



Poland Daily

HEADLINES:

POL: The Monetary Policy Council, as expected, kept interest rates unchanged and reiterated that the Council's future decisions will depend on inflation prospects and economic activity in Poland. The MPC will pay particular attention to the development of commodity prices and global inflation. As risk factors for inflation, the MPC listed the shape of fiscal policy, regulatory decisions regarding energy prices, changes in economic activity in Poland, and wage growth. The MPC emphasized that the prospects for inflation and economic activity worldwide are uncertain, mainly due to the conflict in the Middle East. Analyzing the situation in the Polish economy, the MPC noted that wage growth in the enterprise sector eased in August, with employment continuing to decline. The MPC pointed to the rise in consumer inflation in September caused by rising fuel prices, with an estimated decrease in core inflation. In our opinion, considering the VAT and excise tax cuts on fuel in Q4 this year, the prospect of a rate hike is moving to Q1 2027, provided the government doesn't extend fuel price controls into next year.

THE DAY AHEAD...

POL: NBP president's press conference

EMU: Minutes from the ECB meeting

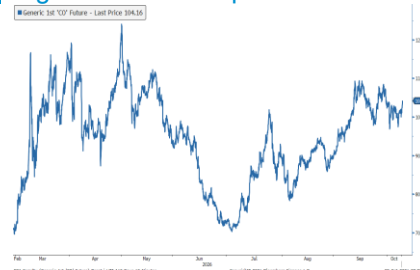
USA: initial jobless claims, wholesale inventories (Aug)

TODAY'S FOCUS:

Today, market participants will be focusing on the press conference of the NBP president and the minutes from the ECB meeting in September. The economic calendar also includes the number of new jobless claims and wholesale inventories for August from the US.

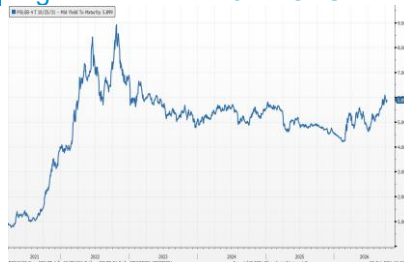
DIARY (Today)

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

Country	CET	Release	DB Expected	Actual	Consensus
EMU	13:30	Minutes from the ECB meeting			
USA	14:30	Initial jobless claims	200k		200k
POL	15:00	NBP president's press conference			
USA	16:00	Wholesale inventories (Aug)	1.0%		0.7%



Foreign Exchange

This morning, after a stronger opening, the zloty was unchanged against the USD and unchanged against the EUR compared to yesterday's fixing. The zloty was unchanged against the CHF and was stronger by 0.2% against the GBP compared to yesterday's fixing.

This morning, the USD was unchanged against the EUR, the CHF was unchanged against the EUR, and the GBP was weaker by 0.2% against the USD compared to yesterday's fixing. Yesterday, the USD strengthened against the EUR to 1.1166, and this morning it was 1.1198.

Fixed Income

This morning, the yield on Polish government bonds rose by 5 basis points across the entire curve, following the rise in yields on core markets.

Interest Rates

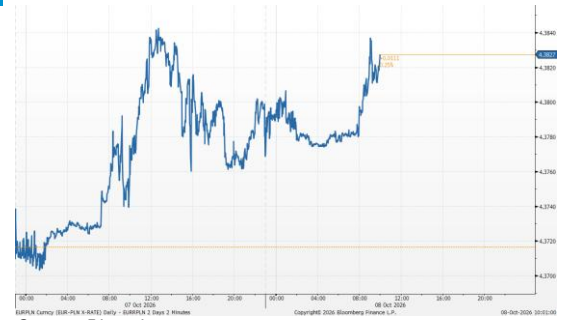
This morning, swap rates went up by 5 bps in the 2-year sector and increased by 6 bps in the 5-year and 10-year sectors.

