



Poland Daily

HEADLINES:

POL: President Karol Nawrocki signed a law introducing a tax on extraordinary profits from fuel sales, which will be applied from March 1, 2026, to March 31, 2027. This tax will go directly to the state budget, and the revenue from it is expected to reach 4 billion PLN. The Minister of Finance and Economy issued a regulation lowering the VAT rate on liquid fuels from 23% to 8%. The excise tax on fuels was also reduced. Both cuts will be in effect from October 3, 2026, to December 31, 2026. According to the Minister of Energy, Miłosz Motyka, lowering the VAT and excise on fuels should lead to retail fuel prices dropping by 1.2 PLN per liter for gasoline and 1.3 PLN per liter for diesel. The cost of the current indirect tax cuts on fuels to the state budget is 1.6 billion PLN per month, which means it will amount to 4.8 billion PLN by the end of this year.

THE DAY AHEAD...

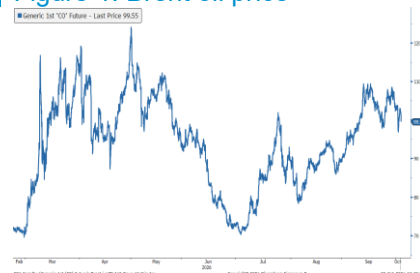
EMU: CPI (Sep, prel.),

USA: Employment report (Sep), factory orders (Aug)

TODAY'S FOCUS:

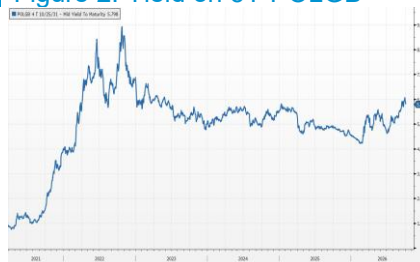
Today, market participants will be focusing on the US employment report for September. On the domestic market, analysts' attention will be on the next release of the government package aimed at lowering fuel prices. The economic calendar also includes preliminary September inflation from the eurozone and US industrial orders for August.

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
EMU	11:00	CPI (Sep, prel.)	0.6% (3.7%)	0.6% (3.8%)	0.5% (3.7%)
USA	14:30	Change in non-farm payrolls (Sep)	60k		90k
USA	14:30	Unemployment rate (Sep)	4.1%		4.1%
USA	16:00	Factroy orders (Sep)	0.1%		0.2%



Foreign Exchange

This morning, the zloty was 0.4% weaker against the USD and unchanged against the EUR compared to yesterday's fixing. The zloty was as much as 1.2% weaker against the CHF and 0.3% weaker against the GBP compared to yesterday's fixing. The zloty's weakness this morning was due to the continued strengthening of the US dollar.

This morning, the USD was 0.4% stronger against the EUR, the CHF was as much as 1.2% stronger against the EUR, and the GBP was 0.4% weaker against the USD compared to yesterday's fixing. The CHF strengthened following a recommendation from one of the American banks to sell EUR for CHF due to likely excessive monetary tightening in the euro area. Increased risk aversion was also a reason for the demand for CHF.

Fixed Income

This morning, the yield on Polish government bonds dropped by 14 basis points in the 2-year sector and fell by 10 and 8 basis points in the 5-year and 10-year sectors, respectively. The drop in government bond yields was due to falling yields in the core markets and expectations that another fuel price-cutting package would reduce inflation in Poland.

Interest Rates

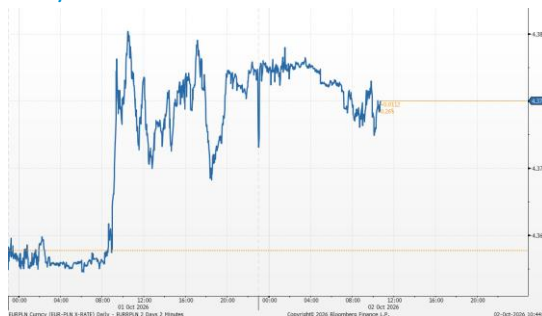
This morning, swap rates dropped by 9 bp in the 2-year sector and fell by 10 bp and 7 bp in the 5-year and 10-year sectors, respectively.

