



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

During the first sitting of Poland's **parliament** deputies and senators elected speakers of the Sejm and Senate. The Speaker of Sejm became Elzbieta Witek from Law and Justice (135 votes) ahead of Malgorzata Kidawa-Blonska from PO (135 votes) and Urszula Paslawska from PSL (29 votes). The Speaker of Senate became Tomasz Grodzki from Civic Platform (51 votes) ahead of Stanislaw Karczewski from PiS (48 votes) with one vote abstaining.

In September there was EUR171m surplus in the **current account** what was caused by trade surplus of EUR468m. In September exports strongly rose by 9.3% y/y to EUR19.3bn while imports increased only by 4.3% y/y to EUR18.8bn. In September services's balance amounted to EUR1.8bn, exports of services rose by 4.8% y/y to EUR5.3bn while imports of services were 4.9% up y/y to EUR3.5bn. Primary income balance was negative at – EUR2.0bn.

According to preliminary GUS data in Q3 2019 seasonally unadjusted **GDP** real growth was 3.9% y/y (in line with our forecast) while seasonally adjusted GDP real growth was 1.3% q/q. The Central Statistical Office (GUS) revised real GDP growth for Q1 and Q2 2019 by respectively 0.1 p.p. and -0.1 p.p. to 4.1% y/y.

**Inflation** in October was 0.2% m/m and 2.5% y/y, in line with flash GUS estimate. In October food prices rose by 6.1% y/y, house maintenance and energy prices rose by 1.9% y/y and footwear and clothing prices fell by 1.7% y/y and transport prices were 3.0% down y/y.

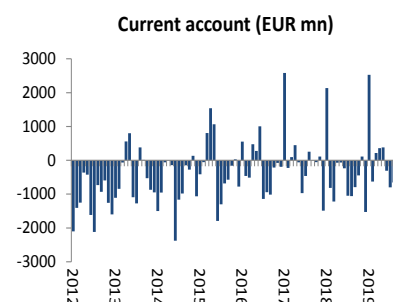
**Core inflation** in October amounted to 0.3% m/m and 2.4% y/y.

The government accepted draft bill on hiking **excise tax rate on alcohol and tobacco** by 10% in the beginning of 2020. According to preliminary estimates hiking excise tax on alcohol and tobacco will increase inflation by 0.2-0.3 p.p. in Q1 2020.

## THIS WEEK:

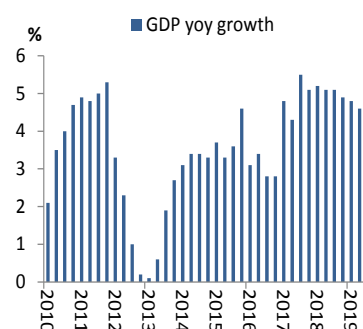
**Average wage** in enterprises' sector in October (due on Thursday) should increase by 2.6% m/m and 6.0% y/y. **Average employment** in enterprises' sector in October (due on Thursday) should decline by 0.1% m/m and should rise 2.5%. **Industrial production** in October (due on Friday) should rise by 6.0% m/m and increase by 2.0% y/y. **PPI** in October (due on Friday) should decline by 0.3% m/m and increase by 0.2% y/y.

Figure 1: Current account



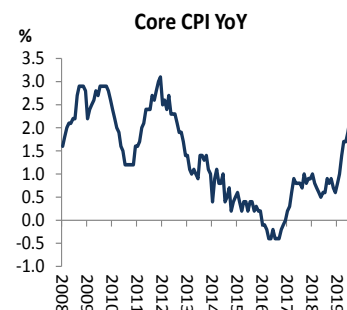
Source: NBP

Figure 2: GDP growth (y/y)



Source: GUS

Figure 3: Core inflation (y/y)



Source: NBP



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Nov-21	9:00	Average wage (Oct)	2.6% (6.0%)		2.8% (6.2%)
Nov-21	9:00	Average employment (Oct)	-0.1% (2.5%)		0.0% (2.6%)
Nov-22	9:00	Industrial production (Oct)	6.0% (2.0%)		6.5% (2.5%)
Nov-22	9:00	PPI (Oct)	-0.3% (0.2%)		-0.3% (0.2%)

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>Nov-19</b>	4.280	3.891	3.856	5.008	1.100	1.71	1.79	-0.40	1.90	2.8	2.08
<b>Dec-19</b>	4.300	3.857	3.874	4.898	1.115	1.71	1.79	-0.40	1.85	2.9	2.10
<b>Jan-20</b>	4.300	3.846	3.871	4.888	1.118	1.71	1.79	-0.40	1.85	3.3	2.10
<b>Feb-20</b>	4.300	3.836	3.868	4.879	1.121	1.71	1.79	-0.40	1.80	3.1	2.10
<b>Mar-20</b>	4.300	3.826	3.865	4.869	1.124	1.71	1.79	-0.40	1.80	2.9	2.10
<b>Apr-20</b>	4.300	3.817	3.862	4.860	1.127	1.71	1.79	-0.40	1.80	2.5	2.10
<b>May-20</b>	4.300	3.807	3.859	4.850	1.130	1.71	1.79	-0.40	1.80	2.4	2.15
<b>Jun-20</b>	4.300	3.797	3.857	4.841	1.133	1.71	1.79	-0.40	1.80	2.2	2.20
<b>Jul-20</b>	4.300	3.787	3.854	4.832	1.135	1.71	1.79	-0.40	1.80	2.1	2.20
<b>Aug-20</b>	4.300	3.777	3.851	4.823	1.138	1.71	1.79	-0.40	1.80	2.1	2.20
<b>Sep-20</b>	4.300	3.768	3.848	4.813	1.141	1.71	1.79	-0.40	1.80	2.4	2.20
<b>Oct-20</b>	4.300	3.758	3.845	4.804	1.144	1.71	1.79	-0.40	1.80	2.5	2.20

*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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