



Poland Daily

HEADLINES:

POL: The PMI index in the industry rose to 49.0 points in September from 48.3 points in August, matching our forecast and exceeding market consensus. In September, production, new orders, and employment were declining at a slower pace. The drop in new orders in September was milder than the previous month, due to weak market demand and rising prices. The fall in export orders accelerated in September. Because the overall decline in orders was less severe, the drop in production was also milder in September. In September, the decline in industrial employment was only marginal. Forecasts for future production were the highest since May, driven by expected demand improvement, company expansion plans, and the launch of new products. In September, production cost inflation was the lowest in four months, but inflationary pressure remained high due to higher prices of raw materials, energy, fuel, and transport because of geopolitical disruptions. Finished goods price inflation sped up a bit, though. In September, companies increased their stock of production materials, despite significantly longer delivery times.

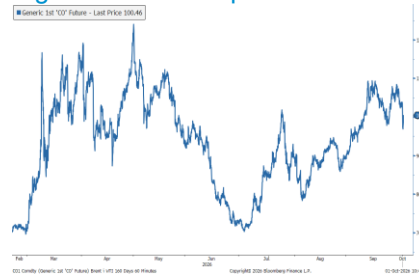
THE DAY AHEAD...

POL: PMI Manufacturing (Sep)
 CZK: PMI Manufacturing (Sep)
 HUN: PMI Manufacturing (Sep)
 DEU: PMI Manufacturing (Sep)
 EMU: PMI Manufacturing (Sep)
 USA: initial jobless claims, ISM Manufacturing (Sep)

TODAY'S FOCUS:

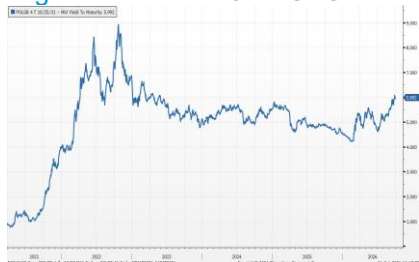
Today, the economic calendar contains a series of PMI data for September in industry from Poland, CE3, Europe, and the USA, as well as the number of new unemployment claims from the USA.

Figure 1: Brent oil price



Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg

DIARY (Today)

Country	CET	Release	DB Expected	Actual	Consensus
POL	9:00	PMI Manufacturing (Sep)	49.0	49.0	48.7
HUN	9:00	PMI Manufacturing (Sep)		52.0	51.5
CZK	9:30	PMI Manufacturing (Sep)		53.5	53.7
DEU	9:55	PMI Manufacturing (Sep)		53.9	53.8
EMU	10:00	PMI Manufacturing (Sep)		52.9	52.7
USA	14:30	Initial jobless claims	200k		200k
USA	15:45	PMI Manufacturing (Sep)			57.0
USA	16:00	ISM Manufacturing (Sep)	55.1		55.0

Source: Deutsche Bank Estimates and Bloomberg Finance LP



Foreign Exchange

This morning, the zloty was 0.8% weaker against the USD and 0.2% weaker against the EUR compared to yesterday's fixing. The zloty was 0.5% weaker against the CHF and 0.4% weaker against the GBP compared to yesterday's fixing. The zloty's weakening this morning was due to the strong strengthening of the US dollar.

This morning, the USD was 0.6% stronger against the EUR, the CHF was 0.3% stronger against the EUR, and the GBP was 0.4% weaker against the USD compared to yesterday's fixing.

Fixed Income

This morning, the yield on Polish government bonds went up by 4 basis points in the 2-year sector and increased by 6 and 5 basis points in the 5-year and 10-year sectors, respectively.

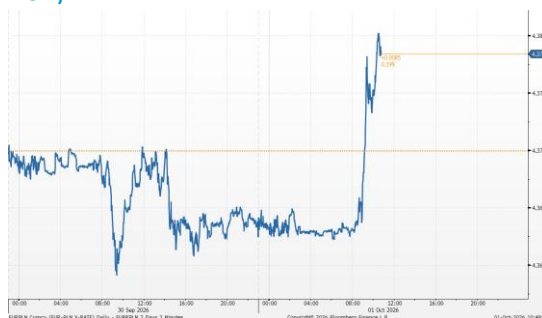
Interest Rates

This morning, swap rates went up by 5 bps in the 2-year sector and increased by 6 bps and 5 bps respectively in the 5-year and 10-year sectors.

Equities

Yesterday at the close, the Dow Jones dropped by 0.86%, the S&P 500 fell by 0.25%, and the NASDAQ went up by 0.24%. This morning before noon, the FTSE 100 dropped 1.65%, the CAC 40 was down 1.41%, and the DAX was down 1.07%. The Nikkei closed up 3.30%. This morning before noon, the WIG index dropped 1.21%, and the WIG20 was down 1.45%.

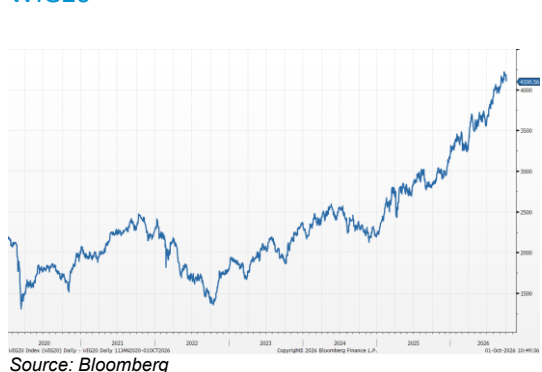
EUR/PLN



USD/PLN



WIG20

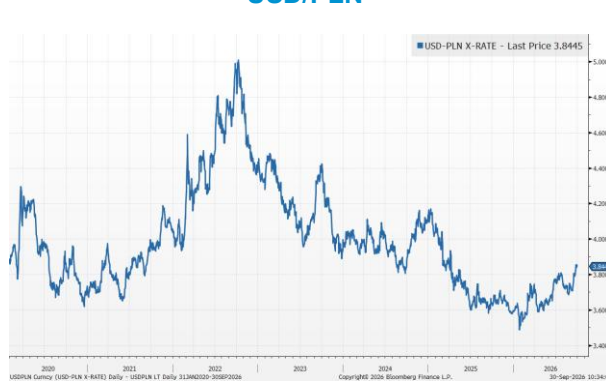


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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