



Poland Daily

HEADLINES:

POL: At a press conference, NBP President Adam Glapiński stated that currently there are no signs that higher fuel prices are translating into price increases in other sectors of the economy. At the same time, the NBP president emphasized that if inflation risks continue to rise, the Monetary Policy Council (RPP) is ready to take action. In response to a journalist's question, Professor Glapiński confirmed that a rate hike is not ruled out even at the November meeting, but he added that he does not expect such a decision from the Council. The NBP president stressed that he sees strong determination among Council members not to miss the right moment to raise rates and to prevent inflation from spreading to other sectors and becoming entrenched. According to the NBP president, the effects of the second round are not currently visible and there are no fears of accelerating inflation. However, the NBP president emphasized that global uncertainty regarding inflationary pressures means the RPP remains ready to act if necessary. The comments from the NBP president push the prospect of a rate hike to Q1 2027.

POL: Ludwik Kotecki from the Monetary Policy Council said that the Council was much more hawkish than a month earlier. The MPC member added that if the inflation projection in November shows that inflation doesn't return to 2.5% by the end of 2027 and the beginning of 2028, he expects a proposal to raise rates by 25 basis points so the MPC can show it's in control of inflation. In his view, the risk balance is currently tilted towards higher inflation.

THE DAY AHEAD...

POL: NBP publishes minutes from MPC meeting

USA: University Michigan Consumer Sentiment (Oct., prel)

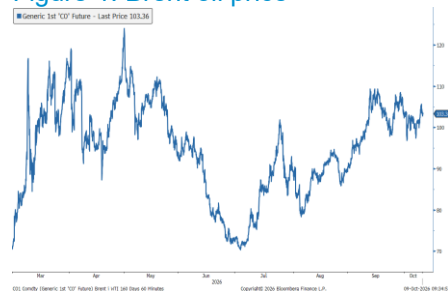
TODAY'S FOCUS:

Today's economic calendar includes the release of the summary of discussions at the central bank meeting in September and preliminary data on consumer sentiment from the US.

DIARY (Today)

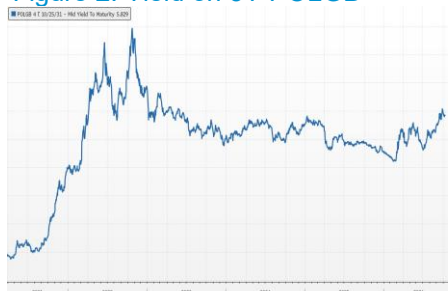
Country	CET	Release	DB Expected	Actual	Consensus
POL	14:00	Opis dyskusji na posiedzeniu RPP			
USA	16:00	Nastroje konsumenckie wg Uniw. Michigan (paź, wst.)	48,0		47,6

Figure 1: Brent oil price



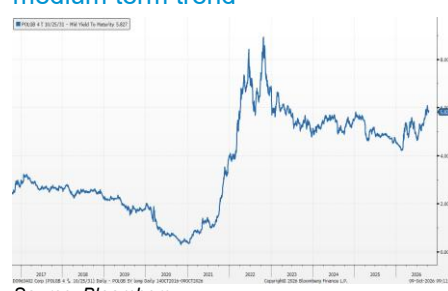
Source: Bloomberg

Figure 2: Yield on 5Y POLGB



Source: Bloomberg

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



Source: Bloomberg



Foreign Exchange

This morning, after a stronger opening, the zloty was up 0.4% against the USD and up 0.1% against the EUR compared to yesterday's fixing. The zloty was unchanged against the CHF and unchanged against the GBP compared to yesterday's fixing.

This morning, the USD was down 0.3% against the EUR, the CHF was up 0.1% against the EUR, and the GBP was unchanged against the USD compared to yesterday's fixing. This morning, the USD to EUR rate was 1.1226.

Fixed Income

This morning, the yield on Polish government bonds fell by 2 basis points in the 2-year sector and by 1 basis point in the 5-year sector, while it remained unchanged at the long end of the curve.

