

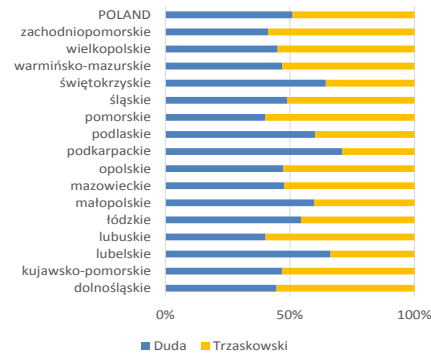


Poland: Weekly Macroeconomic Update

LAST WEEK:

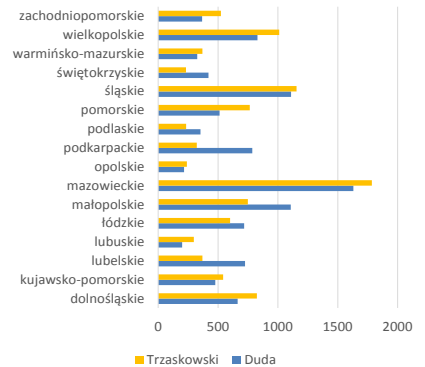
At the second round of **presidential elections** Andrzej Duda won with 51.03% of vote (10 440 648 votes), over Rafał Trzaskowski who got 48.97% of vote (10 018 263 votes). Turnout in the second round was very high at 68.18% versus 65.51% in the first round of elections. In the first round of elections Andrzej Duda got 43.50% of vote (8 450 513 votes) while Rafał Trzaskowski got 30.46% of vote (5 917 340 votes). Duda's victory in his second term is relatively well grounded, but elections results show that negative electorate of incumbent president is about half of his base electorate while negative electorate of Rafał Trzaskowski is about one third of his base electorate. Presidential elections showed (figures 3 and 4) that decisive factor in Duda's victory was mobilization of his base electorate that occurred in the first round and was sustained in the second round of elections. Results of the second round of elections also reveal that significant polarization of voters occurred in small and medium-sized (measured by total number of voters) voivodships. It follows from figure 2 that results in big voivodships were fairly balanced. Rafał Trzaskowski gained advantage in 10 voivodships while Andrzej Duda gained advantage in 6 voivodships (figure 5). However, significant advantage of Andrzej Duda in three voivodships (podkarpackie, małopolskie and lubelskie) secured his victory in the second round of presidential elections.

Figure 1. Results of the 2nd round of presidential elections by voivodship



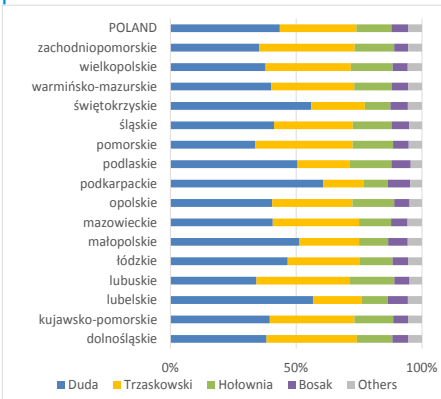
Source: PKW

Figure 2: Results of the 2nd round of presidential elections by voivodship (thousands of votes)



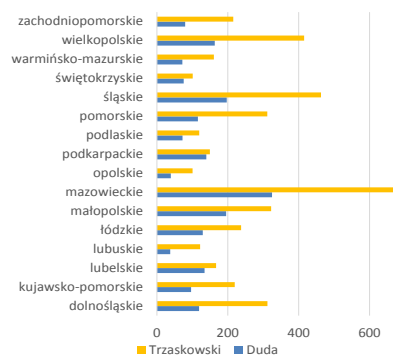
Source: PKW

Figure 3. Results of the first round of presidential elections



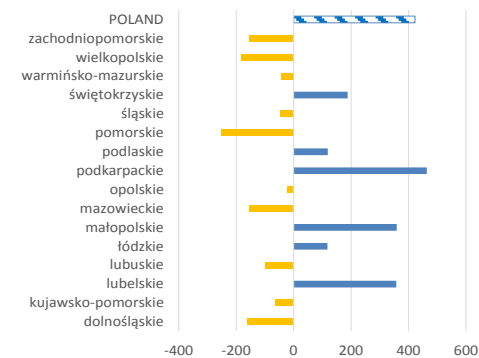
Source: PKW

Figure 4. An increase in number of votes in 2nd round vs. 1st round (thous.)



Source: PKW, Deutsche Bank Polska S.A.

Figure 5: Difference between votes for Duda and for Trzaskowski in the second round of elections



Source: PKW, Deutsche Bank Polska S.A.



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jul-14		MPC decision	0.10%	0.10%	0.10%
Jul-14	12:00	Current account (May)	EUR752mn	EUR2455mn	EUR837mn
Jul-15	8:00	Inflation (Jun)	0.7% (3.3%)		0.7% (3.3%)
Jul-16	12:00	Core inflation (Jun)	0.7% (4.1%)		0.7% (4.1%)
Jul-17	7:00	NBP Inflation Report			
Jul-17	8:00	Average wage (Jun)	-0.5% (-0.2%)		1.3% (1.3%)
Jul-18	8:00	Average employment (Jun)	-0.7% (-4.1%)		-0.5% (-3.9%)
Jul-19	12:00	Minutes from MPC meeting			

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)										
Jul-20	4.470	3.948	4.185	4.916	1.132	0.25	0.28	-0.43	0.28	2.3	1.40
Aug-20	4.450	3.889	4.181	4.883	1.144	0.26	0.28	-0.35	0.30	2.3	1.45
Sep-20	4.435	3.835	4.181	4.856	1.156	0.26	0.28	-0.35	0.35	2.7	1.50
Oct-20	4.420	3.782	4.181	4.829	1.169	0.26	0.28	-0.30	0.40	2.6	1.55
Nov-20	4.410	3.735	4.185	4.808	1.181	0.26	0.28	-0.30	0.45	2.6	1.60
Dec-20	4.400	3.729	4.231	4.922	1.180	0.26	0.28	-0.30	0.50	2.8	1.65
Jan-21	4.388	3.700	4.219	4.893	1.186	0.30	0.35	-0.30	0.50	2.6	1.70
Feb-21	4.375	3.671	4.207	4.865	1.192	0.35	0.40	-0.30	0.50	2.4	1.75
Mar-21	4.363	3.643	4.195	4.836	1.198	0.40	0.50	-0.30	0.50	2.5	1.80
Apr-21	4.350	3.615	4.183	4.808	1.203	0.50	0.60	-0.30	0.50	3.0	1.85
May-21	4.338	3.587	4.171	4.780	1.209	0.50	0.60	-0.30	0.50	3.3	1.85
Jun-21	4.325	3.560	4.159	4.752	1.215	0.50	0.60	-0.30	0.50	3.5	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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