

2 September 2022

Eyeopener

Day with US data

Today key data from the US labour market: NFP and unemployment rate

Polish PMI fell in August for the sixth time in a row

MPC's Kochalski and Kotecki: there is room for rate hikes

EURPLN and yields remained stable

Today we have already learnt about German export data for July, which turned out to be roughly in line with forecasts. Later in the day, key US labour market data for August will be published: non-farm payrolls (NFP) and the unemployment rate. The ADP report released on Wednesday surprised on the downside, but in recent years this data has not necessarily been a good indication for NFP. Also US data on durable goods orders and industrial orders in July are due for release. In these readings, investors will be looking for clues as to the likelihood of a 75bp Fed rate hike at the upcoming meeting.

MPC's Cezary Kochalski stated that there is still room for interest rate hikes, but smaller than before. A similar opinion was also expressed by another **MPC member Ludwik Kotecki**, who said that there is room for interest rate hikes in September and October. In his opinion, in addition to rate hikes, the MPC should discuss other instruments to fight inflation such as quantitative tightening, bond issuance and a rise in the reserve requirement rate. According to Kotecki, as the zloty has weakened the MPC should send a signal that it does not accept high inflation. In his view, with inflation continuing to rise and its increasingly domestic in nature, discussions about rate cuts should not be opened.

Poland's manufacturing PMI fell in August to 40.9pts, very close to our forecast 41.0pts and below consensus 41.6pts. It was the 6th decline in a row, bringing the index to one of the lowest levels on record and signalling a severe downturn in Polish industry. Orders and production fell considerably, to the lowest levels since peak of the pandemic in 2020. Firms reported that the customers' purchasing power was undermined by surging inflation. Companies again reported plans to cut employment. New export orders accelerated decline, but domestic orders were shrinking as well. The reported rise in costs eased somehow (lowest in 21 months), but remained elevated by historical standards. Companies have sharply reduced new purchases, instead depleting inventories, which allows to expect that correction in stockbuilding (which lowered GDP growth in 2Q) will continue in the next quarters. Summing up, the report confirms that the industrial sector is in recession and supports our predictions that economic activity in Poland is likely to slow further in 2H22.

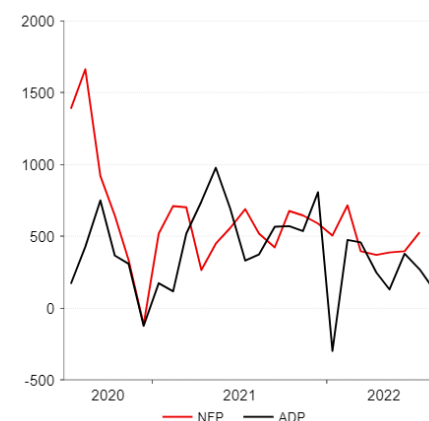
EURUSD, from about 1.0050, once again went below one. Support for the dollar was provided by a stable reading of the U.S. PMI for the manufacturing sector, contrasting with the declines recorded for similar indicators for Germany and the euro zone as a whole. Further direction of the exchange rate will be determined by today's US data, primarily from the labour market.

EURPLN fluctuated around 4.72. Weaker domestic PMI data for the industrial sector and a strong dollar were barriers keeping the zloty from strengthening further on the back of rising expectations for a NBP rate hike. However, the zloty could weaken today if data from the US confirms the good condition of the US labour market, allowing the Fed to continue with rapid rate hikes.

Other CEE currencies: EURCZK stabilized around 24.50. EURHUF tried to break through the psychological 400 but quickly returned to the 402 area. Increase in the weekly deposit rate by the MNB from 10.75% to 11.75% was a mere formality after the main interest rate was raised to 11.75% a few days earlier.

Debt market: The domestic yield curve and IRS remained relatively stable relative to the previous day's levels. Attempts at increases were dampened by a weak reading of the domestic manufacturing PMI. The domestic market is already waiting for next week's MPC decision on rates. The US and German debt markets were also stable.

US NFP vs. ADP employment (in thous.)



