



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

In January **money supply M3** fell by 0.1% m/m and increased by 16.8% y/y. In January loans to households rose by 2.1% y/y to PLN787.9bn while loans to companies fell by 5.0% y/y to PLN353.1bn. Cash in circulation rose by 38.9% y/y to PLN309.4bn, deposits of households rose by 30.8% y/y to PLN795.8bn while corporate deposits rose by 42.5% to PLN92.6bn.

In January **production of passenger cars** fell by 52.4% y/y to 18.0 thousands units, after a 30.5% y/y decline in December 2020.

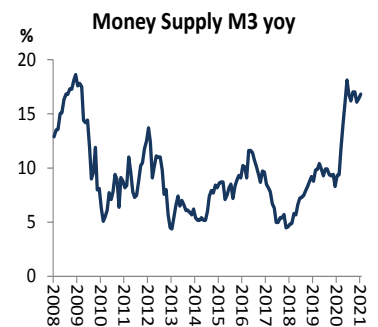
**Registered unemployment rate** rose, as expected by analysts, to 6.5% in January from 6.2% in December. Number of unemployed amounted to 1090.4 thousands in the end of January. An increase in unemployment rate in January stemmed mainly from decline in employment that fell in enterprises' sector by 2.0% y/y. The strongest drop in employment was registered in hotels and restaurants as lockdown in these sectors was extended in January.

According to labour force survey, **unemployment rate** in Q4 2020 fell to 3.1% from 3.4% in Q3 2020 and was below market consensus expectations. Employment ratio among persons in working age (18-59/64 years old) amounted to 75.6% and was 0.7 percentage point up y/y.

In January 2021 **budget surplus** amounted to PLN6.6bn and was above 5-year average for January (PLN5.4bn). Budget revenues amounted to PLN40.7bn (10.1% of plan for the whole year), budget expenditures were equal to PLN34.0bn (7.0% of plan for 2021). In 2021 budget deficit is envisaged at -PLN82.3bn. Good fiscal performance in January stemmed from a 1% y/y increase in budget revenues including 5% y/y increase in tax revenues.

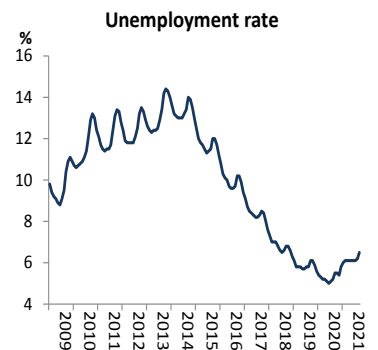
**Real GDP growth** for Q4 was confirmed at -0.7% q/q and -2.8% y/y. In Q4 2020 personal consumption fell by 3.2% y/y, public consumption rose by 3.4% y/y, investments in fixed assets fell by 10.9% y/y. In Q4 exports rose by 8.0% y/y while imports increased by 7.9% y/y in real terms.

Figure 1: Money supply M3



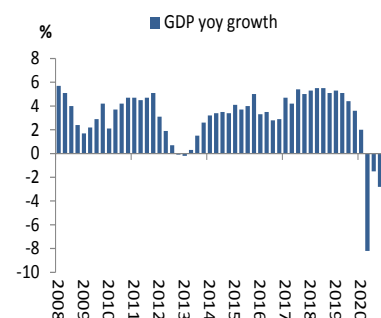
Source: NBP

Figure 2: Registered unemployment rate



Source: Statistics Poland

Figure 3: Real GDP growth



Source: Statistics Poland



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Mar-01	8:00	Manufacturing PMI (Feb)	52.7	53.4	52.9
Mar-03		MPC decision	0.10%		0.10%
Mar-03	13:00	Minutes form MPC meeting			

Source: Deutsche Bank Estimates., Reuters and Bloomberg Finance LP

## FX and interest rate forecasts

	EUR/PLN	USD/PLN	CHF/PLN	GBP/PLN	EUR/USD	WIBOR 3M	WIBOR 6M	EURIBOR 3M	LIBOR USD 3M	CPI (Poland)	Yield on 10Y POLGB
	(end of period)										
<b>Mar-21</b>	4.514	3.719	4.132	5.184	1.214	0.21	0.25	-0.53	0.20	2.5	1.50
<b>Apr-21</b>	4.508	3.705	4.136	5.143	1.217	0.21	0.25	-0.52	0.21	3.0	1.45
<b>May-21</b>	4.502	3.691	4.140	5.102	1.220	0.22	0.25	-0.51	0.22	3.4	1.40
<b>Jun-21</b>	4.496	3.678	4.144	5.061	1.223	0.22	0.25	-0.50	0.22	3.1	1.45
<b>Jul-21</b>	4.490	3.664	4.148	5.020	1.225	0.22	0.25	-0.50	0.22	3.2	1.50
<b>Aug-21</b>	4.484	3.650	4.152	4.979	1.228	0.22	0.25	-0.50	0.22	3.2	1.50
<b>Sep-21</b>	4.478	3.637	4.156	4.939	1.231	0.22	0.25	-0.50	0.22	3.2	1.55
<b>Oct-21</b>	4.472	3.623	4.160	4.899	1.234	0.22	0.25	-0.50	0.22	3.3	1.55
<b>Nov-21</b>	4.466	3.610	4.164	4.859	1.237	0.22	0.25	-0.50	0.22	3.4	1.60
<b>Dec-21</b>	4.460	3.597	4.168	4.820	1.240	0.22	0.25	-0.50	0.22	3.6	1.65
<b>Jan-22</b>	4.455	3.602	4.164	4.827	1.237	0.22	0.25	-0.50	0.22	3.1	1.65
<b>Feb-22</b>	4.450	3.608	4.159	4.799	1.233	0.22	0.25	-0.50	0.22	3.2	1.65

*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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