



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

In December **manufacturing PMI** increased to 51.7pts from 50.8pts in November. An increase in PMI index stemmed from a rise in new orders. New orders increased for the first time in three months and companies still were hiring workers but at a slower pace than in November. In December output declined, despite increase in orders, due to insufficient workforce and delays in supply. Costs of production increased the most since April 2011 what caused prices of finished goods to rise for a fourth month in a row. In December new export orders (mainly from Europe and Asia) increased the most in almost three years. In December expected production in 12-month horizon was the second-best in two and half a year as enterprises were planning launching of new products and were hoping for post-pandemic recovery.

**Flash inflation** for December amounted to 0.1% m/m and 2.3% y/y, down from 3.0% y/y in November. In December food prices were 0.7% up y/y and fell by 0.1% m/m, energy prices were unchanged m/m and rose by 4.6% y/y while fuel prices fell by 8.9% y/y and were 3.0% up m/m.

## THIS WEEK:

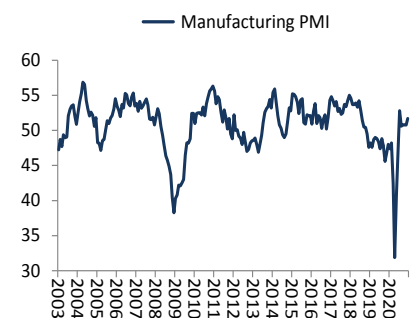
According to estimates of Ministry of Development, Labour and Technology in December **unemployment rate** rose to 6.2%, after remaining steady six month in a row at 6.1%.

On Wednesday the NBP will release **balance of payments** for November. We estimate that there was a current account gap of EUR2014mn and trade surplus of EUR1744mn in November.

On Wednesday the **MPC** holds policy meeting. We expect the Council to keep interest rates unchanged and to reiterate that interest rates will be on hold as long as it is required to facilitate economic recovery.

On Friday the GUS will release **inflation** for December. We expect that preliminary inflation will be confirmed at 0.1% m/m and 2.3% y/y.

Figure 1: PMI manufacturing



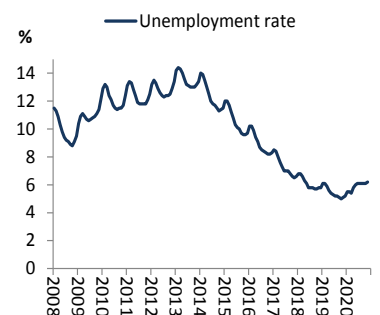
Source: Markit

Figure 2: Inflation (y/y)



Source: GUS

Figure 3. Unemployment rate



Source: GUS



## DIARY (this week)

| Date   | GMT   | Release/Event            | DB Expected | Actual | Consensus   |
|--------|-------|--------------------------|-------------|--------|-------------|
| Jan-13 |       | MPC decision             | 0.10%       |        | 0.10%       |
| Jan-13 | 13:00 | Current account (Nov)    | EUR2014mn   |        | EUR1846mn   |
| Jan-13 | 13:00 | Trade balance (Nov)      | EUR1744mn   |        | EUR1563mn   |
| Jan-15 | 9:00  | Inflation (Dec)          | 0.1% (2.3%) |        | 0.1% (2.3%) |
| Jan-15 | 13:00 | Minutes from MPC meeting |             |        |             |

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>Jan-21</b> | 4.515           | 3.738   | 4.177   | 5.077   | 1.208   | 0.22     | 0.25     | -0.55      | 0.22         | 1.6          | 1.25               |
| <b>Feb-21</b> | 4.510           | 3.725   | 4.176   | 5.053   | 1.211   | 0.22     | 0.25     | -0.54      | 0.22         | 1.2          | 1.30               |
| <b>Mar-21</b> | 4.505           | 3.712   | 4.175   | 5.029   | 1.214   | 0.22     | 0.25     | -0.53      | 0.22         | 1.3          | 1.30               |
| <b>Apr-21</b> | 4.500           | 3.699   | 4.174   | 5.005   | 1.217   | 0.22     | 0.25     | -0.52      | 0.22         | 1.9          | 1.35               |
| <b>May-21</b> | 4.495           | 3.686   | 4.174   | 4.982   | 1.220   | 0.22     | 0.25     | -0.51      | 0.22         | 2.2          | 1.35               |
| <b>Jun-21</b> | 4.490           | 3.673   | 4.173   | 4.958   | 1.223   | 0.22     | 0.25     | -0.50      | 0.22         | 1.9          | 1.40               |
| <b>Jul-21</b> | 4.485           | 3.660   | 4.172   | 4.935   | 1.225   | 0.22     | 0.25     | -0.50      | 0.22         | 2.0          | 1.40               |
| <b>Aug-21</b> | 4.480           | 3.647   | 4.171   | 4.912   | 1.228   | 0.22     | 0.25     | -0.50      | 0.22         | 2.1          | 1.45               |
| <b>Sep-21</b> | 4.475           | 3.635   | 4.171   | 4.888   | 1.231   | 0.22     | 0.25     | -0.50      | 0.22         | 2.0          | 1.45               |
| <b>Oct-21</b> | 4.470           | 3.622   | 4.170   | 4.865   | 1.234   | 0.22     | 0.25     | -0.50      | 0.22         | 2.2          | 1.45               |
| <b>Nov-21</b> | 4.465           | 3.609   | 4.169   | 4.842   | 1.237   | 0.22     | 0.25     | -0.50      | 0.22         | 2.2          | 1.45               |
| <b>Dec-21</b> | 4.460           | 3.597   | 4.168   | 4.820   | 1.240   | 0.22     | 0.25     | -0.50      | 0.00         | 2.5          | 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

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### Additional information available upon request

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