Equities

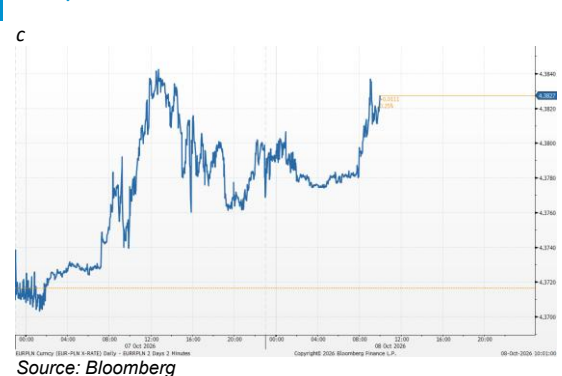
Yesterday at the close, the Dow Jones fell by 0.66%, the S&P 500 dropped by 0.22%, and the NASDAQ slipped by 0.22%. This morning before noon, the FTSE 100 was down 0.53%, the CAC 40 was down 0.95%, and the DAX was down 0.68%. The Nikkei closed 1.42% lower, and the Hang Seng was down 1.61% at the close. This morning before noon, the WIG index fell by 0.99% and the WIG20 was down 1.19%. The rise in oil prices, which is increasing inflationary pressure in global markets and pushing for interest rate hikes, sparked a new wave of selling in stocks and bonds markets.

Medium term FX trends:

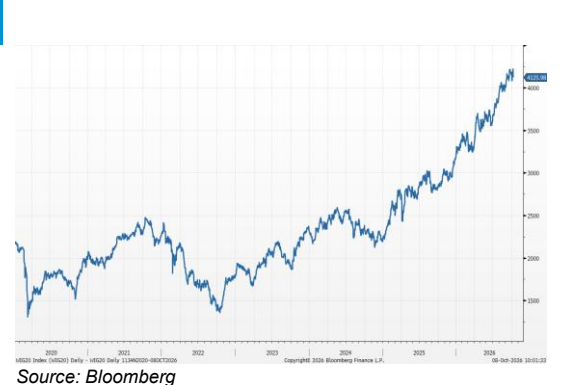
EUR/PLN



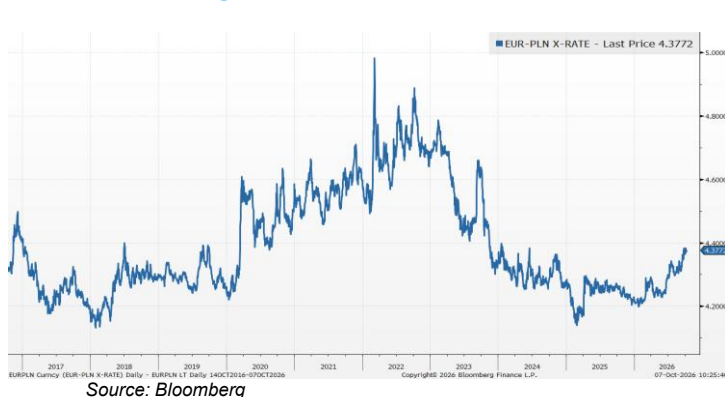
USD/PLN



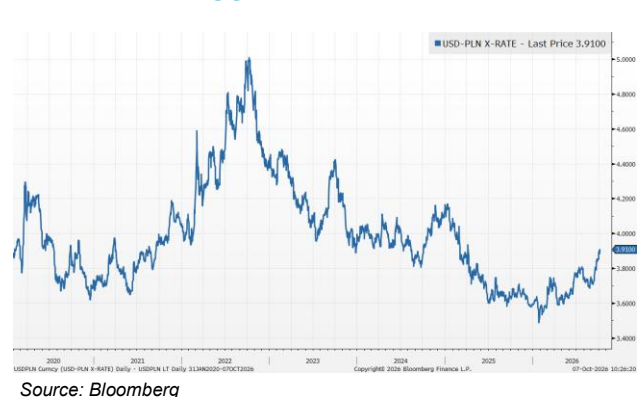
WIG20



EUR/PLN



USD/PLN





Appendix 1

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