



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

In October the surplus in the **current account** widened to EUR2241mn from EUR1072mn in September. Trade surplus was very high and rose to EUR1732mn in October from EUR1238mn in September what was a result of a 3.7% y/y increase in exports to EUR22.9bn and a decline of 3.5% y/y in imports to EUR21.2bn. In October surplus in trade in services rose to EUR2031mn from EUR1746mn in September.

In November **inflation** amounted to 0.1% m/m and 3.0% y/y. In November prices of transport fell by 0.2% m/m and declined by 5.4% y/y while communication prices rose 1.0% m/m and increased by 5.5% y/y what was caused by a decline in demand for transport and increase in demand for communication services. In November, despite closing these branches increased prices of recreation and culture (up 0.2% m/m and up 5.7% y/y) and hotels and restaurants (up 1.0% y/y and up 5.8% y/y). Prices of healthcare increased by 0.1% m/m and rose by 5.2% y/y.

In November **core inflation** amounted to 4.3% y/y and 0.2% m/m. An increase in core inflation stemmed mainly from higher prices of services.

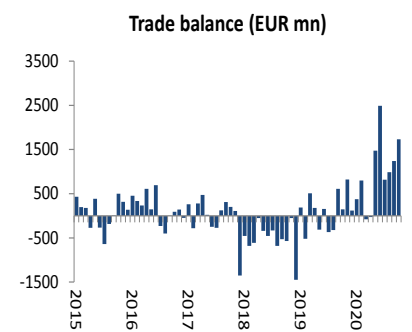
In November **average wage** in enterprises' sector rose by 0.5% m/m and increased by 4.9% y/y. Average employment in enterprises' sector didn't change m/m and fell by 1.2% y/y. Moderate decline in employment and the fact that wage growth remains a tad below 5% y/y show that enterprises' sector functioned relatively well under the current sanitary restrictions.

In November **industrial production** was much stronger than expected falling by 1.6% m/m and rose by 5.4% y/y versus 1.0% y/y growth in October. Market consensus for November's industrial output was 3.4% y/y growth. Very good data on industrial production for November correspond to robust PMIs from euro-zone and show that economic activity in enterprises' sector slowly improves. In November **producer prices** were unchanged m/m and fell by 0.2% y/y.

## THIS WEEK:

**Retail sales** for November fell by 5.4% m/m and decreased by 5.3% y/y. Real retail sales fell by 5.3% y/y in November. **Construction output** fell by 4.9% y/y and rose by 0.6% m/m in November. **Money supply M3** for November, adue on Tuesday should increase by 16.9% y/y. **Unemployment rate** for November (due on Wednesday) should be steady at 6.1%.

Figure 1: Current account (EURmn)



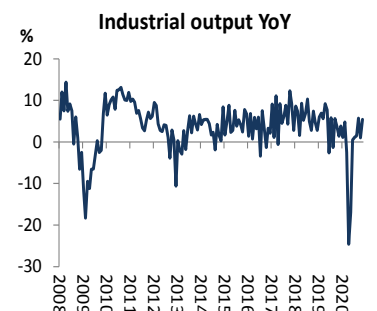
Source: NBP

Figure 2: Inflation (y/y growth)



Source: GUS

Figure 3. Industrial output (y/y growth)



Source: GUS, Deutsche Bank Polska S.A.



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Dec-21	9:00	Construction output (Oct)	-0.6% (-6.1%)	0.6% (-4.9%)	(-5.3%)
Dec-21	9:00	Retail sales (Nov)	-4.5% (-4.3%)	-5.4% (-5.3%)	-8.9% (-8.7%)
Dec-22	9:00	Real retail sales (Nov)	(4.3%)	(-5.3%)	(-7.8%)
Dec-22	13:00	Money supply M3 (Nov)	1.2% (16.9%)		1.0% (16.8%)
Dec-22	9:00	Unemployment rate (Nov)	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>Dec-20</b>	4.500	3.734	4.167	4.929	1.205	0.22	0.25	-0.50	0.22	2.7	1.25
<b>Jan-21</b>	4.496	3.719	4.166	4.906	1.209	0.22	0.25	-0.47	0.22	2.1	1.30
<b>Feb-21</b>	4.492	3.704	4.165	4.882	1.213	0.22	0.25	-0.46	0.22	1.6	1.35
<b>Mar-21</b>	4.488	3.690	4.165	4.858	1.216	0.22	0.25	-0.45	0.22	1.7	1.35
<b>Apr-21</b>	4.483	3.675	4.164	4.835	1.220	0.22	0.25	-0.45	0.22	2.3	1.40
<b>May-21</b>	4.479	3.660	4.163	4.812	1.224	0.22	0.25	-0.45	0.22	2.6	1.40
<b>Jun-21</b>	4.475	3.646	4.163	4.789	1.228	0.22	0.25	-0.45	0.22	2.4	1.40
<b>Jul-21</b>	4.471	3.631	4.162	4.766	1.231	0.22	0.25	-0.45	0.22	2.4	1.40
<b>Aug-21</b>	4.467	3.617	4.161	4.743	1.235	0.22	0.25	-0.45	0.22	2.5	1.45
<b>Sep-21</b>	4.463	3.602	4.161	4.720	1.239	0.22	0.25	-0.45	0.22	2.4	1.45
<b>Oct-21</b>	4.458	3.588	4.160	4.698	1.243	0.22	0.25	-0.45	0.22	2.6	1.45
<b>Nov-21</b>	4.454	3.574	4.160	4.675	1.246	0.22	0.25	-0.45	0.22	2.6	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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