



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

**Flash inflation** for August was significantly above market consensus expectations and amounted to 0.2% m/m and 5.4% y/y after 5.0% y/y in July. An increase in inflation in August resulted mainly from higher fuel and energy prices.

**Real GDP growth** in Q2 was revised up to 11.1% y/y and 2.1% q/q. In Q2 private consumption grew by 13.3% y/y in real terms, public consumption increased by 3.8% y/y, investments in fixed assets rose by 5.0% y/y, exports grew by 29.3% y/y and imports increased by 35.8% y/y. Strong growth in GDP in Q2 was a result of robust recovery in private consumption and inventory investments. In Q2 net exports reduced GDP growth by 0.7 percentage point.

**Manufacturing PMI** fell to 56.0 from 57.6 in July, still pointing to expansion in Poland's industry. In August the pace of growth in output, new orders and purchasing activity decelerated but were still at high levels and companies continued to hire employees. In August inflow of new export orders was accelerating and output has been increasing for a 7<sup>th</sup> month in a row, but growth in output was the smallest in 4 months and still lagged behind new orders what still resulted in increase in backlogs. In August cost pressures and finished goods inflation, despite some deceleration, were still high. Producers are still very optimistic concerning production in 12-month horizon but business optimism was the smallest in 4 months. PMI data suggest that good business conditions will continue within next months, but a period of rapid recovery as economies opened slowly transforms into stable and robust growth.

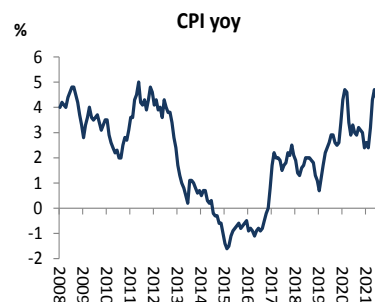
On September 2, the Supreme Court didn't rule on legal issues related to **CHF mortgages**. The Supreme Court instead submitted prejudicial questions to the TSUE pertaining to the way of nominating judges in Poland.

Government spokesman informed that final version of tax reform contained in **Polish Deal** will be made public in the first half of September.

## THIS WEEK:

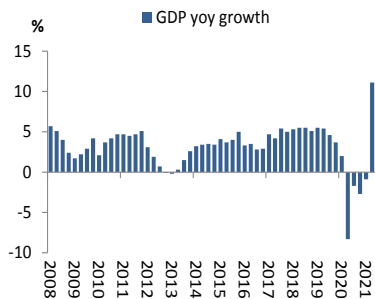
At regular policy meeting on Wednesday, we expect the **MPC** to keep monetary policy settings unchanged, especially as NBP President Glapinski said that rate hike would be a policy mistake.

Figure 1: Inflation (y/y)



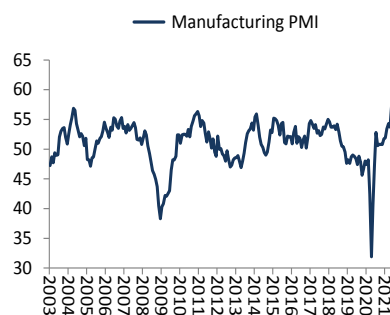
Source: Statistics Poland

Figure 2: Real GDP growth (y/y)



Source: Statistics Poland

Figure 3: Manufacturing PMI



Source: Markit



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Sep-07	12:00	Official reserve assets (Aug)			
Sep-08		MPC decision	0.10%		0.10%

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)										
Sep-21	4.520	3.811	4.158	5.275	1.186	0.24	0.28	-0.52	0.15	4.9	1.90
Oct-21	4.507	3.785	4.117	5.284	1.191	0.24	0.28	-0.51	0.20	5.1	1.95
Nov-21	4.493	3.759	4.076	5.293	1.195	0.24	0.28	-0.50	0.20	5.1	1.95
Dec-21	4.480	3.733	4.036	5.301	1.200	0.24	0.30	-0.50	0.20	5.3	2.00
Jan-22	4.473	3.715	4.001	5.286	1.204	0.24	0.30	-0.50	0.20	4.7	2.05
Feb-22	4.467	3.697	4.002	5.271	1.208	0.24	0.30	-0.50	0.20	4.8	2.10
Mar-22	4.460	3.678	4.000	5.253	1.213	0.24	0.30	-0.50	0.20	4.3	2.10
Apr-22	4.453	3.660	3.998	5.234	1.217	0.24	0.30	-0.50	0.20	4.2	2.15
May-22	4.447	3.642	3.995	5.209	1.221	0.25	0.30	-0.50	0.20	4.0	2.20
Jun-22	4.440	3.624	3.989	5.183	1.225	0.30	0.35	-0.50	0.20	4.3	2.20
Jul-22	4.433	3.607	3.983	5.158	1.229	0.35	0.40	-0.50	0.20	4.0	2.20
Aug-22	4.427	3.589	3.977	5.133	1.233	0.40	0.50	-0.50	0.20	4.0	2.25

*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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