



Poland: Weekly Macroeconomic Update

LAST WEEK:

In December **real retail sales** rose by 13.1% m/m and was 0.2% up y/y. Positive annual growth in real retail sales was reported in retail sales of food (up 1.9% y/y), pharmaceuticals and cosmetics (up 7.6% y/y) and footwear and clothing (up 7.2% y/y). A decline in real retail sales was reported in retail sales of automobiles (down 2.8% y/y), fuels (down 7.8% y/y), furniture, electronics and white goods (down 10.4% y/y), sales in specialized shops (down 8.0% y/y) and other retail sales (down 2.9% y/y).

In December **industrial output** fell by 6.4% m/m and rose by 1.0% y/y. Industrial output in mining and quarrying was 6.9% down y/y, energy production was 13.3% down y/y while growth was reported in manufacturing (up 3.4% y/y) and utilities (up 1.8% y/y). **PPI** was 0.5% up m/m and rose by 20.4% y/y in December. **Construction output** was 0.8% down y/y in December.

According to the Eurostat seasonally adjusted **deficit of public finances** in Poland widened to -4.4% of GDP in Q3 2022 from -0.7% of GDP in Q1 2022. Finance Ministry informed that Poland's general government debt fell to 50.3% of GDP in Q3 2022 from 53.8% in the end of 2021.

Registered unemployment rate rose to 5.2% in December from 5.1% in November and number of unemployed increased to 812.3 thousand persons in December 2022 from 800.2 thousand persons in November 2022.

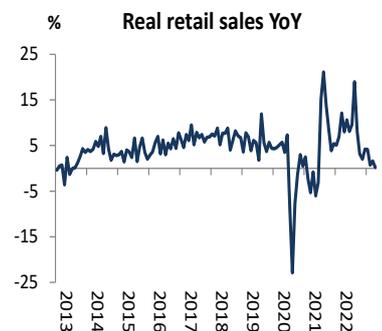
Money supply (M3) rose by 0.4% m/m and increased by 5.4% y/y to PLN2091.3bn in December 2022.

THIS WEEK:

Real GDP growth in 2022 amounted to 4.9% versus 6.8% in 2021. In 2022 personal consumption grew by 3.0% (contributing 1.7 percentage points) to GDP growth and fixed investments rose by 4.6% adding 0.8 to GDP growth.

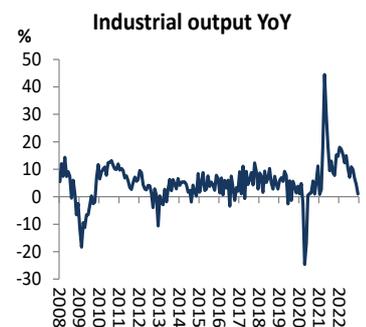
Manufacturing PMI (to be released on Wednesday), should show an improvement in business climate in manufacturing – we expect manufacturing PMI to rise to 46.3pts in January from 45.6pts in December.

Figure 1. Real retail sales (y/y growth)



Source: Statistics Poland

Figure 2. Industrial output (y/y growth)



Source: Statistics Poland

Figure 3. Money supply M3 (y/y growth)



Source: Statistics Poland



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jan-30	9:00	GDP (2022)	4.8%	4.9%	4.8%
Feb-01	8:00	PMI Manufacturing (Jan)	46.3		46.5

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)											
Jan-23	4,707	4,326	4,693	5,356	1,088	6,75	6,95	7,00	2,50	4,85	16,5	6,00
Feb-23	4,697	4,308	4,677	5,343	1,090	6,75	6,95	7,00	2,65	5,05	19,0	6,10
Mar-23	4,688	4,289	4,661	5,331	1,093	6,75	6,95	7,00	2,85	5,30	16,1	6,15
Apr-23	4,678	4,271	4,644	5,318	1,095	6,75	6,95	7,00	3,25	5,30	14,4	6,00
May-23	4,668	4,253	4,628	5,306	1,098	6,75	6,95	7,00	3,30	5,05	13,3	5,80
Jun-23	4,658	4,235	4,612	5,294	1,100	6,75	6,95	7,00	3,50	5,05	12,2	5,75
Jul-23	4,649	4,194	4,610	5,264	1,108	6,75	6,95	6,95	3,50	4,80	12,0	5,70
Aug-23	4,639	4,154	4,608	5,234	1,117	6,75	6,95	6,75	3,50	4,80	11,3	5,60
Sep-23	4,629	4,115	4,606	5,205	1,125	6,75	6,85	6,50	3,50	4,80	10,5	5,40
Oct-23	4,619	4,076	4,604	5,177	1,133	6,50	6,60	6,25	3,50	4,80	8,9	5,30
Nov-23	4,610	4,038	4,602	5,148	1,142	6,25	6,35	6,25	3,50	4,80	8,4	5,20
Dec-23	4,600	4,000	4,600	5,120	1,150	6,00	6,10	6,20	3,50	4,80	8,7	5,20

*- 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

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