



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

According to preliminary data **registered unemployment rate** fell to 5.3% in April from 5.4% in March. In the end of April number of unemployed amounted to 823.7 thousands or 23.1 thousands less than in March. A decline in unemployment in April stemmed mainly from increase in employment in services, including seasonal rise in employment in hotels and restaurants.

The **MPC**, as expected, kept interest rates unchanged with the main reference rate at 6.75%. In the communique the MPC underlined that the global economic conditions (including euro-zone) remained weakened while uncertainty about global economic activity outlook persisted, due, among others to tensions in the U.S. banking sector. In Poland situation in labour market is good, despite slowing down economic activity, albeit annual growth in employment decelerated. The MPC stressed that inflation in Poland declined due to decline in annual growth in food and energy prices. The MPC expects that weaker business conditions in the economic environment of Poland, coupled with the fall in commodity prices will continue to reduce inflation in Poland. Disinflation will be supported by weakening of GDP (and consumption) growth in Poland, amid a significant decrease in credit growth. The MPC added that decline in domestic inflation would be gradual due to the size and persistency of earlier supply shocks and due to their secondary effects. The MPC reiterated their future decision would depend on incoming data.

At **press conference** NBP President Adam Glapiński said that the Council was still in a tightening mode and added the MPC were not discussing rate cuts and that the Council was in a “wait-and-see” mode. In his view rate cut in the year end is possible if the path to MPC inflation target is clear. NBP President said that core CPI was close to peak or had already reached it and would be declining in coming months. In his view consumer inflation will be decelerating to single-digit level in Q4 or even in September. He added that he hoped for CPI at 7% at the year end. He reiterated that the MPC had no exchange rate target but added that further appreciation of the zloty could reduce CPI by one percentage point. NBP President expects that in Q2 one can see real growth in wages, but in his view wages doesn’t contribute to inflationary pressure in Poland. In his opinion blocked EU funds doesn’t have impact on Poland’s economy. NBP President informed that NBP increased gold reserves by 15 tons to 243 tons.

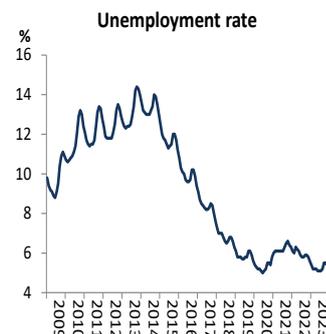
At party convention leader of Law and Justice (PiS) Jarosław Kaczyński announced increase of **child subsidies** under 500+ programme to PLN800 per month in 2024 from the current PLN500 per month.

## THIS WEEK:

**CPI** for April was confirmed at 0.7% m/m and 14.7% y/y, as expected.

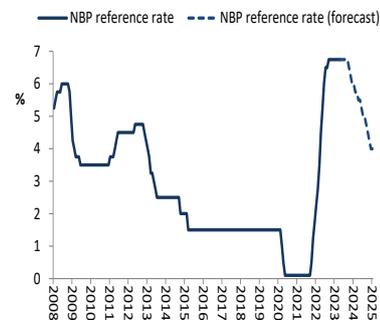
According to preliminary estimate of Statistics Poland **nominal GDP** in 2022 amounted to PLN3078.3bn.

Figure 1. Unemployment rate



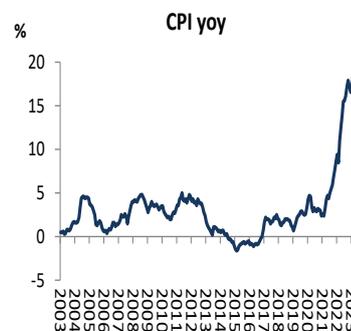
Source: Statistics Poland

Figure 2. NBP reference rate



Source: NBP, Deutsche Bank Polska S.A.

Figure 3. CPI (y/y)



Source: Statistics Poland



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
May-15	8:00	CPI (Apr)	0.7% (14.7%)	0.7% (14.7%)	0.7% (14.7%)
May-15	12:00	Current account (Mar)	EUR1715m		EUR2465m
May-15	12:00	Trade balance (Mar)	EUR1015m		EUR1401m
May-16	8:00	GDP (Q1, prel.)	(-0.5%)		0.8% (-0.9%)
May-16	12:00	Core CPI (Apr)	1.2% (12.3%)		1.2% (12.2%)

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)											
May-23	4,507	4,146	4,618	5,183	1,087	6,75	6,90	6,95	3,35	5,35	13,2	5,85
Jun-23	4,506	4,096	4,461	5,120	1,100	6,75	6,90	6,90	3,60	5,30	12,2	5,82
Jul-23	4,505	4,065	4,468	5,101	1,108	6,75	6,90	6,85	3,60	5,20	11,9	5,80
Aug-23	4,504	4,033	4,474	5,082	1,117	6,75	6,90	6,75	3,60	4,90	11,2	5,70
Sep-23	4,503	4,003	4,481	5,063	1,125	6,75	6,85	6,50	3,60	4,45	10,2	5,55
Oct-23	4,502	3,972	4,487	5,045	1,133	6,50	6,60	6,25	3,60	4,35	8,7	5,40
Nov-23	4,501	3,942	4,494	5,027	1,142	6,25	6,35	6,25	3,60	4,10	8,2	5,30
Dec-23	4,500	3,913	4,500	5,009	1,150	6,00	6,10	6,15	3,60	4,10	8,5	5,30
Jan-24	4,495	3,902	4,486	5,002	1,152	6,00	6,10	6,05	3,60	3,85	7,8	5,30
Feb-24	4,490	3,887	4,477	4,984	1,155	5,75	6,00	5,85	3,60	3,85	7,7	5,30
Mar-24	4,490	3,877	4,472	4,975	1,158	5,75	5,90	5,60	3,60	3,85	7,3	5,30
Apr-24	4,490	3,874	4,472	4,970	1,159	5,50	5,60	5,60	3,60	3,85	7,2	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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