



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

In May **average gross wage** in enterprises' sector fell by 3.5% m/m and rose by 13.5% y/y amounted to PLN6399.59. Wage growth in May was below market consensus expectations. In real terms average wage fell by 0.4% y/y in May.

**Average employment** in enterprises' sector fell by 0.1% m/m and rose by 2.4% y/y to 6491.6 thousand jobs. Employment growth was weaker than market expected.

In May **industrial output** rose by 1.4% m/m and was 15.0% up y/y, growing somewhat weaker than market consensus view. In May production of investment goods rose by 23.0% y/y, production of non-durable consumer goods rose by 14.0% y/y and production of intermediate goods rose by 12.7%. Production of durable consumer goods rose by 1.7% in May. The highest growth was reported in production of coal and lignite (up 38.5% y/y), production of machinery and equipment (up 26.9% y/y), coke and oil refining products (up 25.5% y/y), products of metal (up 24.5% y/y), chemicals (up 22.6% y/y), automobiles (up 21.5% y/y), products of wood (up 16.2% y/y), paper (up 15.5% y/y). Data on industrial output show that industrial activity doesn't slow in May. **Producer prices** rose by 1.3% m/m and were 24.7% up y/y in May.

Government adopted resolutions allowing for pre-financing of projects under Poland's Recovery Plan by funds from financial shields that were returned by companies and that are in the disposal of Poland's Development Fund.

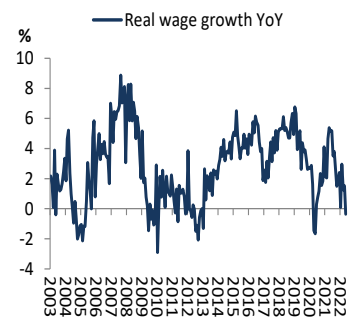
In May real **retail sales** fell by 1.7% m/m and rose by 8.2% y/y. Nominal retail sales rose by 23.6% y/y in May.

**Construction output** rose by 13.0% y/y in May versus 9.3% y/y growth in April.

In June **consumer confidence** indicator fell to -43.8 from -38.4 in May. Worsening of consumer confidence was a result of further deterioration of assessment of the past and future economic situation of Poland and sizable decline in propensity to make significant purchases.

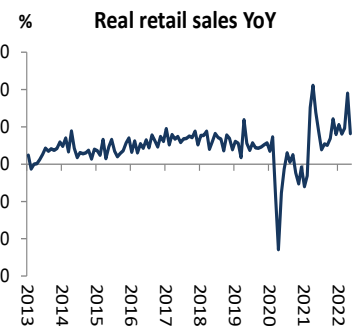
Money supply M3 rose by 0.1% m/m and increased by 7.6% y/y in May versus 0.2% m/m and 8.2% y/y growth in April. In May cash in circulation declined by 1.6% m/m and rose by 12.8% y/y while money supply M1 fell by 1.3% m/m and rose by 2.7% y/y. In May credit to households fell by 0.5% m/m and rose by 2.5% y/y while credit to companies fell by 0.1% m/m and rose by 12.2% y/y. Term deposits of households rose by 8.5% m/m and were 12.7% up y/y while term deposits of corporations were 7.9% up m/m and rose by as much as 69.3% y/y.

Figure 1: Real wage growth (y/y growth)



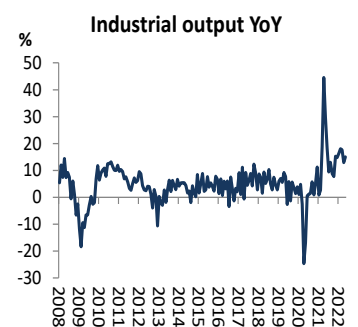
Source: Statistics Poland

Figure 2: Real retail sales (y/y growth)



Source: Statistics Poland

Figure 3: Industrial output (y/y growth)



Source: Statistics Poland



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jul-01	7:00	PMI manufacturing (Jun)	47.5		47.8
Jul-01	8:00	CPI (Jun, flash)	1.3% (15.2%)		1.5% (15.5%)

Source: Deutsche Bank Estimates., Reuters and Bloomberg Finance LP

## FX and interest rate forecasts

	EUR/PLN	USD/PLN	CHF/PLN	GBP/PLN	EUR/USD	Reference rate	WIBOR 3M*	WIBOR 6M*	EURIBOR 3M	LIBOR USD 3M*	CPI (Poland)	Yield on 10Y POLGB
	(end of period)											
Jun-22	4,700	4,455	4,631	5,464	1,055	6,00	7,15	7,45	-0,21	2,35	15,2	7,70
Jul-22	4,667	4,410	4,609	5,455	1,058	6,75	7,55	7,85	-0,13	3,00	15,9	7,90
Aug-22	4,633	4,365	4,587	5,446	1,062	6,75	7,95	8,25	-0,05	3,20	16,3	8,00
Sep-22	4,600	4,320	4,566	5,435	1,065	7,50	7,95	8,25	0,05	3,55	15,7	7,90
Oct-22	4,567	4,275	4,544	5,425	1,068	7,50	7,95	8,25	0,22	3,80	15,2	7,80
Nov-22	4,533	4,231	4,522	5,413	1,071	7,50	7,95	8,25	0,39	4,05	14,5	7,75
Dec-22	4,500	4,091	4,500	5,277	1,100	7,50	7,95	8,25	0,55	4,05	13,9	7,70
Jan-23	4,499	4,075	4,492	5,267	1,104	7,50			0,70	4,30	13,5	7,60
Feb-23	4,498	4,059	4,483	5,256	1,108	7,50			0,85	4,30	14,4	7,55
Mar-23	4,498	4,043	4,475	5,245	1,113	7,50			1,00	4,30	11,8	7,55
Apr-23	4,497	4,027	4,467	5,235	1,117	7,50			1,17	4,30	10,6	7,50
May-23	4,496	4,011	4,459	5,225	1,121	7,50			1,34	4,30	9,4	7,50

\*- *PM Mateusz Morawiecki announced intention to replace WIBOR by a new benchmark as of the end of 2022, but no details were given yet nor there was any regulatory trigger to initiate transition from WIBOR.*

*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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