



Poland: Weekly Macroeconomic Update

LAST WEEK:

On Monday the NBP will release the **current account** for October and **core inflation** for November.

In October there was EUR529mn surplus in the **current account** and EUR440mn trade surplus. In October merchandise exports were EUR24.0bn (unchanged y/y) while merchandise imports fell by 3.9% y/y to EUR23.6bn. In October services' exports rose by 5.0% y/y to EUR6.3bn while services' imports increased by 1.5% y/y to EUR4.1bn. Services balance was EUR2.2bn and primary income balance amounted to -EUR2.1bn.

Core inflation was 0.0% m/m and 2.6% y/y in November.

In November **average wage** in enterprises' sector rose by 0.3% m/m and increased by 5.3% y/y, below expectations. In November **average employment** in enterprises' sector rose stronger than forecast and was 0.2% up m/m and 2.6% up y/y.

In December **consumer confidence** indicator fell by 2.4 points to 4.3 points – the lowest level in 12 months. A decline in consumer confidence stemmed from weaker assessment of the current and future financial situation and weaker assessment of the current and future economic situation of Poland. Consumer didn't scale back their purchases, however.

In November **industrial production** fell by 5.8% m/m and rose by 1.4% y/y. Producer prices for November fell by 0.2% m/m and declined by 0.1% y/y.

In November **retail sales** fell by 2.3% m/m and rose by 5.9% y/y. Retail sales in constant prices rose by 5.2% y/y in November.

The Sejm rejected Senate's veto to bill on excise tax hike on tobacco and alcohol starting from the beginning of 2020.

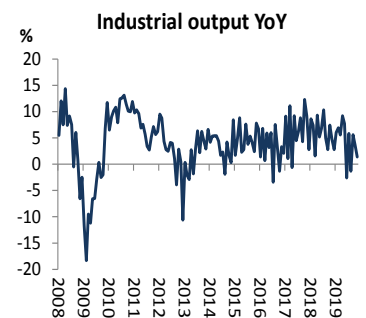
THIS WEEK:

Unemployment rate in November increased to 5.1% from 5.0% in October.

Construction output fell by 4.7% y/y in November.

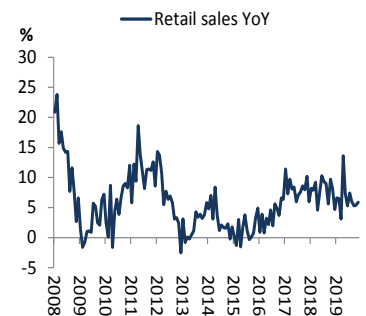
Money supply M3 for November (due on Monday) should increase by 9.4% y/y.

Figure 1: Industrial output (y/y)



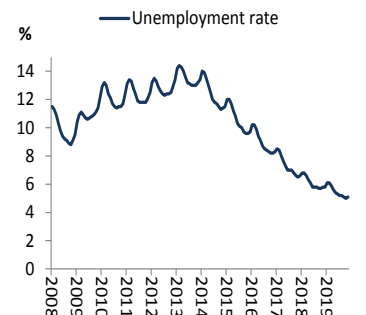
Source: GUS

Figure 2: Retail sales (y/y)



Source: NBP

Figure 3: Unemployment rate



Source: GUS



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Dec-23	9:00	Unemployment rate (Nov)	5.1%	5.1%	5.1%
Dec-23	9:00	Construction output (Nov)		(-4.7%)	(-6.4%)
Dec-23	13:00	Money supply M3 (Nov)	(9.4%)		1.0% (9.2%)

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)										
Dec-19	4.285	3.843	3.895	5.092	1.115	1.71	1.79	-0.40	1.85	2.7	2.05
Jan-20	4.288	3.821	3.898	5.074	1.122	1.71	1.79	-0.40	1.85	3.1	2.08
Feb-20	4.291	3.800	3.901	5.057	1.129	1.71	1.79	-0.40	1.80	2.9	2.10
Mar-20	4.294	3.779	3.903	5.040	1.136	1.71	1.79	-0.40	1.80	2.7	2.10
Apr-20	4.297	3.758	3.906	5.023	1.143	1.71	1.79	-0.40	1.80	2.3	2.10
May-20	4.300	3.737	3.909	5.007	1.150	1.71	1.79	-0.40	1.80	2.2	2.15
Jun-20	4.303	3.717	3.911	4.990	1.158	1.71	1.79	-0.40	1.80	2.0	2.20
Jul-20	4.305	3.697	3.914	4.974	1.165	1.71	1.79	-0.40	1.80	1.9	2.20
Aug-20	4.308	3.677	3.917	4.958	1.172	1.71	1.79	-0.40	1.80	1.9	2.20
Sep-20	4.311	3.657	3.919	4.942	1.179	1.71	1.79	-0.40	1.80	2.2	2.20
Oct-20	4.314	3.638	3.922	4.927	1.186	1.71	1.79	-0.40	1.80	2.3	2.20
Nov-20	4.317	3.619	3.925	4.911	1.193	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

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