



Poland: Weekly Macroeconomic Update

LAST 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. Aggregate data for 2022 suggest that in Q4 2022 real GDP grew by 1.8% y/y, real households' consumption fell by 2.0% y/y and real investments in fixed assets rose by 4.6% y/y. A decline in personal consumption in Q4 2022 was a result of lower purchasing power of households due to persistently high inflation.

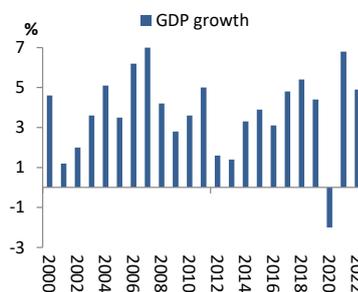
Economic Sentiment Indicator – ESI for Poland amounted to 89.7pts in January 2023 and remained unchanged versus December 2022. Business climate indicator in industry in Poland amounted to -19.5 in January versus -20.1 in December while business climate indicator in services in Poland fell to -15.4 in January from -10.4 in December.

In January **manufacturing PMI** rose to 47.5pts from 45.6pts in December. In January industrial output and new orders declined albeit at slower pace than in December. New export orders has been falling for eleventh month in a row, partially due to weak demand from the EU countries. In January employment and purchasing activity declined again. Business confidence in manufacturing improved, however, despite sharp increase in costs of production following from high energy prices, commodity prices and prices of intermediate goods. In January inflation of costs of production and inflation of prices of output has reduced due to more balanced commodity markets.

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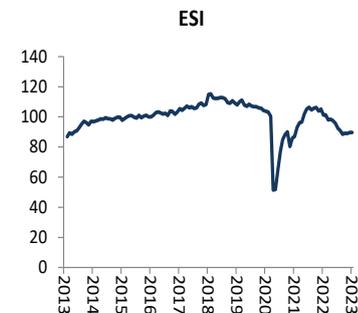
MPC meeting will be a major event in domestic economic calendar this week. There is a strong consensus that the Council won't change monetary policy settings this week – in line with comments from NBP President and comments from majority of MPC members. More and more economic policy makers share a view that interest rate cut is possible in the end of 2023 if inflation starts falling in Q2 and Q3 2023.

Figure 1. Real GDP (y/y growth)



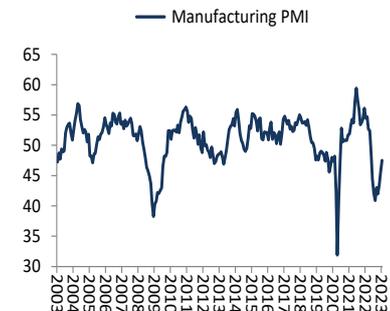
Source: Statistics Poland

Figure 2. ESI Poland



Source: European Commission

Figure 3. PMI manufacturing



Source: S&P Global



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Feb-08		MPC decision	6.75%		6.75%
Feb-09	14:00	Press conference of NBP President			
Feb-10	13:00	Minutes from MPC meeting (Jan)			

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)											
Feb-23	4,720	4,387	4,739	5,286	1,076	6,75	6,91	7,00	2,65	5,00	19,0	5,90
Mar-23	4,708	4,351	4,710	5,292	1,082	6,75	6,91	7,00	2,85	5,25	16,1	5,85
Apr-23	4,696	4,316	4,682	5,298	1,088	6,75	6,91	7,00	3,25	5,25	14,4	5,80
May-23	4,684	4,282	4,654	5,304	1,094	6,75	6,91	7,00	3,30	5,00	13,3	5,80
Jun-23	4,672	4,247	4,626	5,309	1,100	6,75	6,91	7,00	3,50	5,00	12,2	5,75
Jul-23	4,660	4,205	4,621	5,277	1,108	6,75	6,91	6,95	3,50	4,80	12,0	5,70
Aug-23	4,648	4,162	4,617	5,245	1,117	6,75	6,91	6,75	3,50	4,80	11,3	5,60
Sep-23	4,636	4,121	4,613	5,213	1,125	6,75	6,85	6,50	3,50	4,80	10,5	5,40
Oct-23	4,624	4,080	4,609	5,182	1,133	6,50	6,60	6,25	3,50	4,80	8,9	5,30
Nov-23	4,612	4,040	4,604	5,151	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
Jan-24	4,590	3,974	4,581	5,095	1,155	6,00	6,10	6,20	3,50	4,80	8,5	5,10

*- 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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