



Poland: Weekly Macroeconomic Update

LAST WEEK:

In September the **current account** surplus was EUR394mn after EUR299mn surplus in August. In September trade surplus increased to EUR801mn from EUR240mn in August what was result of a strong decline in imports. Exports fell by 4.3% y/y to EUR25.5bn while imports declined by as much as 14.8% y/y to EUR26.7bn in September. Strong decline in imports points to shows that domestic demand was still weak. In September surplus in services account was still robust at EUR3.0bn what was counterbalanced by a high deficit in primary income account (-EUR3.3bn) and deficit and deficit in secondary income account (-EUR176mn).

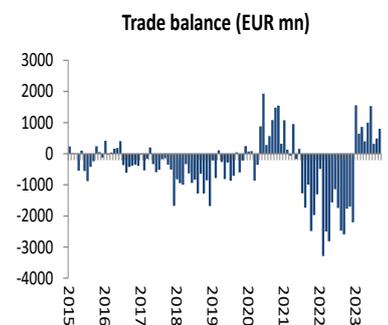
According to preliminary data Poland's **GDP** rose by 1.4% q/q and increased by 0.4% in Q3 after a 0.3% q/q rise and 0.6% y/y decline in Q2 this year. GDP growth, after two consecutive quarters of y/y decline started to slowly accelerate. It is probably related to gradual recovery in consumption, as inflation growth slowed down and unemployment rate remains at a low level. Net exports were likely significant element that generated GDP growth in Q3 taking into account faster decline in imports to Poland than decline in demand for exports from Poland.

In October **consumer prices** rose by 0.3% m/m and were 6.6% up y/y. Food and beverage prices were 0.5% up m/m and were 8.0% higher y/y (adding 0.14 p.p. to monthly CPI), footwear and clothing prices were 3.3% up m/m and were 4.4% y/y (adding 0.14 p.p. to monthly CPI), communication prices rose by 1.3% m/m and were 9.0% up y/y (adding 0.06 p.p. to monthly CPI) while prices of housing and energy rose by 0.3% m/m and were 8.3% up y/y (adding 0.05 p.p. to monthly CPI). Inflation was reduced by transport prices that fell by 2.2% m/m and were 7.9% down y/y.

In October **core inflation** (ex energy and food) amounted to 0.6% m/m and 8.0% y/y. Annual core inflation declines consistently albeit at a slower pace than decline in consumer inflation. An increase in monthly core CPI in October stemmed mainly from seasonal rise in prices of clothing and footwear and further increase in services prices.

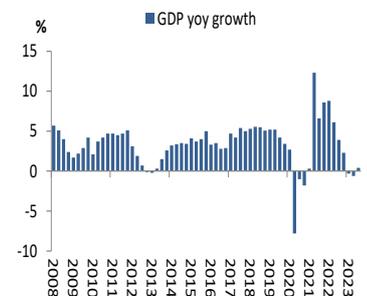
According to a customs data **trade surplus** in the period of January-September was EUR9.5bn. In this period exports rose by 3.0% y/y to EUR262.2bn while imports declined by 6.4% y/y to EUR252.7bn.

Figure 1. Trade balance (EUR mn)



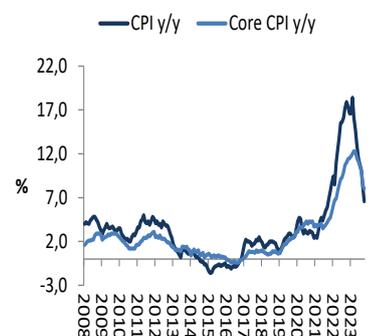
Source: GUS, NBP, Deutsche Bank Polska S.A.

Figure 2. GDP (y/y)



Source: GUS

Figure 3. CPI and core CPI (y/y)



Source: NBP, Deutsche Bank Polska S.A.



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Nov-21	9:00	PPI (Oct)	0,9% (-2,7%)		-0,2% (-3,6%)
Nov-21	9:00	Industrial production (Oct)	(0,0%)		4,1% (1,7%)
Nov-21	9:00	Average wage (Oct)	(10,1%)		1,5% (12,0%)
Nov-21	9:00	Average employment (Oct)	(0,0%)		0,0% (0,0%)
Nov-22	9:00	Construction output (Oct)	(6,5%)		(11,0%)
Nov-22	9:00	Consumer confidence (Nov)	-16,5		-17,0
Nov-22	9:00	Retail sales (Oct)	(0,2%)		2,9% (1,7%)
Nov-23	13:00	Money supply M3 (Oct)	(8,4%)		0,6% (8,6%)
Nov-24	9:00	Unemployment rate (Oct)	5,0%		5,0%
Nov-24	9:00	Unemployment rate (4 kw)	2,9%		2,8%

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)											
Nov-23	4,365	4,005	4,509	4,986	1,090	5,75	5,87	5,85	4,00	5,66	6,1	5,55
Dec-23	4,380	3,982	4,469	4,977	1,100	5,75	5,70	5,63	4,00	5,66	6,5	5,65
Jan-24	4,404	3,990	4,488	5,002	1,104	5,50	5,45	5,38	4,00	5,53	5,7	5,50
Feb-24	4,428	3,998	4,506	5,027	1,108	5,25	5,20	5,16	3,95	5,39	5,0	5,50
Mar-24	4,451	4,006	4,525	5,052	1,111	5,00	4,95	4,99	3,90	5,26	4,7	5,50
Apr-24	4,475	4,013	4,543	5,077	1,115	4,75	4,78	4,91	3,87	5,03	4,2	5,45
May-24	4,499	4,021	4,561	5,102	1,119	4,50	4,70	4,85	3,83	4,79	4,6	5,40
Jun-24	4,523	4,029	4,580	5,127	1,123	4,50	4,70	4,80	3,80	4,56	4,6	5,40
Jul-24	4,546	4,037	4,598	5,152	1,126	4,50	4,62	4,69	3,73	4,39	4,6	5,40
Aug-24	4,570	4,044	4,616	5,177	1,130	4,50	4,53	4,57	3,67	4,23	4,4	5,40
Sep-24	4,570	4,037	4,616	5,167	1,132	4,25	4,37	4,46	3,60	4,06	4,9	5,40
Oct-24	4,570	4,034	4,616	5,163	1,133	4,25	4,28	4,41	3,53	3,93	4,7	5,40

*- 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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