



Poland: Weekly Macroeconomic Update

LAST WEEK:

The GUS revised up real **GDP** growth for 2019 to 4.5% from earlier 4.1%. Upward revision was a result of upgrade of real growth in public consumption (to 6.2% from 4.9%) and personal consumption (to 4.0% from 3.9%). Real growth of investments in fixed assets was intact at 7.2%. Exports growth was revised up to 5.1% from 4.7% and imports growth was revised up to 3.3% from 2.7%).

The **Monetary Policy Council**, as expected, didn't change monetary policy settings, keeping the main intervention rate at 0.10%. The MPC said that after a decline in global GDP in Q2 economic activity was recovering due, among others, to less stringent epidemic restrictions, fiscal programmes and easier monetary policy (through rate cuts and asset purchases). The MPC underlined that increase in infections resulted in weakening of sentiment in international financial markets. The MPC added that economic recovery, seen in Poland in Q3 decelerated during last two months. The MPC underlined that employment in enterprises' sector had stabilized while wage growth was significantly below its pre-covid level. The MPC said that the NBP will be conducting purchases of treasury bonds and bonds with guarantees of State Treasury in secondary market.

Official reserve assets rose to USD139.5bn in September from USD139.1bn in August.

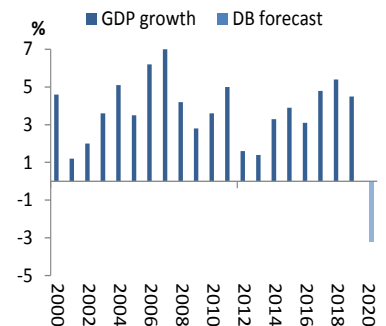
THIS WEEK:

On Wednesday the NBP will publish **balance of payments** for August. We estimate that balance of payments surplus was EUR1200mn in August.

On Thursday the GUS will release final **inflation** for September. We expect inflation for September to be confirmed at 0.2% m/m and 3.2% y/y.

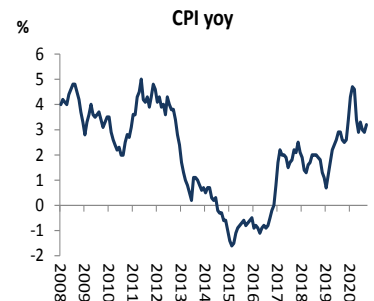
On Friday the NBP will publish **core inflation** for September. Our forecast is 0.4% m/m and 4.2% y/y.

Figure 1: Real GDP growth (y/y)



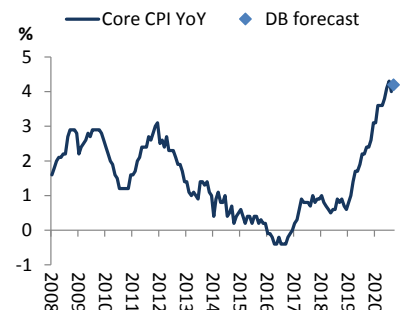
Source: GUS

Figure 2: Inflation (y/y)



Source: GUS

Figure 2: Core inflation (y/y)



Source: NBP, Deutsche Bank Polska S.A



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Oct-14	12:00	Current account (Aug)	EUR1200mn		EUR1307mn
Oct-14	12:00	Trade balance (Aug)	EUR750mn		EUR823mn
Oct-15	8:00	Inflation (Sep)	0.2% (3.2%)		0.2% (3.2%)
Oct-16	12:00	Core inflation (Sep)	0.4% (4.2%)		0.4% (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)										
Oct-20	4.480	3.829	4.156	4.978	1.170	0.22	0.28	-0.48	0.23	3.1	1.35
Nov-20	4.445	3.791	4.135	4.928	1.173	0.22	0.28	-0.48	0.23	3.1	1.40
Dec-20	4.410	3.753	4.121	4.879	1.175	0.22	0.28	-0.47	0.23	2.7	1.45
Jan-21	4.409	3.748	4.121	4.875	1.176	0.22	0.28	-0.45	0.23	2.1	1.50
Feb-21	4.408	3.744	4.120	4.871	1.178	0.22	0.28	-0.45	0.23	1.6	1.50
Mar-21	4.408	3.739	4.119	4.867	1.179	0.22	0.28	-0.45	0.23	1.7	1.55
Apr-21	4.407	3.734	4.118	4.864	1.180	0.22	0.28	-0.45	0.23	2.3	1.57
May-21	4.406	3.730	4.118	4.860	1.181	0.22	0.28	-0.45	0.23	2.6	1.60
Jun-21	4.405	3.725	4.117	4.856	1.183	0.22	0.28	-0.45	0.23	2.4	1.60
Jul-21	4.404	3.721	4.116	4.852	1.184	0.22	0.28	-0.45	0.23	2.4	1.60
Aug-21	4.403	3.716	4.115	4.848	1.185	0.22	0.28	-0.45	0.23	2.5	1.65
Sep-21	4.403	3.711	4.114	4.844	1.186	0.22	0.28	-0.45	0.23	2.4	1.65

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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