



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

On Tuesday the NBP published November's **Inflation report**. In line with the NBP projection prepared under the assumption of unchanged NBP interest rates and taking into account data available until 4 November 2020, there is a 50-percent probability that the annual price growth will be in the range of 3.4–3.5% in 2020 (against 2.9–3.6% in the July 2020 projection), 1.8–3.2% in 2021 (compared to 0.3–2.2%) and 1.6–3.6% in 2022 (compared to 0.6–2.9%). At the same time, the annual GDP growth – according to NBP's projection – will be with a 50-percent probability in the range of -4.1 – -3.0% in 2020 (against -7.2 – -4.2% in the July 2020 projection), 0.8–4.5% in 2021 (compared to 2.1–6.6%) and 3.8–7.8% in 2022 (compared to 1.9–6.0%). November's projection envisages GDP growth of -3.5% in 2020, 3.1% in 2021 and 5.7% in 2022 while average inflation is projected at 3.4% in 2020, 2.6% in 2021 and 2.7% in 2022.

The **Polish Development Fund (PFR)** informed that until November 10, it paid PLN60.7bn of aid to micro, small and medium enterprises of which PLN18.8bn was paid to microenterprises and PLN41.9bn was paid to small and medium enterprises.

PM Mateusz Morawiecki said that a decline of new infections per 100k inhabitants to 65 on Friday (from 67.7 on Wednesday) showed that there would be no need for national lockdown in coming days. In our view recent data show that implemented restrictions were effective in limiting spread of the covid-19. According to ICM UW modelling centre at University of Warsaw, the main factor in reducing new infections was mandatory learning from home for all children in grammar schools.

According to preliminary estimate by the GUS, **real GDP** in Poland fell by 1.6% y/y in Q3. Seasonally adjusted real GDP rose by 7.7% q/q and fell by 2.0% y/y. In Q3 2020 Poland's economy partially recovered losses from Q2 but economic activity remains still below its pre-covid level, mainly due to weak demand for services and due to decline in propensity to consume as employment and wage growth has diminished in recent months.

In October **inflation** was 0.1% m/m and 3.1% y/y. In October food prices fell by 0.1% m/m, footwear and clothing prices were 3.0% up m/m, housing and energy prices rose by 0.4% m/m, education prices were 0.9% up m/m while transport prices were 0.4% down m/m and communication prices fell by 0.9% m/m.

In September there was EUR1.072bn surplus in the **current account** and EUR1.238bn **trade surplus**.

## THIS WEEK:

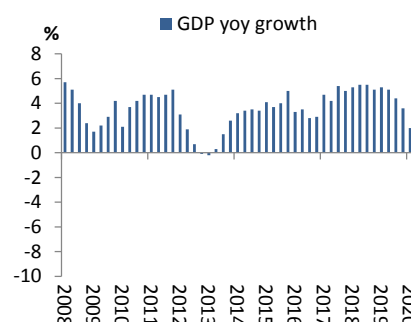
In October **core inflation** was 0.3% m/m and 4.3% y/y. This week economic calendar contains data for October: wage and employment (Thursday) and industrial production and PPI (Friday).

Figure 1: : Manufacturing PMI



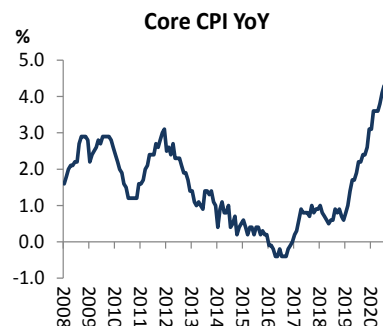
Source: GUS

Figure 2: GDP growth (y/y)



Source: GUS

Figure 3. Core inflation (y/y)



Source: NBP.



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Nov-16	13:00	Core inflation (Nov)	0.3% (4.3%)	0.3% (4.2%)	0.3% (4.2%)
Nov-19	9:00	Average wage (Oct)	1.5% (4.5%)		1.5% (4.8%)
Nov-19	9:00	Average employment (Oct)	0.2% (-1.0%)		0.0% (-1.1%)
Nov-20	9:00	Consumer confidence (Nov)	-25		-25
Nov-20	9:00	Industrial output (Oct)	1.5% (-0.4%)		2.5% (0.6%)
Nov-20	9:00	PPI (Oct)	0.3% (-0.7%)		0.2% (-0.9%)

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>Nov-20</b>	4.480	3.797	4.156	4.936	1.180	0.22	0.25	-0.52	0.22	3.1	1.20
<b>Dec-20</b>	4.450	3.787	4.159	4.923	1.175	0.22	0.25	-0.48	0.22	2.7	1.25
<b>Jan-21</b>	4.446	3.780	4.155	4.916	1.176	0.22	0.25	-0.47	0.22	2.1	1.25
<b>Feb-21</b>	4.442	3.772	4.151	4.908	1.178	0.22	0.25	-0.46	0.22	1.6	1.25
<b>Mar-21</b>	4.438	3.765	4.147	4.901	1.179	0.22	0.25	-0.45	0.22	1.7	1.25
<b>Apr-21</b>	4.433	3.757	4.143	4.893	1.180	0.22	0.25	-0.45	0.22	2.3	1.25
<b>May-21</b>	4.429	3.750	4.139	4.885	1.181	0.22	0.25	-0.45	0.22	2.6	1.25
<b>Jun-21</b>	4.425	3.742	4.136	4.878	1.183	0.22	0.25	-0.45	0.22	2.4	1.25
<b>Jul-21</b>	4.421	3.735	4.132	4.870	1.184	0.22	0.25	-0.45	0.22	2.4	1.30
<b>Aug-21</b>	4.417	3.727	4.128	4.863	1.185	0.22	0.25	-0.45	0.22	2.5	1.30
<b>Sep-21</b>	4.413	3.720	4.124	4.855	1.186	0.22	0.25	-0.45	0.22	2.4	1.30
<b>Oct-21</b>	4.408	3.712	4.120	4.848	1.188	0.22	0.25	-0.45	0.22	2.6	1.30

*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.*

*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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