



Poland: Weekly Macroeconomic Update

LAST WEEK:

In October **PPI** was 0.5% down m/m and declined by 4.1% y/y after a 2.8% y/y decline in September. The main reason for decline in PPI in October were fall in prices of manufacturing (down 1.3% m/m and down 7.5% y/y) what stemmed from widespread declines in prices of output in majority of branches including 3.5% m/m decline in prices of oil refining, 0.9% m/m decline in prices of products of wood, 0.8% m/m decline in prices of paper and 0.7% m/m decline in prices of textiles.

In October **industrial output** rose by 4.1% m/m and was 1.6% up y/y. In October seasonally adjusted industrial output declined by 0.1% m/m and was 0.8% down y/y.

In October **average wage** in enterprises' sector rose by 2.2% m/m and was 12.8% up y/y. Average wage in enterprises' sector was unchanged m/m and declined by 0.1% y/y in October.

In November **consumer confidence** indicator rose to -15.1pts from -17.9pts in October. Consumer confidence slowly improves, mainly due to stabilisation of inflation.

Real **retail sales** rose by 3.2% m/m and were 2.8% up y/y in October after 0.3% m/m and 0.3% y/y decline in September. An increase in real retail sales was caused by strong increase in retail sales of automobiles (up 12.3% y/y) and fuels (up 16.7% y/y) while retail sales of pharmaceuticals and cosmetics rose moderately by 2.3% y/y and real retail sales of other goods fell y/y. Nominal retail sales rose by 4.8% y/y in October versus 3.6% y/y increase in September.

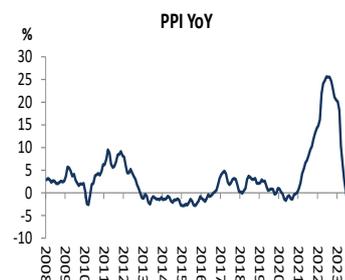
Construction output rose by 9.8% y/y in October versus 11.5% y/y growth in September.

In October **registered unemployment rate** was 0.5% and remained unchanged versus September. Registered unemployment rate has been steady for four months.

In Q3 2023 **unemployment rate** according to labour force survey amounted to 2.7% from 2.6% in Q2 2023 and 2.9% in Q1 2023. Unemployment rate on the basis of labour force survey declines despite falling employment in companies' sector.

In the period of January-October **labour productivity** in industry fell by 0.8% y/y while average employment in in industry declined by 0.7% y/y and average gross wage growth of 12.1% y/y.

Figure 1. PPI (y/y growth)



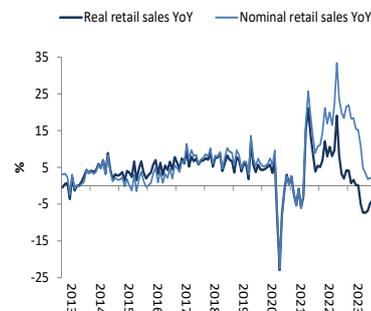
Source: GUS.

Figure 2. Industrial output (y/y growth)



Source: GUS

Figure 3. Retail sales (y/y growth)



Source: GUS.



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Nov-30	9:00	CPI (Nov, P.)	0.6% (6.5%)		0.7% (6.6%)
Nov-30	9:00	GDP (Q3, fin.)	1.4% (0.4%)		1.4% (0.4%)
Dec-1	8:00	PMI manufacturing (Nov)	45.2		45.7

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	4,357	3,979	4,519	5,021	1,095	5,75	5,87	5,85	3,93	5,66	6,5	5,65
Dec-23	4,380	3,982	4,469	4,977	1,100	5,75	5,70	5,63	3,90	5,66	6,8	5,60
Jan-24	4,404	3,990	4,488	5,002	1,104	5,50	5,45	5,38	3,90	5,53	6,3	5,50
Feb-24	4,428	3,998	4,506	5,027	1,108	5,25	5,20	5,16	3,90	5,39	5,5	5,50
Mar-24	4,451	4,006	4,525	5,052	1,111	5,00	4,95	4,99	3,90	5,26	5,2	5,50
Apr-24	4,475	4,013	4,543	5,077	1,115	4,75	4,78	4,91	3,87	5,03	4,7	5,45
May-24	4,499	4,021	4,561	5,102	1,119	4,50	4,70	4,85	3,83	4,79	5,1	5,40
Jun-24	4,523	4,029	4,580	5,127	1,123	4,50	4,70	4,80	3,80	4,56	5,2	5,40
Jul-24	4,546	4,037	4,598	5,152	1,126	4,50	4,62	4,69	3,73	4,39	5,1	5,40
Aug-24	4,570	4,044	4,616	5,177	1,130	4,50	4,53	4,57	3,67	4,23	4,9	5,40
Sep-24	4,570	4,037	4,616	5,167	1,132	4,25	4,37	4,46	3,60	4,06	5,4	5,40
Oct-24	4,570	4,034	4,616	5,163	1,133	4,25	4,28	4,41	3,53	3,93	5,1	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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