



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

The **Monetary Policy Council**, as expected, didn't change interest rates and repeated its guidance for unchanged interest rates in the coming quarters. In the opinion of MPC members incoming economic slowdown in Poland will be relatively shallow and re-estimation of NBP's models on recent data show that a rise in inflation in 2019 will be moderate. The NBP expects a rise of inflation towards the centre of CPI target in 2019. NBP President Adam Glapinski said that monetary policy in Poland was conducted flawlessly and in his opinion the current policy of keeping interest rates steady proved to be appropriate. In his opinion interest rates may be unchanged also in 2020 and the only factors that may cause inflation to rise are hikes in energy prices and rise in oil prices.

## THIS WEEK:

In November the **current account deficit** amounted to –EUR221mn and trade deficit narrowed to –EUR229mn. In November exports rose by 7.1% yoy to EUR20.0bn and imports increased by 9,9% yoy to EUR20.2bn. In November there was EUR1.88bn surplus in the services account while primary income account was negative at EUR1.83bn.

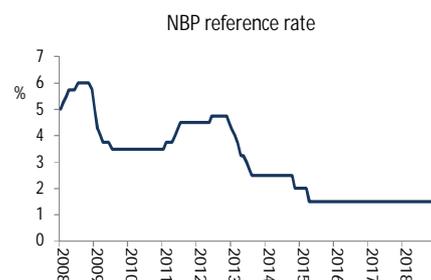
On Tuesday the Central Statistical Office will release final inflation for December. We expect **consumer inflation** to be confirmed at 0.0% and 1.1% yoy.

On Wednesday the NBP will publish **core inflation** for December. Our forecast is 0.0% mom and 0.7% yoy.

On Friday economic calendar contains **average wage** in enterprises' sector for December (our forecast is 7.6% mom and 7.5% yoy growth) and **average employment** in enterprises' sector for December (our call is 0.1% mom and 2.8% yoy).

**Industrial output** for December (due on Friday) should decline by 9.0% mom and is expected to rise by 5.9% yoy. **Construction output** for December likely rose by 17.5% yoy. In December **producer prices** likely rose by 2.5% yoy.

Figure 1: NBP reference rate



Source: NBP

Figure 2: Core inflation



Source: NBP, Deutsche Bank Polska S.A.

Figure 3: Average wage



Source: GUS, Deutsche Bank Polska S.A.



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jan-14	12:00	Current account (Nov)	-EUR420mn	-EUR221mn	-EUR484mn
Jan-15	8:00	Inflation (Dec)	0.0% (1.1%)		0.0% (1.1%)
Jan-16	8:00	Core inflation (Dec)	0.0% (0.7%)		0.0% (0.7%)
Jan-18	8:00	Average wage (Dec)	7.6% (7.5%)		7.4% (7.3%)
Jan-18	8:00	Average employment (Dec)	0.1% (2.8%)		0.0% (2.8%)
Jan-18	8:00	Industrial production (Dec)	-9.0% (5.9%)		-9.6% (5.0%)
Jan-18	8:00	PPI (Dec)	-0.5% (2.5%)		-0.5% (2.5%)

Source: Deutsche Bank Estimates, Reuters and Bloomberg Finance LP

## FX and interest rate forecasts

	EUR/PLN	USD/PLN	CHF/PLN	GBP/PLN	EUR/USD	WIBOR 3M	WIBOR 6M	EURIBOR 3M	LIBOR USD 3M	CPI (Poland)	Yield on 10Y POLGB
	(end of period)										
<b>Jan-19</b>	4.293	3.734	3.797	4.776	1.150	1.72	1.79	-0.31	2.83	1.0	2.80
<b>Feb-19</b>	4.287	3.719	3.782	4.798	1.153	1.72	1.80	-0.30	2.87	1.3	2.85
<b>Mar-19</b>	4.280	3.705	3.768	4.820	1.155	1.72	1.81	-0.30	2.90	1.5	2.90
<b>Apr-19</b>	4.273	3.690	3.753	4.842	1.158	1.72	1.82	-0.20	2.98	1.5	2.95
<b>May-19</b>	4.267	3.676	3.738	4.863	1.161	1.72	1.82	-0.18	3.07	1.5	3.00
<b>Jun-19</b>	4.260	3.661	3.724	4.884	1.164	1.72	1.83	-0.16	3.15	1.5	3.05
<b>Jul-19</b>	4.253	3.647	3.709	4.905	1.166	1.72	1.85	-0.14	3.23	1.6	3.10
<b>Aug-19</b>	4.247	3.633	3.695	4.926	1.169	1.72	1.86	-0.12	3.32	1.6	3.15
<b>Sep-19</b>	4.240	3.619	3.681	4.947	1.172	1.72	1.87	-0.10	3.40	1.6	3.17
<b>Oct-19</b>	4.233	3.604	3.666	4.967	1.175	1.72	1.88	-0.10	3.47	1.8	3.20
<b>Nov-19</b>	4.227	3.590	3.652	4.987	1.177	1.73	1.90	-0.10	3.54	2.1	3.20
<b>Dec-19</b>	4.220	3.576	3.638	5.007	1.180	1.76	1.92	-0.10	3.61	2.5	3.20

*Note: Due to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 the way of calculation of WIBOR rates and their values may be subject to change.*

Source: Deutsche Bank Polska S.A.



# Appendix 1

## Important Disclosures

### Additional information available upon request

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