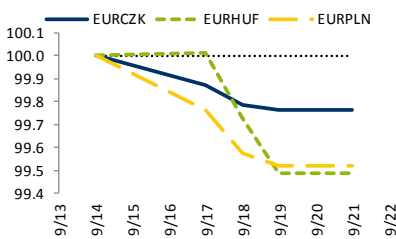




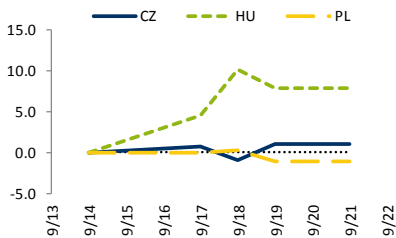
Friday, 21 September 2018

Forex markets (index)



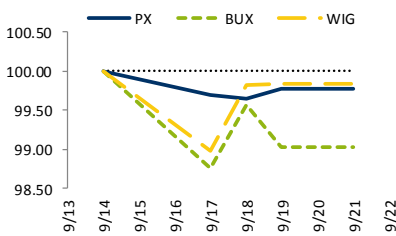
	LAST	PREVIOUS	CHANGE (%)
EURCZK	25.42	25.42	0.00
EURHUF	323.3	323.3	0.00
EURPLN	4.290	4.290	0.00

Gov. bonds 10 Y (bps change)



	LAST	PREVIOUS	CHANGE (bps)
CZGB 10Y	2.137	2.137	0.0
HUGB 10Y	3.67	3.67	0.0
PLGB 10Y	3.21	3.21	0.0

Equity indices (index)



	LAST	PREVIOUS	CHANGE (%)
PX	1093.0	1093.0	0.00
BUX	35914	35914	0.00
WIG	57541	57541	0.00

Regional insights

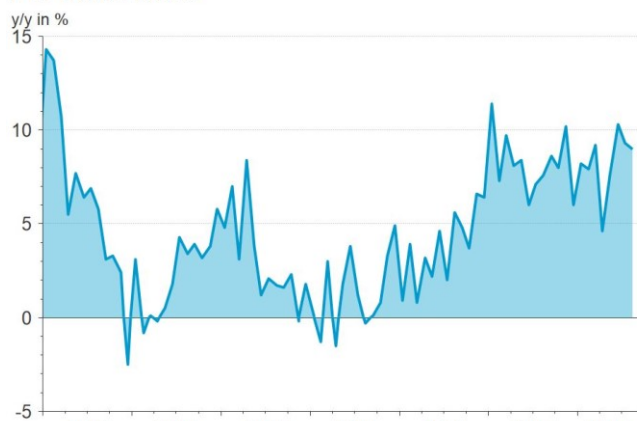
The Polish hard macro data still boringly robust

The Polish economy has become boring as all key macro fundamentals look very solid. This positive impression have been confirmed by the macro statistics released this week, which have included the labour market data, industrial production and retail sales. Despite an expected negative base effect the slowdown in the annual growth of the employment, real wages and industrial production have been very modest which means that all mentioned parts of the Polish economy have been doing quite well this quarter.

It is worth noting that there are the two segments of the economy, which have been doing particularly well -these are the construction sector and the retail sales. While the construction activity jumped by a fifth on year-on-year basis in August (supported by strong infrastructure activity), the retail sales growth reached again by almost 7% y/y in real terms last month. This points to a very strong growth of the Polish domestic demand, which should ensure another impressive GDP readings (for the third quarter).

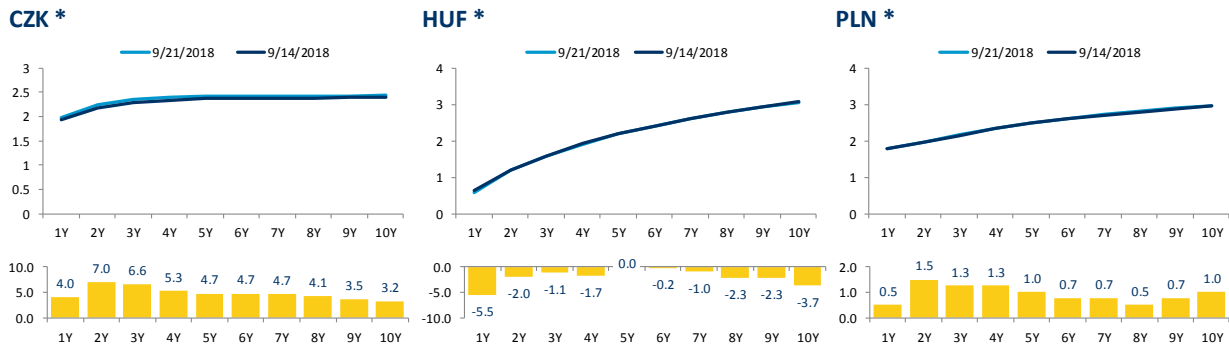
Obviously, the robust domestic demand supported by low interest-rate environment and stable zloty have had some (expected) negative impact on the trade balance performance. The twelve-month moving average of the Polish trade balance have deteriorated from the EUR 171m surplus recorded at the end last year to the EUR 113m deficit. While a part of the story has been the rising price of the oil price, the deterioration have been also driven by strong growth of non-oil imports. We expect that a worsening of the polish foreign trade will continue in quarters to come, but the implied (current account) deficit should remain on a very reasonable level (up to 1% of GDP this year).

PL: Retail sales



Zdroj: Thomson Reuters Datastream / Fathom Consulting

Interest-rate Swap Curves



* upper plot in each panel shows interest swap curve (%), lower plot shows change in interest rates in basis points (against previous Friday).

Calendar

Country	Date	Time	Indicator	Period	Forecast		Actual		Consensus		Previous		
					m/m	y/y	m/m	y/y	m/m	y/y	m/m	y/y	
PL	09/21	10:00	Retail sales	%	08/01/2018			0.9	9	1	9.1	-0.3	9.3

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