



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

In October **average employment** in enterprises' sector rose by 0.1% m/m and was 1.0% down y/y. Employment in business sector has been gradually recovering, in line with our expectations. The recovery is slow due to sanitary restrictions and weaker demand from domestic consumers and lower export orders.

In October **average wage** in enterprises' sector rose by 1.6% mm and increased by 4.7% y/y. Wage growth in business sector has been recovering faster than employment due to the fact that companies have to compensate for absences in work caused by quarantine or taking care of children.

In October **core inflation** was 0.3% m/m and 4.3% y/y.

In November **consumer confidence** fell to -29.2pts from -20pts in October.

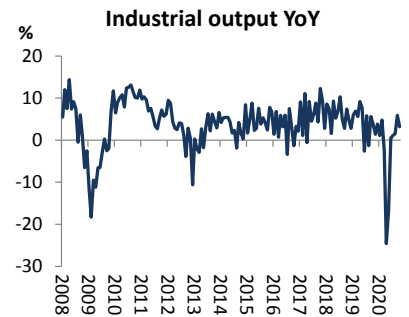
In October **industrial production** rose by 3.2% m/m and increased by 1.0% y/y. The strongest y/y growth was reported in manufacturing of electrical machinery (17.4%), tobacco (9.6%), computers and optical appliances (8.2%), waste disposal (8.2%), products of wood (7.4%), textiles (7.1%), furniture (5.5%), plastics (4.4%) – these branches produced 38% of total industrial output. The deepest y/y declines were reported in manufacturing of machinery and equipment (down 14.3%), coal mining (down 10.8%), fuels (down 10.0%), products of leather (down 6.4%), supply of steam and hot water (down 6.3%), metals (down 4.9%), printing (down 5.4%), non-metal products (down 2.9%), supply of water (down 1.8%) and pharmaceuticals (down 1.2%) – these branches produced 24% of industrial output.

In October **producer prices** were 0.4% up m/m and declined by 0.4% y/y

## THIS WEEK:

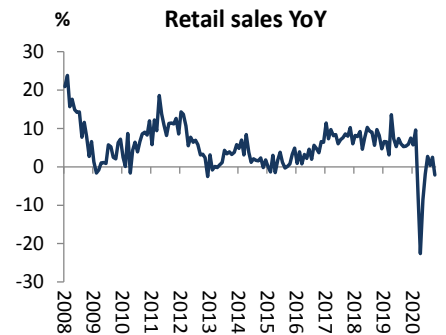
In October **retail sales** rose by 2.3% and declined by 2.1% y/y. **Real retail sales** fell by 2.3% y/y. In October **construction output** fell by 5.9% y/y. On Tuesday the NBP will publish **money supply M3** for October. On Wednesday the GUS will release **unemployment rate** for October and Q3.

Figure 1: : Industrial output (y/y growth)



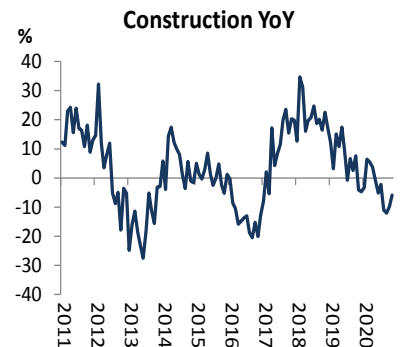
Source: GUS

Figure 2: Retail sales (y/y growth)



Source: GUS

Figure 3. Construction output (y/y)



Source: GUS



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Nov-23	9:00	Construction output (Oct)	-10.0%	-5.9%	-7.6%
Nov-23	9:00	Retail sales (Oct)	5.0% (0.4%)	2.3% (-2.1%)	2.9% (-1.4%)
Nov-23	9:00	Real retail sales (Oct)	(0.4%)	(-2.3%)	(-0.8%)
Nov-24	13:00	Money supply M3 (Oct)	0.9% (16.7%)		1.2% (17.0%)
Nov-25	9:00	Unemployment rate (Oct)	6.1%		6.1%
Nov-25	9:00	Unemployment rate (Q3)	3.2%		3.2%

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)										
Nov-20	4.475	3.767	4.124	4.991	1.188	0.22	0.25	-0.52	0.21	3.1	1.20
Dec-20	4.450	3.787	4.159	4.923	1.175	0.22	0.25	-0.48	0.22	2.7	1.25
Jan-21	4.446	3.780	4.155	4.916	1.176	0.22	0.25	-0.47	0.22	2.1	1.25
Feb-21	4.442	3.772	4.151	4.908	1.178	0.22	0.25	-0.46	0.22	1.6	1.25
Mar-21	4.438	3.765	4.147	4.901	1.179	0.22	0.25	-0.45	0.22	1.7	1.25
Apr-21	4.433	3.757	4.143	4.893	1.180	0.22	0.25	-0.45	0.22	2.3	1.25
May-21	4.429	3.750	4.139	4.885	1.181	0.22	0.25	-0.45	0.22	2.6	1.25
Jun-21	4.425	3.742	4.136	4.878	1.183	0.22	0.25	-0.45	0.22	2.4	1.25
Jul-21	4.421	3.735	4.132	4.870	1.184	0.22	0.25	-0.45	0.22	2.4	1.30
Aug-21	4.417	3.727	4.128	4.863	1.185	0.22	0.25	-0.45	0.22	2.5	1.30
Sep-21	4.413	3.720	4.124	4.855	1.186	0.22	0.25	-0.45	0.22	2.4	1.30
Oct-21	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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