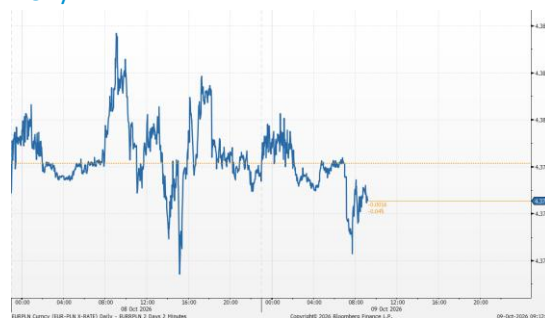
Interest Rates

This morning, swap rates fell by 2 bps in the 2-year sector, by 3 bps in the 5-year sector, and by 4 bps in the 10-year sector.

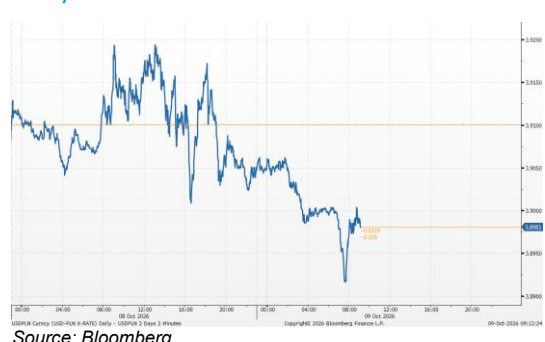
Equities

Yesterday at the close, the Dow Jones index rose by 0.10%, the S&P 500 index fell by 0.47%, and the NASDAQ fell by 1.25%. This morning, the FTSE 100 index was up 0.86%, the CAC 40 was up 0.80%, and the DAX was up 0.76%. The Nikkei index closed down 0.02%, while the Hang Seng was up 1.52% this morning. This morning, the WIG index rose by 0.75% and the WIG20 was up 0.82%. Stock indices went up after news of higher projected profits for OpenAI and after President Trump announced that the U.S. would not attack Iran before the U.S. midterm elections scheduled for November 3.

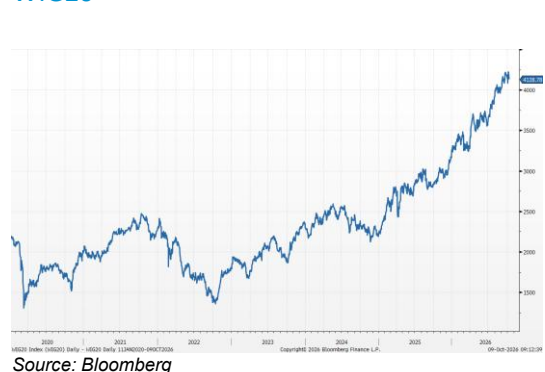
EUR/PLN



USD/PLN

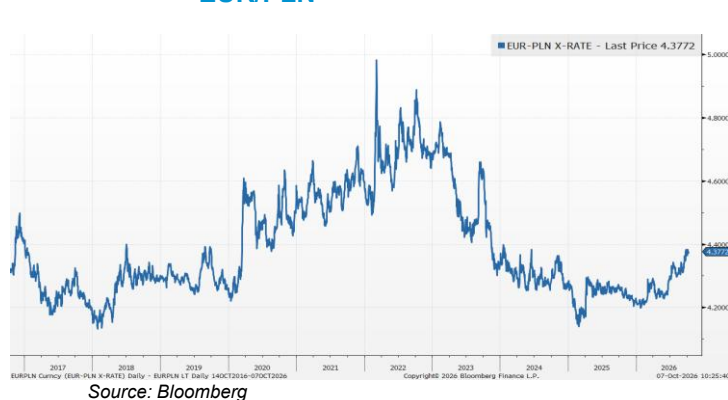


WIG20

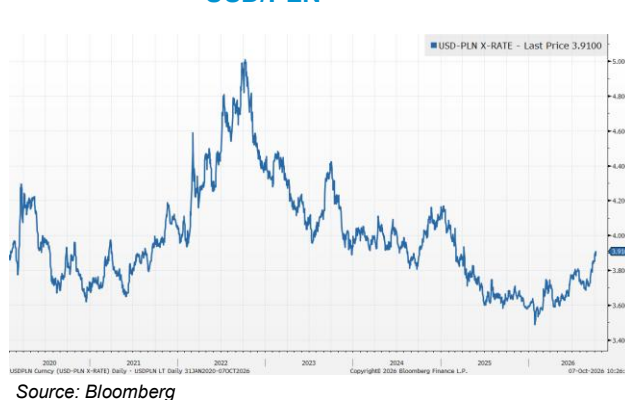


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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