



Poland Daily

HEADLINES:

POL: In October core inflation (ex energy and food) amounted to 0.6% m/m and 8.0% y/y. Annual core inflation declines consistently albeit at a slower pace than decline in consumer inflation. An increase in monthly core CPI in October stemmed mainly from seasonal rise in prices of clothing and footwear and further increase in services prices.

POL: According to a customs data trade surplus in the period of January-September was EUR9.5bn. In this period exports rose by 3.0% y/y to EUR262.2bn while imports declined by 6.4% y/y to EUR252.7bn.

THE DAY AHEAD...

EMU: CPI (Oct), core CPI (Oct)
USA: housing starts (Oct)

TODAY'S FOCUS:

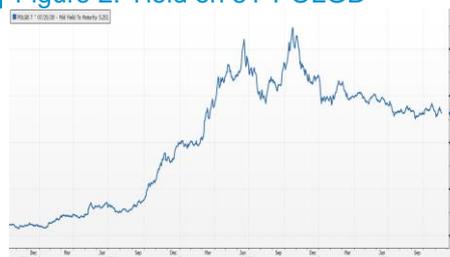
Today economic calendar contains CPI and core CPI for October from euro-zone and housing starts for October from the U.S.

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

DIARY (Today)

Country	GMT	Release	DB Expected	Actual	Consensus
EMU	10:00	CPI (Oct)		0.1% (2.9%)	0.1% (2.9%)
EMU	10:00	Core CPI (Oct)		(4.2%)	(4.2%)
USA	13:30	Housing starts (Oct)	1350k		1350k



Foreign Exchange

Today in the morning the zloty was 0.2% firmer versus the USD, firmed by 0.2% versus the EUR and was 0,1% firmer versus the CHF compared to the previous NBP fixing. The zloty was 0.2% firmer versus the GBP compared to the previous NBP fixing.

The USD was unchanged versus the EUR compared to the previous NBP fixing.

Fixed Income

The yields on Poland's government bonds were 4 bps down in 2-year sector, fell by 2bps in 5-year one and declined by 3bps in 10-year one.

Poland priced bonds denominated in JPY worth total JPY85.4bn in three tranches: JPY66.5bn of 3-year bonds (with the yield of 0.93%), JPY10.2bn of 10-year bonds (with the yield of 1.75%) and JPY8.7bn of 20-year bonds (with the yield of 2.41%),

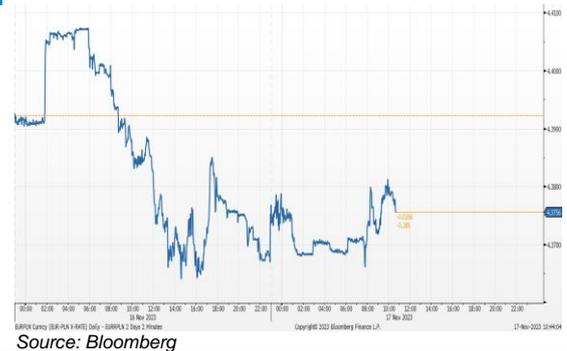
Interest Rates

PLN swap rates fell by 2bps in 2-year sector and fell by 4bps in 5-year and 10-year sectors.

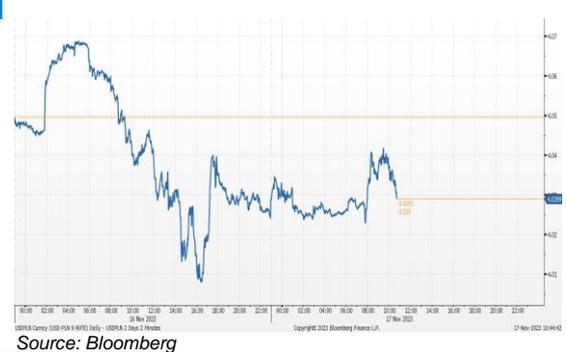
Equities

Yesterday the Dow Jones index closed 0.13% down and the S&P 500 index closed 0.12% up. Today in the morning the FTSE 100 index rose by 0.89%, the CAC 40 index was 0.79% up and the DAX index was 0.71% up. The Nikkei index closed 0.48% up. Today in the morning the WIG index rose by 0.38% and the WIG20 index was 0.31% up.

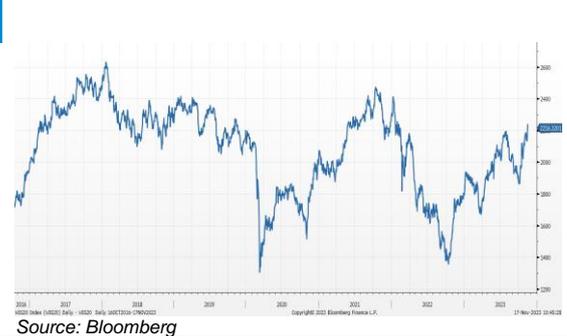
EUR/PLN



USD/PLN

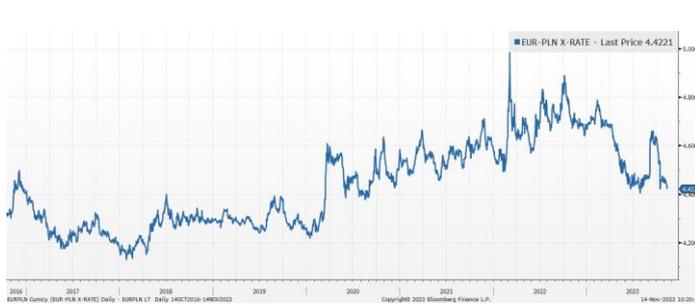


WIG20

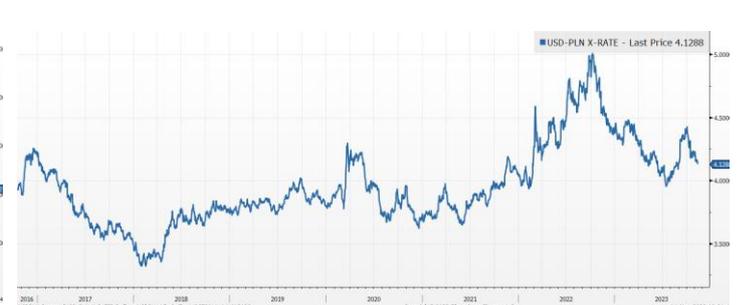


Medium term FX trends:

EUR/PLN



USD/PLN





Appendix 1

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