



Poland: Weekly Macroeconomic Update

LAST WEEK:

In March **core CPI** amounted to 1.3% m/m and 12.3% y/y. Core inflation is rising despite deceleration in consumer inflation what is a result of rising prices of services, caused by increasing wage growth and absorption of shock in energy prices.

Consumer confidence indicator for April rose to -32.2 pts from -35.6 pts in March. All components of the indicator improved – assessments of financial situation of households and Poland’s economy, the current and expected. Indicators of the current and future financial situation of households improved to respectively -26.9 in April from -29.9 in March and to -17.6 from -20.3 and indicator of future financial situation of households improved to -30.8 in April from -36.2 in March. In April indicator of ability to purchase significant items also improved but still remained deep in negative territory (-33.5 pts). An improvement in consumer confidence indicator in April is related to deceleration of consumer inflation (and decline in retail prices of some goods) and stabilization of energy and fuel prices.

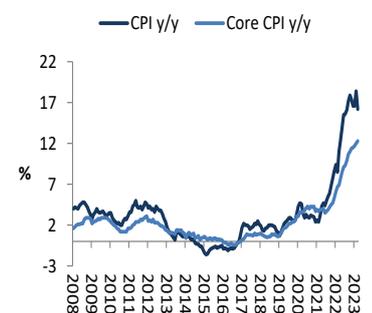
Statistics Poland revised up **GDP growth** for 2022 to 5.1% from 4.9% and GDP growth for 2021 to 6.9% from 6.8%. Revision of GDP growth for 2022 stemmed from revision of contribution of net exports (domestic growth was revised down by 0.3 perc. points, mainly due to downward revision in public consumption) while revision of GDP growth for 2021 stemmed from upward revision of domestic demand.

In March **average employment** in enterprises’ sector fell by 0.1% m/m and was 0.5% up y/y. In March average employment in enterprises’ sector was 6516.8k jobs. In March **average monthly wage** in enterprises’ sector amounted to PLN7508.34 and was 6.3% up m/m and 12.6% up y/y.

According to the fiscal notification, **general government deficit** in 2022 amounted to - PLN115.2bn (-3.7% of GDP) versus a deficit of -PLN48.2bn (-1.8% of GDP) in 2021 and deficit of -PLN161.8bn in 2020 (-6.9% of GDP) in 2020. **General government debt** for 2022 amounted to PLN1512.3bn (49.1% of GDP) versus debt of PLN1410.5bn (53.6% of GDP) in 2021 and debt of PLN1336.6bn (57.2% of GDP) in 2020.

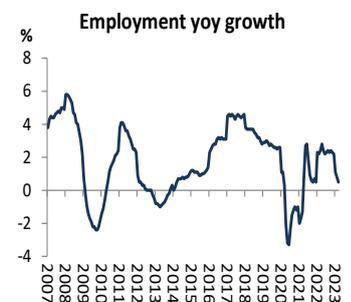
In 2022 the **National Bank of Poland** had a loss of -PLN16.94bn after a profit of PLN10.97bn in 2021. The loss was a result of higher domestic and foreign interest rates what led to decline in value of foreign bonds held by the NBP and increased costs of monetary policy.

Figure 1. CPI and core CPI



Source: Statistics Poland, NBP

Figure 2. Employment (y/y growth)



Source: Statistics Poland

Figure 3. Average wage (y/y growth)



Source: Statistics Poland



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Apr-24	8:00	PPI (Mar)		-0.8% (10.1%)	-0.3% (11.0%)
Apr-24	8:00	Industrial output (Mar)		14.1% (-2.9%)	15.9% (-2.2%)
Apr-24	8:00	Construction output (Mar)		(-1.5%)	(0.5%)
Apr-24	8:00	Real retail sales (Mar)		14.0% (-7.3%)	14.8% (-6.2%)
Apr-25	12:00	Money supply M3 (Mar)	1.0% (7.1%)		1.1% (7.2%)
Apr-26	8:00	Unemployment rate (Mar)	5.4%		5.4%
Apr-28	8:00	CPI (Apr, flash)	0.8% (14.7%)		(15.0%)

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)											
Apr-23	4,605	4,183	4,704	5,207	1,101	6,75	6,90	6,95	3,29	5,27	14,7	6,03
May-23	4,604	4,145	4,686	5,203	1,111	6,75	6,90	6,95	3,60	5,30	13,3	6,00
Jun-23	4,604	4,185	4,558	5,232	1,100	6,75	6,90	6,90	3,90	5,20	12,2	5,90
Jul-23	4,603	4,153	4,565	5,212	1,108	6,75	6,90	6,85	4,00	5,00	11,9	5,80
Aug-23	4,603	4,122	4,572	5,193	1,117	6,75	6,90	6,75	4,00	4,90	11,3	5,70
Sep-23	4,602	4,091	4,579	5,175	1,125	6,75	6,85	6,50	4,00	4,70	10,4	5,55
Oct-23	4,601	4,060	4,586	5,156	1,133	6,50	6,60	6,25	4,00	4,60	8,9	5,40
Nov-23	4,601	4,030	4,593	5,138	1,142	6,25	6,35	6,25	4,00	4,60	8,3	5,30
Dec-23	4,600	4,000	4,600	5,120	1,150	6,00	6,10	6,15	4,00	4,60	8,6	5,30
Jan-24	4,645	4,039	4,636	5,178	1,150	6,00	6,10	6,05	4,00	4,55	8,0	5,30
Feb-24	4,640	4,035	4,626	5,173	1,150	5,75	6,00	5,85	4,00	4,55	7,9	5,30
Mar-24	4,630	4,026	4,612	5,165	1,150	5,75	5,90	5,60	4,00	4,50	7,5	5,30

*- 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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