



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

According to deputy Labour Minister Emil Szwed, **unemployment rate** in August was steady at 5.8% or edged higher to 5.9%.

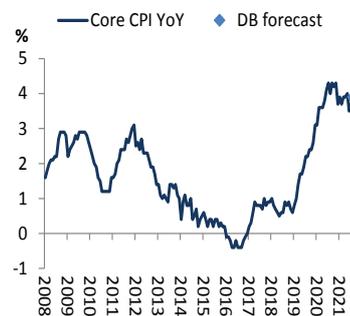
The **Monetary Policy Council**, as expected, didn't change monetary policy settings. In the communique the MPC devoted more space than usual to justify why inflation, that reached 5.4% in August, stemmed from supply-side shocks and why it would stabilize next year. The MPC reiterated that rise in inflation was a result of rising fuel prices, food prices, electric energy prices, rising waste disposal costs and higher operating costs of companies related to sanitary restrictions and disruptions to supply chains, that were independent from domestic monetary policy. The MPC said that the above factors would keep inflation above the upper bound of inflation target but lower inflation was expected next year. The Council informed that the central bank would continue bond purchases and underlined that the NBP might intervene in the FX market.

At **press conference** after MPC meeting NBP President Adam Glapinski said that there were no conditions for rate hike now. He stressed that November would be important date for the MPC and reiterated what conditions would be sufficient to trigger rate hike. The main condition for rate hike would be persistently high inflation in the coming months supplemented with new NBP inflation projection showing inflation above the upper bound of MPC target in medium term. Other conditions would be robust economic growth and healthy labour market (and no negative pandemic shocks in near future). NBP President said that the current level of exchange rate was beneficial for Poland's economy and repeated that the central bank stands ready for counteracting any rapid movements in PLN exchange rate.

## THIS WEEK:

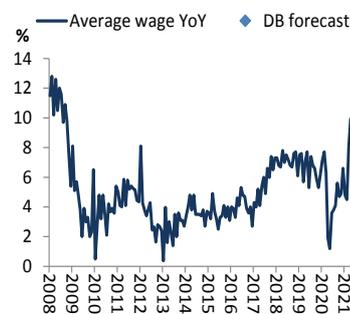
Economic calendar this week contains **balance of payments** data for July (Monday), final **inflation** for August (Wednesday), **core inflation** for August (Thursday) and **average wage** and **average employment** for August (due on Friday). Data on inflation and core inflation will be important for forming market expectations on rate hike.

Figure 1: Core inflation (y/y)



Source: Statistics Poland, Deutsche Bank

Figure 2: Average wage (y/y growth)



Source: Statistics Poland, Deutsche Bank

Figure 3: Average employment (y/y growth)



Source: Statistics Poland, Deutsche Bank



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Sep-13	12:00	Current account (Jul)	EUR387mn		-EUR180mn
Sep-13	12:00	Trade balance (Jul)	EUR337mn		EUR341mn
Sep-15	8:00	Inflation (Aug)	0.2% (5.4%)		0.2% (5.4%)
Sep-16	12:00	Core inflation (Aug)	0.2% (3.9%)		0.2% (3.9%)
Sep-17	8:00	Average wage (Aug)	-0.9% (8.6%)		-0.6% (8.8%)
Sep-17	8:00	Average employment (Aug)	0.2% (1.2%)		0.0% (1.1%)

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

Deutsche Bank Polska S.A. represents that the data contained in this publication are of information nature only, and the content presented herein does not constitute an offer within the meaning of Art. 66 of the Civil Code of 23 April 1964, an invitation to offer or a recommendation to enter into any transaction. This publication may not be treated as advice and does not perform any function of advice. All information used in this publication has been obtained from generally accessible sources which are generally recognized as reliable. Deutsche Bank Polska S.A. has exercised due diligence to verify the above information and bring it up to date, but it disclaims any and all liability for its accuracy or completeness, or for any damage that the Client or third parties may incur as a result of decisions made in reliance on the information contained in this publication.

The transactions or products listed herein may not be appropriate for all investors. Before making a decision on entering into a transaction or acquiring a product the Client should, without relying only on the information provided in this publication, make an independent assessment of the economic risk of such transaction and his ability to incur it, its tax and legal nature, the legal consequences of the transaction and potential benefits and losses associated with it, as well as assess the market characteristics.

The assumptions, simulations and opinions contained in this publication constitute the sole judgment of Deutsche Bank Polska S.A.'s / persons preparing it as at the date of publication of this document which is subject to change without a requirement to publish it. Any and all projections are based on assumptions pertaining to market conditions and there is no guarantee that any projected results will be achieved. Past performance is not a guarantee of future results.

Deutsche Bank Polska S.A. represents that the information presented above should not be in any case treated by the Client as Deutsche Bank Polska S.A.'s recommendation or advice. This publication may not be duplicated or distributed in any way, in particular through mass media, without the prior written consent of Deutsche Bank Polska S.A., al. Armii Ludowej 26, 00-609 Warsaw, NIP no. 676-01-07-416, District Court for the capital city of Warsaw, 12th Corporate Division of the National Court Register, file number KRS 0000022493, share capital PLN 1,744,449,384 paid up in full.

## Analyst Certification

The views expressed in this report accurately reflect the personal views of the undersigned lead analyst(s). In addition, the undersigned lead analyst(s) has not and will not receive any compensation for providing a specific recommendation or view in this report. Arkadiusz Krześniak