



# Poland: Weekly Macroeconomic Update

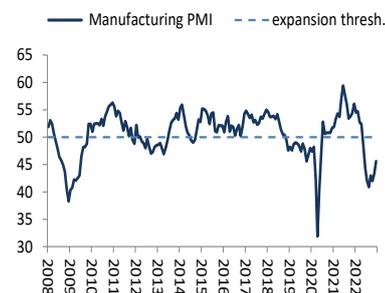
## THIS WEEK:

**Manufacturing PMI** unexpectedly rose to 45.6 in December from 43.4 in November. Analysts expected smaller growth in PMI in December – consensus forecast was 44.0. PMI index was still below 50 what means deceleration of economic activity. However, the pace of deceleration was smaller in December than in November. In December output, new orders, employment and purchasing activity declined but the pace of decline was slower than in November. Also cost inflation in December rose much less than in November – production costs have been rising at the smallest pace since almost two and half a year while prices of output has been rising at the smallest pace since beginning of 2021. Companies in industry continued to reduce employment to optimize costs. In December expectations on future production were moderately optimistic – some enterprises expected improvement in demand and stabilisation of business conditions while the others expected recession and decline in sales.

On Tuesday the **MPC** starts two-day policy meeting. We expect the Monetary Policy Council to keep interest rates unchanged on Wednesday. Inflation in December and January should be close to that of November. The zloty remains relatively stable versus the EUR and the USD weakens what moderately tightens monetary conditions in Poland. World prices of major commodities and food remain stable while prices of energy commodities (hard coal excluded) continue its decline.

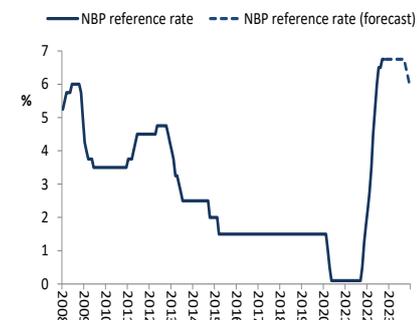
On Thursday the GUS will release **flash CPI** for December. We expect CPI to stabilize at 17.5% in December. In December declining fuel prices should be reducing consumer inflation but rising food prices and rising prices of services (in particular in hotels and restaurants) should result in an increase in monthly CPI.

Figure 1. Manufacturing PMI



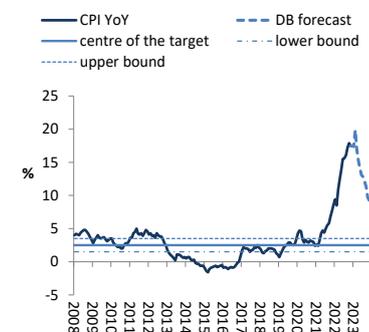
Source: S&P Global

Figure 2. NBP reference rate



Source: NBP, Deutsche Bank Polska S.A.

Figure 3. CPI (y/y growth)



Source: Statistics Poland, Deutsche Bank Polska S.A.



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jan-02	8:00	Manufacturing PMI (Dec)		45.6	44.0
Jan-04		MPC decision	6.75%		6.75%
Jan-05	9:00	CPI (Dec, flash)	0.9% (17.5%)		0.7% (17.4%)
Jan-05	13:00	Minutes from MPC meeting			
Jan-05	13:00	Official reserve assets (Dec)			

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)											
Jan-23	4,674	4,388	4,753	5,252	1,065	6,75	7,05	7,15	2,28	5,00	17,4	6,80
Feb-23	4,663	4,399	4,774	5,214	1,060	6,75	7,05	7,15	2,43	5,05	19,9	6,70
Mar-23	4,651	4,409	4,795	5,176	1,055	6,75	7,05	7,15	2,63	5,30	17,0	6,60
Apr-23	4,640	4,419	4,817	5,138	1,050	6,75	7,05	7,15	3,25	5,30	15,3	6,50
May-23	4,629	4,408	4,838	5,075	1,050	6,75	7,05	7,15	3,30	5,05	14,1	6,40
Jun-23	4,618	4,398	4,861	5,013	1,050	6,75	7,05	7,15	3,50	5,05	13,1	6,30
Jul-23	4,606	4,352	4,807	4,976	1,058	6,75	7,05	7,10	3,50	4,80	12,8	6,20
Aug-23	4,595	4,308	4,753	4,940	1,067	6,75	7,05	6,75	3,50	4,80	12,1	6,00
Sep-23	4,584	4,264	4,701	4,904	1,075	6,75	6,85	6,50	3,50	4,80	11,3	6,00
Oct-23	4,573	4,221	4,650	4,868	1,083	6,50	6,60	6,50	3,50	4,80	9,8	5,80
Nov-23	4,561	4,178	4,600	4,833	1,092	6,25	6,35	6,25	3,50	4,80	9,2	5,80
Dec-23	4,550	4,136	4,550	4,798	1,100	6,00	6,35	6,25	3,50	4,80	8,9	5,80

\*- According to road map published by the PFSA WIBOR cessation will occur in 2025.

*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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