



Poland: Weekly Macroeconomic Update

LAST WEEK:

In December 2019 **average wage** in enterprises' sector rose by 7.2% m/m and increased by 6.2% y/y to PLN5604. **Average employment** in enterprises' sector were unchanged m/m and rose by 2.6% y/y in December.

In December 2019 **industrial output** fell by 9.4% m/m and increased by 3.8% y/y, below analyst's consensus forecast of 6.4% y/y. Seasonally adjusted industrial output fell by 2.9% m/m and rose by 2.1% y/y in December. Production of investment goods rose by 6.1% y/y, production of consumer non-durable goods rose by 4.6% y/y, production of consumer durable goods rose by 4.2% y/y and production of intermediate goods rose by 3.1% y/y in December. Production of energy-related goods fell by 2.5% y/y in December.

In December 2019 **producer prices** rose by 0.1% m/m and increased by 1.0% y/y, coming slightly above market consensus forecast of 0.9% y/y.

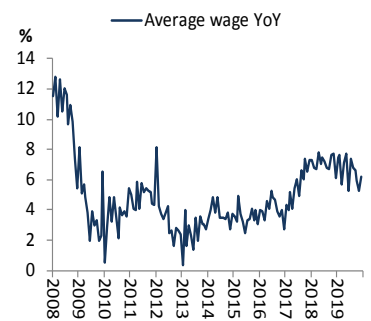
In December 2019 **retail sales** (in the current prices) rose by 14.6% m/m and increased by 7.5% y/y. Retail sales of furniture, electronics and white goods rose by 13.7% y/y, retail sales in supermarkets rose by 11.3% y/y, retail sales of pharmaceuticals and cosmetics rose by 8.9% y/y, retail sales in specialised shops rose by 7.9% y/y, retail sales of footwear and clothing rose by 6.8% y/y while retail sales of food, beverages and tobacco rose by 5.7% y/y. In December retail sales in constant prices rose by 5.7% y/y.

In December 2019 **money supply M3** rose by 1.5% m/m and increased by 8.3% y/y, much below market consensus view. A deceleration in money supply growth in December stemmed from a decline in credit to non-financial corporations (down 1.8% m/m) and financial corporations (down 4.2% m/m). Loans to non-financial corporations rose only by 1.1% y/y while loans to households increased by 6.0% y/y in December.

THIS WEEK:

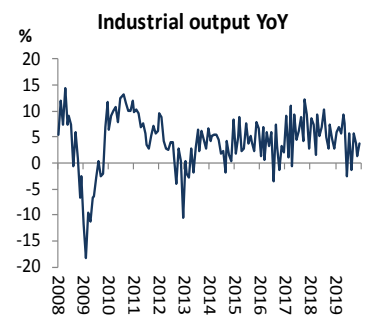
In December 2019 registered **unemployment rate** rose to 5.2% from 5.1% in November, as expected. On Wednesday the GUS will release data on 2019 **GDP growth** (we forecast 4.2% y/y).

Figure 1: Average wage (y/y)



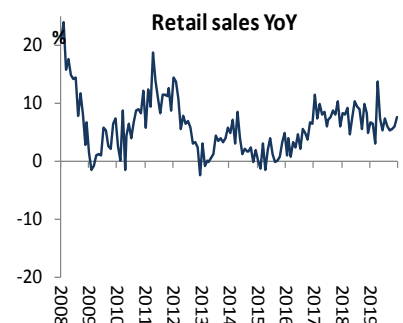
Source: GUS

Figure 2: Industrial output (y/y)



Source: GUS

Figure 3: Retail sales (y/y)



Source: GUS



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jan-27	9:00	Unemployment rate (Dec)	5.2%	5.2%	5.2%
Jan-29	9:00	GDP (2019)	(4.2%)		(4.2%)

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)										
Jan-20	4.268	3.873	3.989	5.070	1.102	1.71	1.79	-0.40	1.85	4.0	2.25
Feb-20	4.271	3.845	3.973	5.050	1.111	1.71	1.79	-0.40	1.80	4.0	2.30
Mar-20	4.274	3.817	3.957	5.031	1.120	1.71	1.79	-0.40	1.80	3.8	2.30
Apr-20	4.277	3.789	3.941	5.013	1.129	1.71	1.79	-0.40	1.80	3.4	2.25
May-20	4.279	3.762	3.926	4.994	1.138	1.71	1.79	-0.40	1.80	3.4	2.25
Jun-20	4.282	3.735	3.929	4.976	1.146	1.71	1.79	-0.40	1.80	3.1	2.25
Jul-20	4.285	3.709	3.931	4.958	1.155	1.71	1.79	-0.40	1.80	3.0	2.25
Aug-20	4.288	3.683	3.898	4.941	1.164	1.71	1.79	-0.40	1.80	3.0	2.30
Sep-20	4.291	3.658	3.901	4.923	1.173	1.71	1.79	-0.40	1.80	3.3	2.30
Oct-20	4.294	3.632	3.904	4.906	1.182	1.71	1.79	-0.40	1.80	3.5	2.30
Nov-20	4.297	3.608	3.906	4.890	1.191	1.71	1.79	-0.40	1.80	3.6	2.30
Dec-20	4.300	3.583	3.909	4.873	1.200	1.71	1.79	-0.40	1.80	3.2	2.30

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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