



Poland: Weekly Macroeconomic Update

LAST WEEK:

The **Supreme Court** set the date of ruling on legal issues related to FX loans on September 2. The sitting starts at 10.00 CET.

In June **industrial output** rose by 18.4% y/y and increased by 4.0% m/m while **producer prices** rose by 0.7% m/m and increased by 7.0% y/y.

In June **average employment** in enterprises' sector rose by 0.3% m/m and was 2.8% up y/y while **average wage** in enterprises' sector rose by 2.9% m/m and was 9.8% up y/y.

In June **construction output** rose by 4.4% y/y and increased by 12.2% y/y. Year-on-year growth in construction output resulted mainly from 18.3% y/y increase in specialized works. On a monthly basis acceleration was visible in buildings construction and (up 15.0% m/m) and infrastructure investments (up 13.2% m/m). In June growth in construction output was below market consensus expectations.

In June real **retail sales** rose by 3.5% m/m and increased by 8.6% y/y. In the current prices retail sales rose by 3.4% m/m and increased by 13.0% y/y in June. June's data on retail sales were close to market consensus view.

In July **consumer confidence** rose to -13.5 from -14.8 in June. An improvement in consumer confidence stemmed from improved assessment of the current economic situation of Poland, improved financial conditions of the household and increased ability to purchase major items.

In July **business conditions indicator** in industry fell to -3.7 from -3.1 in June, business conditions indicator in construction fell to -12.2 in July from -8.5 in June and business conditions indicator in retail trade fell to -1.4 in July from 0.6% in June.

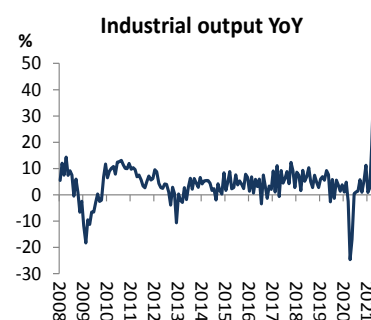
In June **money supply M3** rose by 0.2% m/m and increased by 7.4% y/y, coming below market consensus forecasts of 7.8% y/y growth.

Registered unemployment rate in June fell to 5.9% from 6.1% in May. Stronger than expected decline in unemployment rate was a result of opening of services sector, including hotels and restaurant and stronger demand for labour in industry, due to strong recovery in exports.

THIS WEEK:

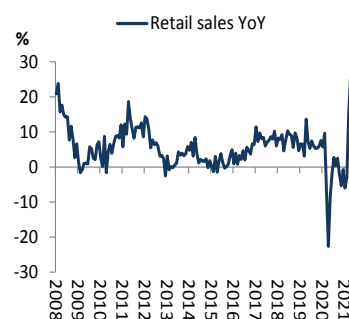
On Friday **flash inflation** for July is due. We expect 0.1% m/m and 4.6% y/y.

Figure 1: Industrial output (y/y growth)



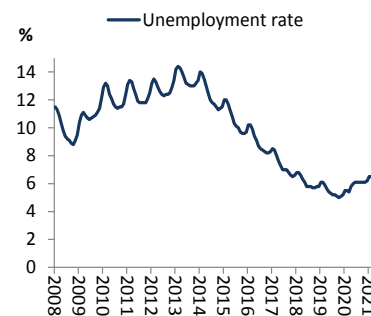
Source: Statistics Poland

Figure 2: Retail sales (y/y growth)



Source: Statistics Poland

Figure 3: Unemployment rate



Source: Statistics Poland



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jul-30	8:00	Inflation (Jul,flash)	0.1% (4.6%)		0.1% (4.7%)

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)										
Jul-21	4.590	3.901	4.238	5.364	1.177	0.21	0.25	-0.54	0.15	4.6	1.55
Aug-21	4.560	3.860	4.190	5.343	1.181	0.21	0.25	-0.52	0.16	4.6	1.60
Sep-21	4.530	3.820	4.142	5.321	1.186	0.21	0.25	-0.52	0.18	4.6	1.65
Oct-21	4.500	3.780	4.094	5.299	1.191	0.21	0.25	-0.51	0.20	4.7	1.70
Nov-21	4.470	3.740	4.047	5.277	1.195	0.21	0.25	-0.50	0.20	4.8	1.75
Dec-21	4.440	3.700	4.000	5.254	1.200	0.21	0.25	-0.50	0.20	5.0	1.85
Jan-22	4.437	3.684	3.968	5.243	1.204	0.21	0.25	-0.50	0.20	4.4	1.90
Feb-22	4.433	3.669	3.973	5.232	1.208	0.22	0.25	-0.50	0.20	4.5	1.90
Mar-22	4.430	3.654	3.973	5.217	1.213	0.22	0.25	-0.50	0.20	4.0	1.95
Apr-22	4.427	3.638	3.974	5.203	1.217	0.22	0.25	-0.50	0.20	3.9	2.00
May-22	4.423	3.623	3.974	5.181	1.221	0.22	0.25	-0.50	0.20	3.7	2.05
May-22	4.420	3.608	3.971	5.160	1.225	0.22	0.25	-0.50	0.20	4.0	2.10

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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