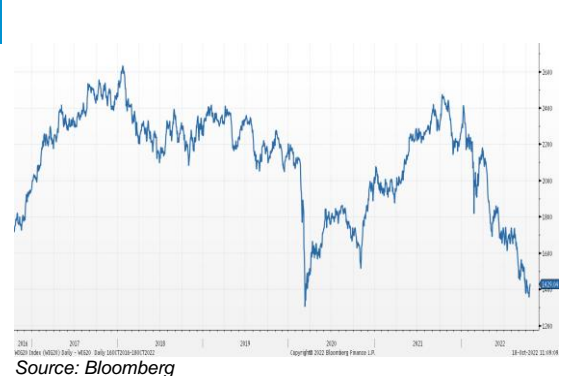
#### EUR/PLN



#### USD/PLN

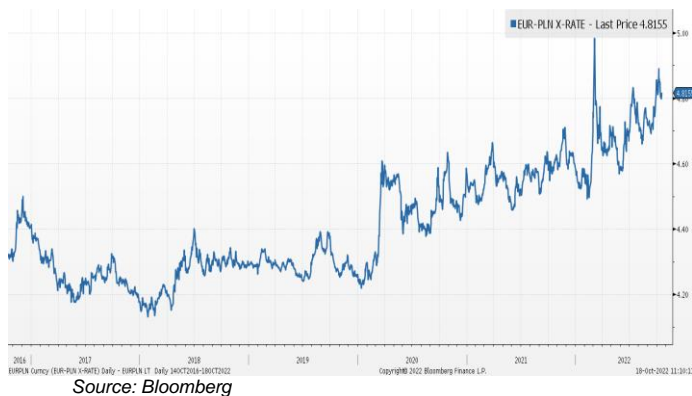


#### WIG20

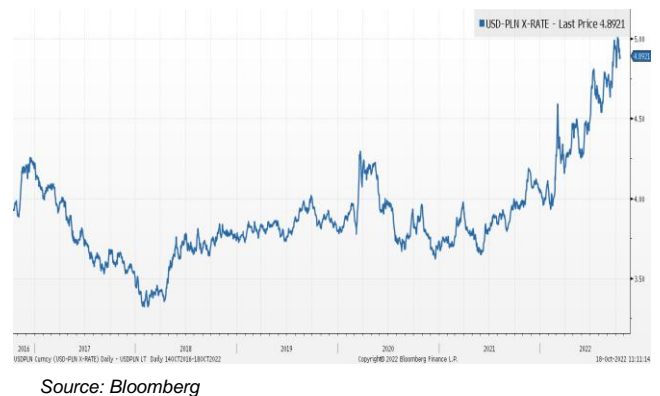


### Medium term FX trends:

#### EUR/PLN



#### USD/PLN





# Appendix 1

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