Source: Refinitiv Datastream, Santander

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Rynek walutowy

Dzisiejsze otwarcie

EURPLN	4.7145	CZKPLN	0.1923
USDPLN	4.7309	HUFPLN*	1.1667
EURUSD	0.9965	RUBPLN	0.0787
CHFPLN	4.8208	NOKPLN	0.4704
GBPPLN	5.4565	DKKPLN	0.6338
USDCNY	6.9036	SEKPLN	0.4383

*za 100HUF

Poprzednia sesja na rynku FX 01/09/2022

	min	max	otwarcie	zamkn.	fixing
EURPLN	4.7045	4.7280	4.7258	4.7190	4.7133
USDPLN	4.6893	4.7584	4.7183	4.7427	4.6959
EURUSD	0.9909	1.0048	1.0012	0.9947	-

Rynek stopy procentowej 01/09/2022

Obligacje na rynku międzybankowym

Benchmark (termin)	%	Zmiana (pb)
DS1023 (2L)	7.15	0
DS0726 (5L)	6.72	3
DS0432 (10L)	6.14	-2

Stawki IRS na rynku międzybankowym**

Termin	PL		US		EZ	
	%	Zmiana (pb)	%	Zmiana (pb)	%	Zmiana (pb)
1L	7.89	1	3.93	2	1.78	0
2L	7.63	-2	3.85	3	2.15	-3
3L	7.10	-2	3.67	4	2.19	-3
4L	6.76	0	3.53	2	2.22	-2
5L	6.60	-1	3.45	3	2.25	-2
8L	6.31	-1	3.34	7	2.36	1
10L	6.27	2	3.32	6	2.45	2

Stawki WIBOR

Termin	%	Zmiana (pb)
O/N	6.80	24
T/N	6.74	10
SW	6.84	8
2W	6.93	4
1M	7.02	1
3M	7.14	3
6M	7.34	3
1Y	7.49	3

Stawki FRA (na rynku międzybankowym)**

Termin	%	Zmiana (pb)
1x4	7.38	-1
3x6	7.78	2
6x9	7.93	-2
9x12	7.80	0
3x9	7.96	-2
6x12	8.11	-2

Miary ryzyka fiskalnego

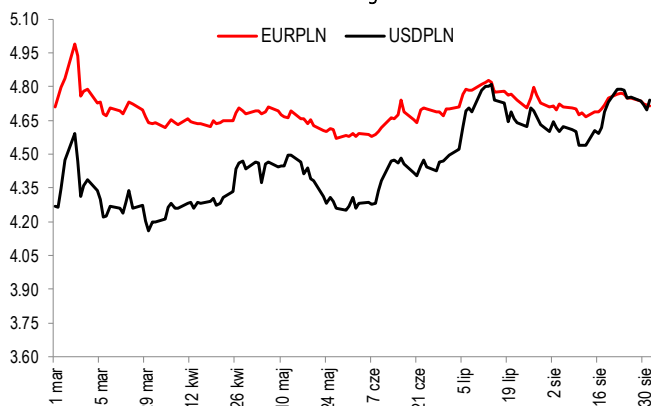
Kraj	CDS 5Y USD		Spread 10L*	
	Wartość	Zmiana (pb)	Wartość	Zmiana (pb)
Polska	146	0	458	-5
Francja	13	0	59	-3
Węgry	196	7	746	1
Hiszpania	53	0	121	1
Włochy	70	0	239	4
Portugalia	40	0	112	1
Irlandia	14	0	64	-2
Niemcy	13	0	-	-

*spread 10-letnich obligacji skarbowych do 10-letnich Bundów

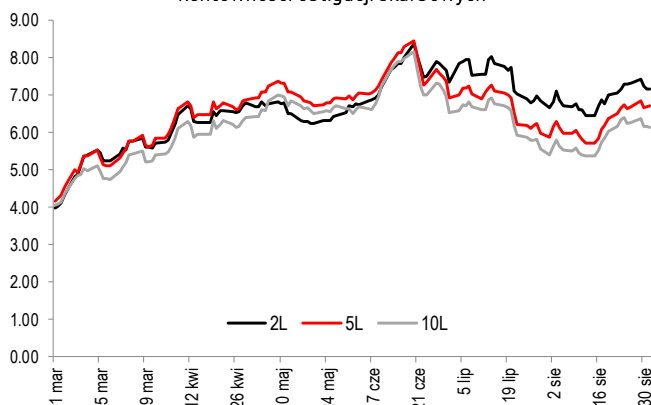
**Informacje odnoszą się do stawek kupna na rynku międzybankowym na koniec dnia

