



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

In March there was EUR2.4bn surplus in the **current account**, caused mainly by retention of dividend payments for foreign investors (in the primary income account there was a surplus of EUR652mn versus a deficit of EUR2.07bn in March 2019). In March 2020 there was a small trade gap of EUR69mn caused by a sharp decline of exports (down 7.5% y/y) with moderate decline of imports (down 4.5% y/y). On a services account there was a surplus of EUR1.8bn that resulted from deeper decline in imports of services than exports of services (down 14.7% y/y and down 10.6% y/y respectively).

In Q1 2020 **real GDP growth** was, in line with our estimate, +1.9% y/y and -0.5% q/q. Relatively robust GDP data in Q1 2020 stemmed from the fact that in Q1, before lockdown, economic activity indicators were good.

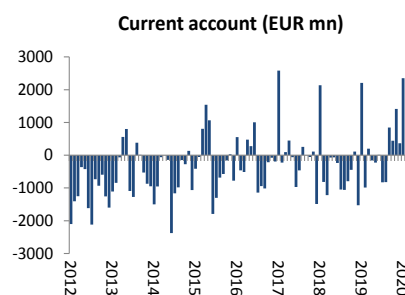
In April **inflation** was -0.1% m/m and 3.4% y/y. In April food prices were 0.3% up m/m and rose by 7.4% y/y, alcohol and tobacco prices rose by 0.5% m/m and were 4.9% up y/y, footwear and clothing prices increased by 1.4% m/m and fell by 3.4% y/y, housing and energy prices were 0.7% up m/m and rose by 7.5% y/y, healthcare prices were 0.4% up m/m and rose by 4.4% y/y, transport prices were 4.8% down m/m and fell by 9.9% y/y and prices in hotels and restaurants rose by 0.2% m/m and were 6.3% up y/y. In April, except from lower fuel prices, there are no signs of deflationary impact of the sharp decline in demand. On the contrary, there are signs of moderate cost-inflation mainly in transport services, waste disposal and prices of fruits and vegetables.

## THIS WEEK:

In April **core inflation** amounted to 0.8% m/m and 3.6% y/y.

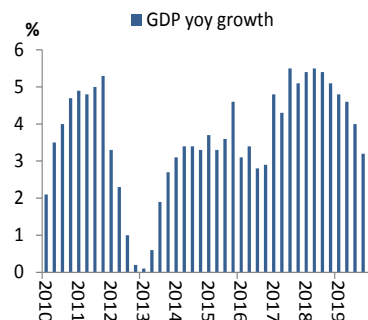
On Wednesday the GUS will release **average wage** and **average employment** in enterprises' sector for April. On Thursday **industrial output** and **PPI** for April will be published. On Friday macro calendar contains **construction output** and **retail sales** for April.

Figure 1. Current account



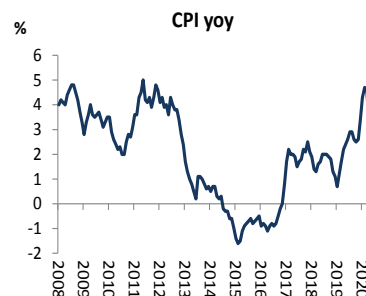
Source: NBP

Figure 2: Real GDP growth (y/y)



Source: GUS

Figure 3: Inflation (y/y)



Source: GUS



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
May-20	8:00	Average wage (Apr)	-0.2% (4.6%)		-1.1% (4.5%)
May-20	8:00	Average employment (Apr)	-0.8% (-0.5%)		-0.9% (-0.6%)
May-21	8:00	Industrial output (Apr)	-16.6% (-15.6%)		-11.2% (-12.4%)
May-21	8:00	PPI (Apr)	-0.7% (-1.5%)		-0.3% (-1.2%)
May-22	8:00	Construction output (Apr)	(-2.5%)		(-1.7%)
May-22	8:00	Retail sales (Apr)	-17.5% (-26.5%)		-7.8% (-18.9%)
May-22	8:00	Real retail sales (Apr)	(-28.0%)		(-19.5%)

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>May-20</b>	4.540	4.154	4.303	5.176	1.093	0.68	0.69	-0.25	0.50	2.9	1.50
<b>Jun-20</b>	4.520	4.089	4.317	5.138	1.105	0.70	0.72	-0.30	0.50	2.2	1.50
<b>Jul-20</b>	4.500	4.026	4.330	5.101	1.118	0.70	0.74	-0.30	0.50	2.0	1.55
<b>Aug-20</b>	4.490	3.972	4.353	5.076	1.130	0.70	0.75	-0.30	0.50	2.0	1.57
<b>Sep-20</b>	4.480	3.920	4.377	5.051	1.143	0.70	0.75	-0.30	0.50	2.4	1.60
<b>Oct-20</b>	4.470	3.870	4.401	5.026	1.155	0.70	0.75	-0.30	0.50	2.3	1.68
<b>Nov-20</b>	4.460	3.820	4.425	5.002	1.168	0.70	0.75	-0.30	0.50	2.3	1.73
<b>Dec-20</b>	4.450	3.771	4.450	4.978	1.180	0.70	0.78	-0.30	0.50	2.4	1.80
<b>Jan-21</b>	4.433	3.739	4.419	4.944	1.186	0.70	0.80	-0.30	0.50	2.3	1.82
<b>Feb-21</b>	4.417	3.706	4.387	4.911	1.192	0.70	0.80	-0.30	0.50	2.0	1.85
<b>Mar-21</b>	4.400	3.674	4.356	4.878	1.198	0.70	0.80	-0.30	0.50	2.1	1.85
<b>Apr-21</b>	4.383	3.643	4.326	4.845	1.203	0.70	0.80	-0.30	0.50	2.6	1.85

*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.*

*Note 2: Due to increased market variability and changes in monetary and fiscal policies, forecasts are subject to higher than usual uncertainty.*

Source: Deutsche Bank Polska S.A.



# Appendix 1

## Important Disclosures

### Additional information available upon request

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