



Poland: Weekly Macroeconomic Update

LAST WEEK:

Manufacturing PMI rose to 49.2pts in October from 48.6pts in September and was the highest in last 30 months when the index remained below 50pts or within contraction zone. In October there were signs of recovery in industry as both output and employment rose. New orders, however, were still declining and expectations on industrial output within 12-month horizon were still weak, reflecting concerns on German economy and condition of auto industry.

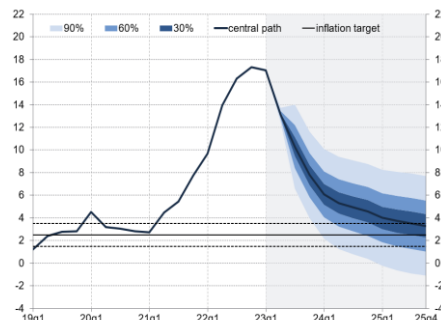
As expected, the **Monetary Policy Council** kept interest rates unchanged. In communique after the meeting the MPC stated that business conditions in the environment of Poland's economy were still weakened while inflation in the major advanced economies were close to the central banks' targets. The MPC suggested that GDP growth in Q3 2024 might be slightly below that of Q2 2024 and added that an increase of inflation since mid-2024 stemmed mainly from increases in administered prices of energy and to the lesser extent from rising food prices. there is a 50-percent probability that the annual price growth will be in the range of 3.6 – 3.7% in 2024 (against 3.1 – 4.3% in the July 2024 projection), 4.2 – 6.6% in 2025 (compared to 3.9 – 6.6%) and 1.4 – 4.1% in 2026 (compared to 1.3 – 4.1%). At the same time, the annual GDP growth – according to the projection – will be with a 50-percent probability in the range of 2.3 – 3.1% in 2024 (against 2.3 – 3.7% in the July 2024 projection), 2.4 – 4.3% in 2025 (compared to 2.8 – 4.8%) and 1.7 – 4.0% in 2026 (compared to 1.9 – 4.3%). The MPC said that demand and cost pressures in Poland remained relatively low what reduced domestic inflationary pressure. At **press conference** NBP President Adam Glapinski said that the MPC was ready to cut interest rates as soon as inflation stopped increasing and forecasts pointed to inflation decline. He added that discussion on rate cuts might start already in March 2025.

Figure 1. PMI manufacturing



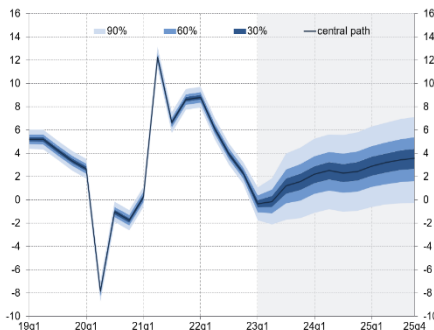
Source: S&P Global

Figure 2. CPI projection



Source: NBP

Figure 3. GDP projection



Source: NBP



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Nov-13	13:00	Current account (Sep)	-EUR1250mn		-EUR1334mn
Nov-13	13:00	Trade balance (Sep)	-EUR1100mn		-EUR1311mn
Nov-14	9:00	GDP (Q3)	(3.0%)		0.3% (2.9%)
Nov-15	9:00	CPI (Oct)	0.3% (5.0%)		0.3% (5.0%)

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	Fed Funds (mid)	CPI (Poland)	Yield on 10Y POLGB
(end of period)												
Nov-24	4,361	4,154	4,664	5,300	1,050	5,75	5,82	5,84	3,00	4,625	4,8	5,80
Dec-24	4,320	4,114	4,547	5,163	1,050	5,75	5,82	5,84	2,80	4,375	5,4	5,65
Jan-25	4,325	4,106	4,541	5,170	1,053	5,75	5,82	5,83	2,70	4,375	6,0	5,40
Feb-25	4,330	4,098	4,534	5,177	1,057	5,75	5,81	5,82	2,65	4,375	5,8	5,25
Mar-25	4,335	4,090	4,527	5,184	1,060	5,75	5,80	5,80	2,55	4,125	5,7	5,15
Apr-25	4,333	4,075	4,514	5,182	1,063	5,75	5,77	5,67	2,45	4,125	4,8	5,10
May-25	4,332	4,061	4,500	5,181	1,067	5,75	5,75	5,58	2,40	4,125	5,0	5,05
Jun-25	4,330	4,047	4,487	5,180	1,070	5,50	5,50	5,47	2,30	3,875	4,9	5,00
Jul-25	4,328	4,035	4,485	5,186	1,073	5,50	5,50	5,37	2,20	3,875	3,4	4,95
Aug-25	4,326	4,024	4,460	5,191	1,075	5,50	5,40	5,23	2,10	3,875	3,3	4,90
Sep-25	4,320	4,009	4,431	5,192	1,078	5,25	5,20	5,15	2,05	3,625	3,6	4,80
Oct-25	4,315	3,995	4,426	5,194	1,080	5,25	5,10	5,05	2,05	3,625	3,6	4,65

*- According to road map published by the PFSA WIBOR cessation will occur in 2027.

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.

Source: Deutsche Bank Polska S.A.



Appendix 1

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