



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

**Manufacturing PMI** fell marginally to 48.9pts in November from 49.2pts in October.

The **Monetary Policy Council** kept interest rates unchanged, as expected. In the communique after the meeting the MPC stated that business conditions in the environment of Poland's economy were still weakened while inflation in major developed economies remained close to central banks' targets. The MPC underlined that lower GDP growth in Q3 this year stemmed from visible reduction in growth in consumption and investments. The MPC said that weak demand pressure and decline in producer prices curbed inflationary pressure while significant rise in energy prices and strong growth in wages increased inflationary pressure. The MPC expect consumer inflation to remain significantly above inflation target due to higher energy prices but in the medium term, under the condition of expected gradual decline in wages' growth, consumer inflation should return to NBP target. The Council pointed to the following sources of uncertainty: (1) likely removal of cap on energy prices in Q2 2025 (2) an impact of higher energy prices on inflation expectations and in the medium term (3) fiscal and regulatory policies, (4) the pace of expected economic recovery in Poland and (5) situation in labour market.

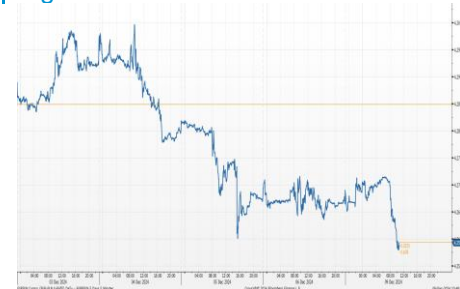
At **press conference** NBP president Adam Glapinski informed that currently dominating view within the MPC was that a discussion on rate cuts might start in October 2025 not in March 2025 as several MPC members had signalled earlier. NBP President explained that the reason for that was that cap on energy prices would expire in end of September 2025. NBP expects consumer inflation to rise towards 5% in the end of 2025 after decline in Q2 next year. NBP President underlined that discussions on rate cuts wouldn't result in actual rate cut. This comment significantly changed market expectations on size and timing of interest rate cuts next year. The comment of NBP president was alleviated slightly by comment from MPC member Henryk Wnorowski who said that discussion on rate cuts might start after release of NBP inflation projection in March 2025 and added that total size of rate cuts in 2025 would not exceed 100bps. A similar comment came from MPC member Ludwik Kotecki who said that the view of NBP President was not the view of the MPC and added that discussion on rate cuts might still commence in March. MPC Cezary Kochalski said he was slightly more optimistic concerning energy prices in the end of 2025 and added that discussion on rate cuts might start in March 2025 or later. MPC Ireneusz Dabrowski said the central bank might cut interest rates in Q3 2025. MPC Gabriela Maslowska commented that the central bank might start monetary easing in the second half of 2025 or in Q1 2026.

Figure 1. PMI manufacturing



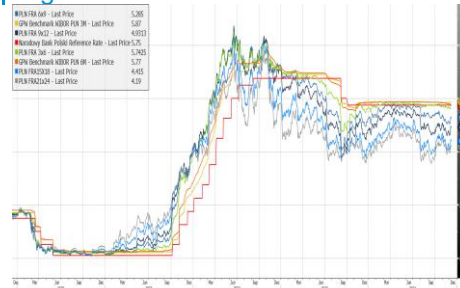
Source: S&P Global

Figure 2. EUR/PLN



Source: Bloomberg

Figure 3. WIBOR and FRAs



Source: Bloomberg



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Dec-13	9:00	CPI (Nov)	0.4% (4.6%)		0.4% (4.6%)
Dec-13	13:00	Current account (Oct)	-EUR200m		-EUR100mn
Dec-13	13:00	Trade balance (Oct)	-EUR820mn		-EUR880mn

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	Fed Funds (mid)	CPI (Poland)	Yield on 10Y POLGB
	(end of period)											
<b>Dec-24</b>	4,280	4,095	4,649	5,201	1,045	5,75	5,82	5,75	2,80	4,375	4,9	5,55
<b>Jan-25</b>	4,290	4,132	4,665	5,233	1,038	5,75	5,76	5,67	2,70	4,375	5,4	5,40
<b>Feb-25</b>	4,300	4,168	4,681	5,266	1,032	5,75	5,71	5,58	2,65	4,375	5,2	5,25
<b>Mar-25</b>	4,310	4,205	4,698	5,298	1,025	5,75	5,65	5,50	2,55	4,375	5,1	5,15
<b>Apr-25</b>	4,312	4,242	4,712	5,330	1,017	5,75	5,53	5,40	2,45	4,375	4,2	5,10
<b>May-25</b>	4,313	4,278	4,727	5,362	1,008	5,50	5,42	5,30	2,40	4,375	4,5	5,05
<b>Jun-25</b>	4,315	4,315	4,742	5,394	1,000	5,50	5,30	5,20	2,30	4,375	4,4	5,00
<b>Jul-25</b>	4,312	4,290	4,721	5,398	1,005	5,50	5,22	5,10	2,20	4,375	2,9	4,95
<b>Aug-25</b>	4,308	4,266	4,700	5,403	1,010	5,50	5,13	5,00	2,10	4,375	2,7	4,90
<b>Sep-25</b>	4,305	4,241	4,679	5,408	1,015	5,25	5,05	4,90	2,05	4,375	3,0	4,80
<b>Oct-25</b>	4,296	4,212	4,653	5,405	1,020	5,25	4,98	4,83	2,05	4,375	3,0	4,75
<b>Nov-25</b>	4,288	4,183	4,627	5,403	1,025	5,00	4,90	4,75	2,05	4,375	2,7	4,70
<b>Dec-25</b>	4,279	4,154	4,601	5,400	1,030	5,00	4,83	4,68	2,05	4,375	2,8	4,65

\*- According to road map published by the PFSa WIBOR cessation will occur in 2027.

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.

Source: Deutsche Bank Polska S.A.



# Appendix 1

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Additional information available upon request

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