Equities

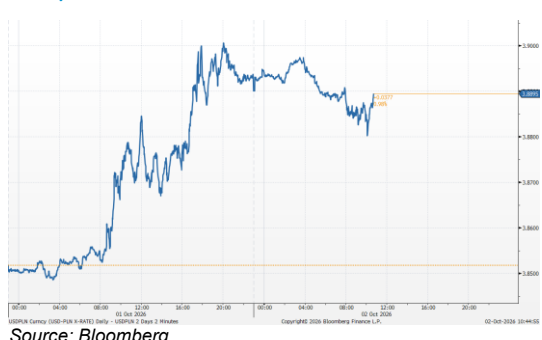
Yesterday at the close, the Dow Jones index went up by 0.04%, the S&P 500 rose by 0.19%, and the NASDAQ increased by 0.04%. This morning, the FTSE 100 was up by 0.64%, the CAC 40 was higher by 1.00%, and the DAX was up by 1.03%. The Nikkei closed down by 0.94%, and the Hang Seng was lower by 2.60% at the close. This morning, the WIG index went up by 0.03%, and the WIG20 was higher by 0.06%.

Medium term FX trends:

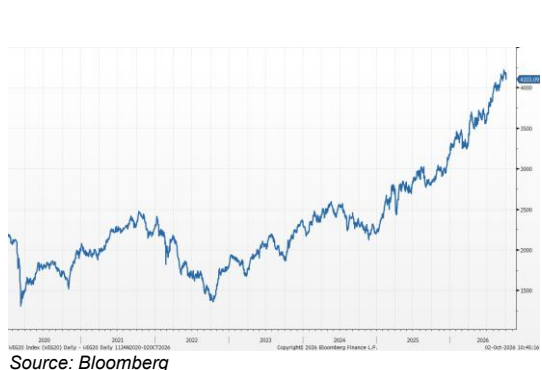
EUR/PLN



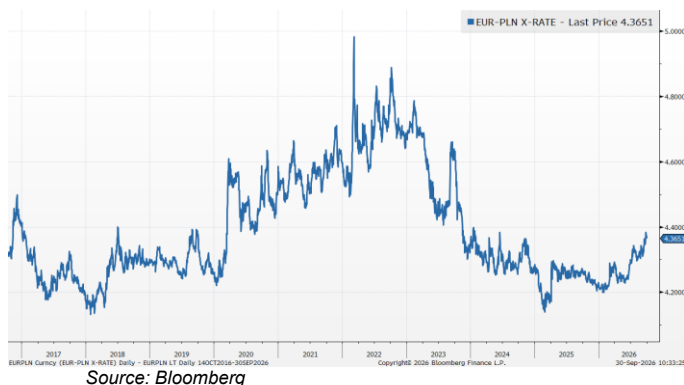
USD/PLN



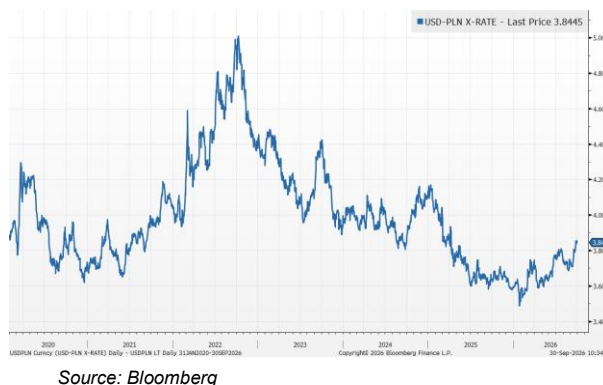
WIG20



EUR/PLN



USD/PLN





Appendix 1

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