Źródło: Refinitiv, Datastream

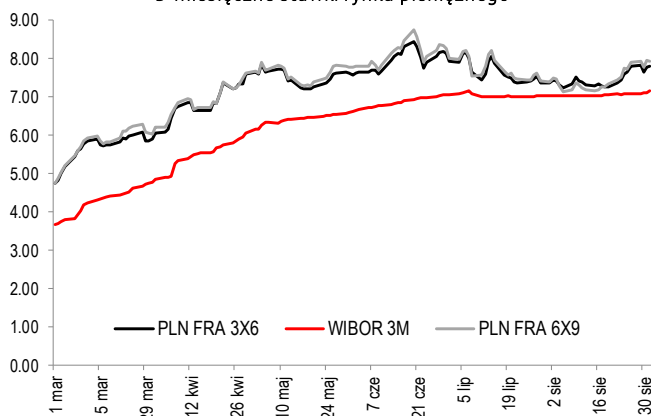
Kurs złotego



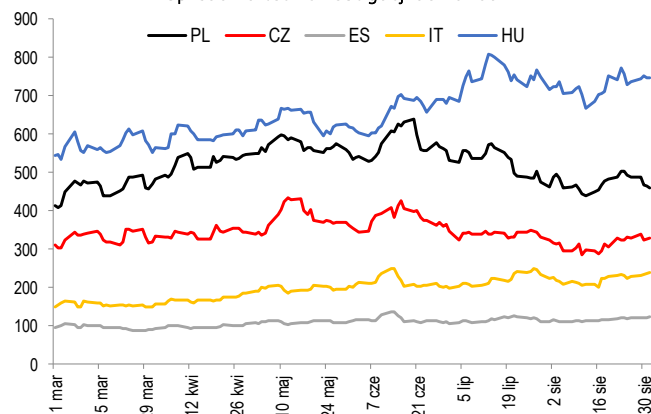
Rentowności obligacji skarbowych



3-miesięczne stawki rynku pieniężnego



Spread 10-letnich obligacji do Bunda



Economic Calendar

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST		ACTUAL VALUE	LAST VALUE*
					MARKET	SANTANDER		
FRIDAY (26 August)								
14:30	US	Personal Spending	Jul	% m/m	0.5	-	0.1	1.0
14:30	US	Personal Income	Jul	% m/m	0.6	-	0.2	0.7
14:30	US	PCE Deflator SA	Jul	% m/m	0.0	-	-0.1	1.0
16:00	US	Michigan index	Aug	pts	55.4	-	58.2	55.1
MONDAY (29 August)								
No significant data								
TUESDAY (30 August)								
09:00	CZ	GDP SA	2Q	% y/y	3.6	-	3.7	4.9
11:00	EZ	ESI	Aug	pct.	97.8	-	97.6	98.9
14:00	HU	Central Bank Rate Decision	Aug.22	%	11.75	-	11.75	10.75
14:00	DE	HICP	Aug	% m/m	0.3	-	0.4	0.8
16:00	US	Consumer Conference Board	Aug	pts	97.4	-	103.2	95.3
WEDNESDAY (31 August)								
10:00	PL	CPI	Aug	% y/y	15.4	15.4	16.1	15.6
10:00	PL	GDP	2Q	% y/y	5.3	5.3	5.5	8.5
11:00	EZ	Flash HICP	Aug	% y/y	8.95	-	9.1	8.9
14:15	US	ADP report	Aug	k	-	-	132	268
THURSDAY (1 September)								
09:00	PL	Poland Manufacturing PMI	Aug	pts	41.6	41.0	40.9	42.1
09:00	HU	GDP	2Q	% y/y	6.5	-	6.5	6.5
09:55	DE	Germany Manufacturing PMI	Aug	pts	49.8	-	49.1	49.8
10:00	EZ	Eurozone Manufacturing PMI	Aug	pts	49.7	-	49.6	49.7
11:00	EZ	Unemployment Rate	Jul	%	6.6	-	6.6	6.7
14:30	US	Initial Jobless Claims	Aug.22	k	252.0	-	232	237.0
16:00	US	ISM manufacturing	Aug	pts	52.05	-	52.8	52.8
FRIDAY (2 September)								
08:00	DE	Exports SA	Jul	% m/m	-2.75	-	-2.1	4.4
14:30	US	Change in Nonfarm Payrolls	Aug	k	300.0	-	-	528.0
14:30	US	Unemployment Rate	Aug	%	3.5	-	-	3.5
16:00	US	Durable Goods Orders	Jul	% m/m	0.0	-	-	0.0
16:00	US	Factory Orders	Jul	% m/m	0.2	-	-	2.0

Source: Santander Bank Polska. Bloomberg. Parkiet

* in the case of a revision the data is updated

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