



# Poland: Weekly Macroeconomic Update

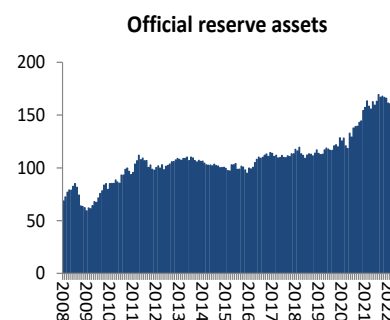
## LAST WEEK:

**Official reserve assets** of the NBP rose to USD156.22bn in May from USD153.15bn in April.

The **MPC**, as expected hiked interest rates by 75bps, increasing the main reference rate to 6.00%. The MPC underlined that economic activity in world's economy had decelerated while disruptions in supply chains continued, aggravated by the war in Ukraine. The MPC noted that the main central banks were tightening monetary policy due to increasing headline and core inflation. The MPC said that inflation in Poland stemmed mainly from hikes in energy and agricultural commodity prices, earlier hikes in regulated prices of electricity, heat and natural gas, disruptions in supply chains and high prices of transport in international trade. The MPC said that enterprises were able to pass increasing input costs to prices of final goods due to robust demand. The MPC expects that inflationary factors will persist in the coming quarters. The Council stressed that the NBP interest rates increases, together with fading of the impact of shocks currently boosting prices would contribute to a gradual fall in inflation in the coming years. The MPC added that the decrease in inflation should also be supported by appreciation of zloty exchange rate, which would be consistent with the fundamentals of the Polish economy. Next decisions of the MPC will be dependent on incoming data. Last MPC decision is consistent with our scenario of reference rate peaking at 7.50% in September 2022.

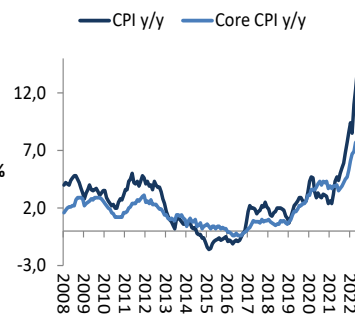
At press conference NBP President Adam Glapinski said that end of rate hikes was approaching, but added that it would happen when inflation started to decline. He underlined that macro-economic data for May and July's NBP inflation projection (that would show impact of past hikes in interest rates on economy and inflation path) would be crucial for MPC's decisions. NBP President expects inflation to stabilise in the summer and to start declining gradually thereafter provided there are no further shocks to inflation. He reiterated that the NBP would counteract anchoring inflationary expectations at the same time preventing unemployment rate to rise significantly.

Figure 1: Official reserve assets (USDbn)



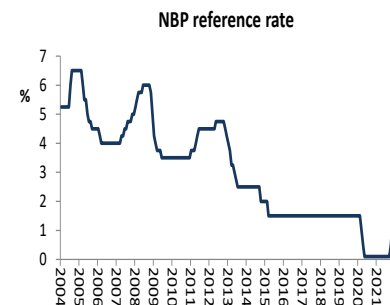
Source: NBP

Figure 2: CPI and core CPI (y/y growth)



Source: Statistics Poland

Figure 3: Real GDP (y/y growth)



Source: NBP



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jun-13	12:00	Current account (Apr)		-EUR3924mn	-EUR2588mn
Jun-13	12:00	Trade balance (Apr)		-EUR2466mn	-EUR2973mn
Jun-15	8:00	CPI (May)	1,7% (13,9%)		1,7% (13,9%)
Jun-17	12:00	Core CPI (May)	0,8% (8,4%)		1,1% (8,5%)

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)											
<b>Jun-22</b>	4,645	4,445	4,466	5,401	1,045	6,00	7,20	7,50	-0,20	1,85	14,9	7,35
<b>Jul-22</b>	4,621	4,408	4,465	5,411	1,048	6,75	7,20	7,50	-0,12	1,90	15,6	7,30
<b>Aug-22</b>	4,597	4,371	4,463	5,420	1,052	6,75	7,95	8,25	-0,04	2,00	15,9	7,20
<b>Sep-22</b>	4,573	4,335	4,461	5,429	1,055	7,50	7,95	8,25	0,05	2,05	15,4	7,10
<b>Oct-22</b>	4,548	4,298	4,459	5,437	1,058	7,50	7,95	8,25	0,22	2,30	14,8	7,05
<b>Nov-22</b>	4,524	4,262	4,457	5,445	1,061	7,50	7,95	8,25	0,39	2,30	14,1	7,00
<b>Dec-22</b>	4,500	4,091	4,455	5,277	1,100	7,50	7,95	8,25	0,55	2,30	13,6	7,00
<b>Jan-23</b>	4,499	4,075	4,447	5,267	1,104	7,50			0,70	2,55	13,1	6,90
<b>Feb-23</b>	4,498	4,059	4,439	5,256	1,108	7,50			0,85	2,55	14,0	6,95
<b>Mar-23</b>	4,498	4,043	4,431	5,245	1,113	7,50			1,00	2,55	11,5	6,90
<b>Apr-23</b>	4,497	4,027	4,423	5,235	1,117	7,50			1,17	2,65	10,3	6,80
<b>May-23</b>	4,496	4,011	4,415	5,225	1,121	7,50			1,34	2,65	9,1	6,75

\*- *PM Mateusz Morawiecki announced intention to replace WIBOR by a new benchmark as of the end of 2022, but no details were given yet nor there was any regulatory trigger to initiate transition from WIBOR.*

*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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