



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

In August a surplus on the **current account** amounted to EUR947mn versus EUR1012mn surplus in July. In August trade surplus amounted to EUR735mn versus trade surplus of EUR818mn in July. Export rose by 0.8% y/y to EUR17.7bn while imports fell by 5.1% y/y to EUR17.0bn in August.

According to GUS in the period of January-August 2020 **exports** fell by 5.6% y/y to EUR147.7bn while **imports** fell by 9.6% y/y to EUR141.4bn what resulted in EUR6.3bn trade surplus.

In September **inflation** was 0.2% m/m and 3.2% y/y. Food prices increased by 2.8% y/y, housing and energy prices rose by 7.2% y/y, education costs increased by 5.8% y/y, prices of communication rose by 5.5% y/y and healthcare costs increased by 5.0% y/y in September. Prices of consumer goods rose by 1.7% y/y while prices of services rose by 7.2% y/y in September.

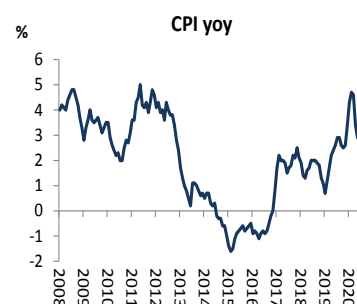
In September **core inflation** (ex food and energy) amounted to 0.4% m/m and 4.3% y/y. Core inflation (excluding regulated prices) was 0.2% m/m and 2.3% y/y in September. An increase in core inflation stems from a rise in food prices and rising administered prices that except from increase in food and energy prices were the main factors that hiked consumer inflation.

## THIS WEEK:

In September average employment in enterprises' sector increased by 0.3% m/m and fell by 1.2% y/y. Employment in enterprises' sector in Q3 was recovering slowly and suggests that social distancing (voluntary and/or administrative), restrictions on services and smaller foreign demand (mainly from the EU) will result in slower post-covid recovery. In September average wage in enterprises' sector increased by 0.6% m/m and rose by 5.6% y/y, above expectations.

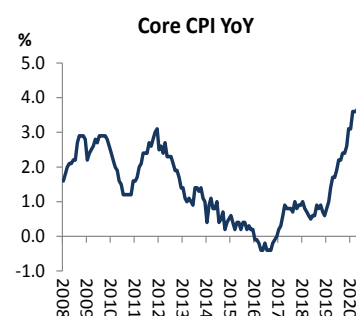
This week macro-economic calendar contains data of September: industrial production (Tuesday), construction output and retail sales (Wednesday), money supply M3 (Thursday) and unemployment rate (Friday).

Figure 1: Inflation (y/y)



Source: GUS

Figure 2: Core inflation (y/y)



Source: NBP

Figure 3: Employment growth (y/y)



Source: GUS



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Oct-19	8:00	Average wage (Sep)	-0.2% (4.7%)	0.6% (5.6%)	-0.6% (4.4%)
Oct-19	8:00	Average employment (Sep)	0.3% (-1.2%)	0.3% (-1.2%)	0.4% (-1.1%)
Oct-20	8:00	Industrial production (Sep)	10.2% (0.9%)		13.4% (3.7%)
Oct-20	8:00	PPI (Sep)	0.1% (-1.5%)		0.1% (-1.5%)
Oct-21	8:00	Construction output (Sep)	(-12.0%)		(-10.8%)
Oct-21	8:00	Retail sales (Sep)	-2.0% (2.6%)		-2.4% (2.0%)
Oct-22	12:00	Money supply M3 (Sep)	0.2% (16.1%)		0.2% (16.2%)
Oct-23	8:00	Unemployment rate (Sep)	6.1%		6.1%

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>Oct-20</b>	4.520	3.863	4.193	5.022	1.170	0.22	0.28	-0.48	0.23	3.1	1.30
<b>Nov-20</b>	4.480	3.821	4.167	4.967	1.173	0.22	0.28	-0.48	0.23	3.1	1.35
<b>Dec-20</b>	4.450	3.787	4.159	4.923	1.175	0.22	0.28	-0.47	0.23	2.7	1.35
<b>Jan-21</b>	4.446	3.780	4.155	4.916	1.176	0.22	0.28	-0.45	0.23	2.1	1.40
<b>Feb-21</b>	4.442	3.772	4.151	4.908	1.178	0.22	0.28	-0.45	0.23	1.6	1.40
<b>Mar-21</b>	4.438	3.765	4.147	4.901	1.179	0.22	0.28	-0.45	0.23	1.7	1.40
<b>Apr-21</b>	4.433	3.757	4.143	4.893	1.180	0.22	0.28	-0.45	0.23	2.3	1.40
<b>May-21</b>	4.429	3.750	4.139	4.885	1.181	0.22	0.28	-0.45	0.23	2.6	1.40
<b>Jun-21</b>	4.425	3.742	4.136	4.878	1.183	0.22	0.28	-0.45	0.23	2.4	1.40
<b>Jul-21</b>	4.421	3.735	4.132	4.870	1.184	0.22	0.28	-0.45	0.23	2.4	1.45
<b>Aug-21</b>	4.417	3.727	4.128	4.863	1.185	0.22	0.28	-0.45	0.23	2.5	1.45
<b>Sep-21</b>	4.413	3.720	4.124	4.855	1.186	0.22	0.28	-0.45	0.23	2.4	1.45

*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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