



Poland: Weekly Macroeconomic Update

LAST WEEK:

In March **industrial output** rose by 18.9% m/m and increased by 18.9% y/y. **Producer prices** rose by 1.3% m/m and were 3.9% up y/y.

In March **average employment** in enterprises' sector fell by 0.1% m/m and was 1.3% down y/y. **Average wage** in enterprises' sector rose by 6.5% m/m and was 8.0% up y/y in March

In February 2021 **central government debt** rose to PLN1122.2bn and was PLN32.6bn higher than in January (up 3.0% m/m). In February domestic debt rose by PLN16.5bn due to increase in market POLGBs debt of PLN14.8bn and increase in debt in retail bonds of PLN1.4bn. In February foreign debt rose by PLN16.1n, mainly due to the loan from the EU employment stabilization fund SURE of EUR4.5bn

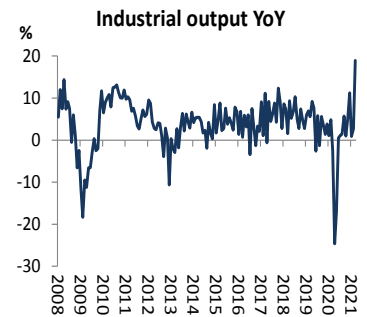
In March **construction output** fell by 10.8% y/y after a decline of 16.9% y/y in February.

Consumer confidence indicator rose to -22.5 in April from -23.0 in March.

According to fiscal notification, **general government deficit** widened to -7.0% of GDP in 2020 from a deficit of -0.7% of GDP in 2019. General government debt increased to 57.5% of GDP in 2020 from 45.6% of GDP in 2019.

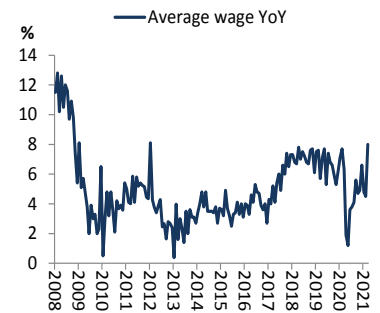
In March nominal **retail sales** rose by 16.5% m/m and increased by 17.1% y/y while real retail sales rose by 15.0% m/m and were 15.2% up y/y. Such a strong growth in retail sales stemmed from much less restrictive lockdown in retail trade in 2021 than in 2020. In March real retail sales of automobiles and parts rose by 50.5% y/y, real retail sales of footwear and clothing rose by 93% y/y, real retail sales of consumer electronics and white goods rose by 39% y/y. A strong growth (+28.2% y/y) was reported in retail sales of newspapers, books and sales in specialized shops. In March growth in real retail sales of food was moderate (up 2.9% y/y). A decline in real retail sales was reported in fuels (down 0.6% y/y) and pharmaceuticals and cosmetics (down 2.6% y/y).

Figure 1: Industrial output (y/y growth)



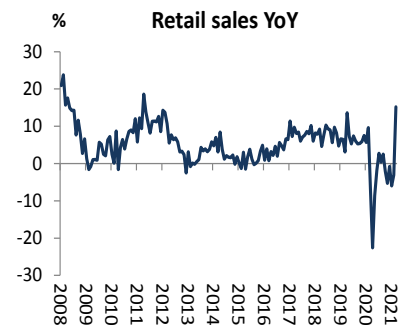
Source: Statistics Poland

Figure 2: Average wage (y/y growth)



Source: Statistics Poland

Figure 3. Retail sales (y/y growth)



Source: Statistics Poland



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Apr-26	9:00	Unemployment rate (Mar)	6.5%	6.4%	6.4%
Apr-30	9:00	Inflation (Apr, flash)	0.5% (3.8%)		0.5% (3.8%)

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)										
Apr-21	4.570	3.777	4.121	5.231	1.210	0.21	0.25	-0.54	0.20	3.8	1.60
May-21	4.556	3.740	4.103	5.187	1.218	0.22	0.25	-0.53	0.20	4.2	1.65
Jun-21	4.543	3.704	4.086	5.144	1.226	0.22	0.25	-0.52	0.20	3.9	1.70
Jul-21	4.529	3.669	4.069	5.102	1.234	0.22	0.25	-0.51	0.20	4.0	1.73
Aug-21	4.515	3.634	4.051	5.060	1.243	0.22	0.25	-0.50	0.20	4.0	1.75
Sep-21	4.501	3.599	4.034	5.019	1.251	0.22	0.25	-0.50	0.20	4.0	1.80
Oct-21	4.488	3.565	4.017	4.978	1.259	0.22	0.25	-0.50	0.20	4.1	1.85
Nov-21	4.474	3.531	3.999	4.937	1.267	0.22	0.25	-0.50	0.20	4.2	1.87
Dec-21	4.460	3.498	3.982	4.897	1.275	0.22	0.25	-0.50	0.20	4.4	1.90
Jan-22	4.455	3.488	3.985	4.901	1.277	0.22	0.25	-0.50	0.20	4.0	1.95
Feb-22	4.450	3.479	3.987	4.905	1.279	0.22	0.25	-0.50	0.20	4.0	1.97
Mar-22	4.445	3.469	3.987	4.909	1.281	0.22	0.25	-0.50	0.20	3.6	2.00

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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