



Poland: Weekly Macroeconomic Update

LAST WEEK:

Manufacturing PMI fell to 47.4 in December 2023 from 48.7 in November 2023. Unexpected decline in PMI in December stemmed from faster decline in new orders and output. In December employment continued its decline and input prices marginally declined due to weaker demand and increased supply of some commodities. Output prices have been declining for a eight month in a row. Expectation on industrial production in twelve month horizon declined in December versus November but were still optimistic.

According to the new NBP survey of professional forecasters, average CPI in Poland will amount to 5.5 percent in 2024 (with typical range of forecasts of 4.4-6.5 perc. and 4.5% in 2025 (with typical range of 3.2-5.8 perc.). According to surveyed economists Poland's GDP growth will amount to 2.9% in 2024 and 3.3% in 2025. Median forecast for average reference rate is 5.48% in 2024 (typical range of 4.88% - 5.78%) and 4.62% in 2025 (typical range of 3.74% - 5.36%). According to the survey, registered unemployment rate will amount to 5.2% in 2024 and 5.1% in 2025 while growth in average gross wage will decline from 11.9% in 2023 to 9.8% in 2024 and 7.0% in 2025. Surveyed economists expect average EUR/PLN rate of 4.39% in 2024 and 4.35 in 2025.

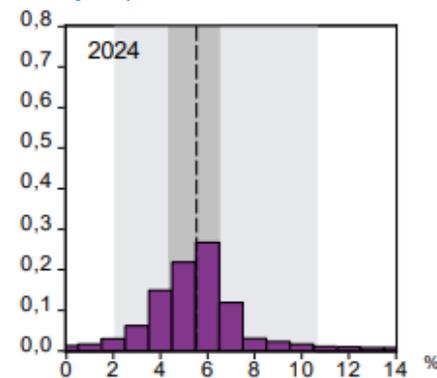
According to flash estimate of Statistics Poland, **CPI** for December amounted to 0.1% m/m and 6.1% y/y – a significant decline versus inflation of 0.7% m/m and 6.6% y/y reported for November. The main reason for fast decline in CPI in December were declines in fuel prices and energy prices that combined subtracted 0.17 percentage point from monthly CPI. In December food and non-alcohol beverages prices rose by 0.2% m/m and were 5.9% up y/y, energy prices declined by 0.3% m/m and were 9.8% up y/y and fuel prices declined by 1.8% m/m and were 6.0% lower y/y. According to our estimates core CPI amounted to 0.3% m/m and 7.0% y/y in December.

Figure 1. Manufacturing PMI



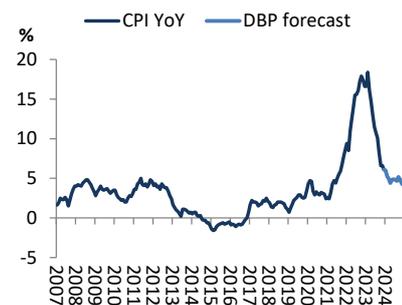
Source: S&P Global

Figure 2. Histogram of forecasts of average CPI for 2024 from NBP survey of professional forecasters



Source: NBP

Figure 3. CPI (y/y)



Source: GUS, Deutsche Bank Polska S.A.



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jan-09		MPC decision	5.75%		5.75%
Jan-11	13:00	Minutes from MPC meeting			
Jan-12	13:00	Current account (Dec)	EUR1350mn		EUR1440mn
Jan-12	13:00	Trade balance (Dec)	EUR850mn		EUR990mn

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)											
Jan-24	4,378	4,028	4,707	5,079	1,087	5,75	5,85	5,80	3,90	5,53	6,2	5,30
Feb-24	4,398	4,059	4,703	5,101	1,083	5,75	5,70	5,61	3,90	5,39	5,4	5,25
Mar-24	4,418	4,090	4,699	5,123	1,080	5,50	5,45	5,41	3,90	5,26	5,1	5,20
Apr-24	4,438	4,122	4,696	5,145	1,077	5,25	5,28	5,25	3,87	5,03	4,6	5,20
May-24	4,458	4,153	4,692	5,167	1,073	5,00	5,12	5,05	3,83	4,79	5,0	5,20
Jun-24	4,515	4,220	4,607	5,232	1,070	5,00	4,95	4,86	3,80	4,56	5,0	5,20
Jul-24	4,513	4,198	4,589	5,233	1,075	4,75	4,70	4,66	3,73	4,39	5,0	5,20
Aug-24	4,510	4,176	4,571	5,234	1,080	4,50	4,53	4,52	3,67	4,23	4,8	5,15
Sep-24	4,508	4,154	4,553	5,235	1,085	4,25	4,37	4,41	3,60	4,06	5,3	5,15
Oct-24	4,505	4,133	4,535	5,235	1,090	4,25	4,28	4,36	3,53	3,93	5,0	5,10
Nov-24	4,503	4,112	4,518	5,236	1,095	4,00	4,20	4,36	3,47	3,79	4,6	5,10
Dec-24	4,500	4,091	4,500	5,236	1,100	4,00	4,20	4,33	3,40	3,66	4,2	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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