



Poland: Weekly Macroeconomic Update

LAST WEEK:

The **current account** deficit for September amounted to -EUR1561mn while trade gap was -EUR2054mn. In September exports rose by 25.5% y/y to EUR28.4bn while imports rose by 28.9% y/y to EUR30.6bn. Services surplus amounted to EUR2742mn and primary income deficit was -EUR2240mn in September.

CPI for October was 1.8% m/m and 17.9% y/y versus 17.2% y/y in September. Food prices rose by 2.7% m/m and increased by 22.0% y/y, housing and energy prices rose by 1.5% m/m and were up 28.7% y/y, transport prices rose by 3.1% m/m and increased by 17.3% y/y and footwear and clothing prices rose by 3.2% m/m and were 7.0% up y/y in October. Food prices added 0.73 percentage point to monthly CPI, housing and energy prices added 0.32 p.p., transport prices contributed 0.30 p.p. and footwear and clothing added 0.13 p.p. to monthly CPI in October.

In Q3 2022 **real GDP growth** was 0.9% q/q and 3.5% y/y versus -2.4% q/q and 5.8% y/y in Q2 2022. Poland's economy is still not in a technical recession due to relatively strong domestic demand and weakening of the zloty in Q3 2022.

In October **core CPI** (ex food and energy) amounted to 1.0% m/m and 11.0% y/y versus 10.7% y/y in September.

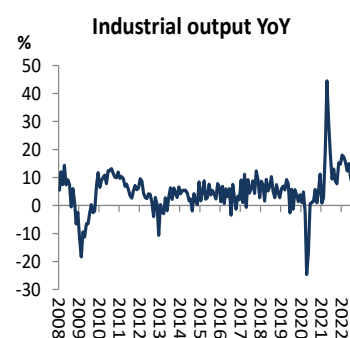
THIS WEEK:

In October **industrial output** rose by 6.8% y/y and fell by 0.7% m/m. Seasonally adjusted industrial output rose by 7.5% y/y and declined by 0.3% m/m. Compared to October 2021 an increase in sold production was reported in 25 industry divisions, among others, in manufacture of motor vehicles, trailers and semi-trailers – by 41.6%, manufacture of electrical equipment – by 25.2%, in repair and installation of machinery and equipment – by 23.4%, in manufacture of machinery and equipment – by 17.6%, manufacture of computer, electronic and optical products – by 12.3%, manufacture of metal products – by 8.5%, manufacture of food products – by 7.9%. A decrease in sold production of industry, as compared to October 2021, was recorded in 9 divisions, among others, in electricity, gas, steam and air conditioning supply – by 16.2%, in manufacture of chemicals and chemical products – by 12.1%, manufacture of furniture – by 8.6%, manufacture of basic metals – by 4.5%, manufacture of products of wood, cork, straw and wicker – by 3.6%.

In October **producer prices** rose by 0.7% m/m and increased by 22.9% y/y. Inflation in producer prices peaked in June and PPI has been gradually declining since July, remaining still high.

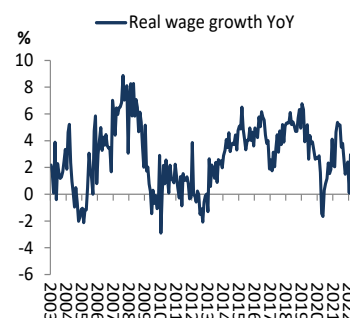
In October **average wage** was unchanged m/m and rose by 13.0% y/y. In October a decline in real wages deepened to -4.2% y/y. **Average employment** rose by 0.1% m/m and was 2.4% up y/y in October.

Figure 1: Industrial output (y/y growth)



Source: Statistics Poland

Figure 2: Real wage growth (y/y)



Source: Statistics Poland

Figure 3: PPI (y/y)



Source: Statistics Poland



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Nov-22	9:00	Industrial output (Oct)		-0.7% (6.8%)	0.2% (7.8%)
Nov-22	9:00	PPI (Oct)		0.7% (22.9%)	1.0% (23.5%)
Nov-22	9:00	Average wage (Oct)		0.0% (13.0%)	0.5% (13.9%)
Nov-22	9:00	Average employment (Oct)		0.1% (6.8%)	0.0% (2.2%)
Nov-23	9:00	Construction output (Oct)	(0.2%)		(0.4%)
Nov-23	9:00	Real retail sales (Oct)	(3.5%)		2.4% (3.2%)
Nov-23	9:00	Nominal retail sales (Oct)	(21.5%)		(21.0%)
Nov-24	9:00	Consumer confidence (Nov)	-45.2		-45.5
Nov-24	13:00	Money supply M3 (Oct)	1.0% (7.6%)		0.9% (7.5%)
Nov-25	9:00	Unemployment rate (Oct)	5.1%		5.1%
Nov-25	9:00	Unemployment rate (3 kw)	2.5%		2.5%

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)											
Nov-22	4,705	4,568	4,801	5,459	1,030	6,75	7,40	7,60	1,88	4,75	18,1	6,85
Dec-22	4,680	4,457	4,776	5,304	1,050	6,75	7,40	7,60	2,40	5,00	18,7	6,90
Jan-23	4,669	4,447	4,789	5,255	1,050	6,75	7,40	7,60	2,55	5,20	18,7	6,90
Feb-23	4,658	4,437	4,802	5,206	1,050	6,75	7,40	7,60	2,70	5,30	19,7	6,90
Mar-23	4,648	4,426	4,816	5,157	1,050	6,75	7,40	7,60	2,90	5,30	16,8	6,80
Apr-23	4,637	4,416	4,830	5,108	1,050	6,75	7,25	7,50	3,25	5,30	15,1	6,50
May-23	4,626	4,406	4,844	5,059	1,050	6,75	7,10	7,25	3,30	5,20	14,0	6,50
Jun-23	4,615	4,395	4,858	5,011	1,050	6,75	7,20	7,35	3,50	5,00	12,9	6,30
Jul-23	4,604	4,350	4,804	4,974	1,058	6,75	7,10	7,25	3,50	4,80	12,6	6,20
Aug-23	4,593	4,306	4,752	4,938	1,067	6,75	6,90	7,05	3,50	4,65	12,0	6,00
Sep-23	4,583	4,263	4,700	4,902	1,075	6,75	6,75	6,90	3,50	4,40	11,1	6,00
Oct-23	4,572	4,220	4,649	4,867	1,083	6,50	6,75	6,90	3,50	4,30	9,6	5,80

*- 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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