



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

In May **core inflation** (ex food and energy) amounted to -0.3% m/m and 1.7% y/y remaining steady versus April.

In the period of January-May 2019 **budget deficit** widened to -PLN2.158bn after -PLN75mn budget gap in January-April 2019. After May budget revenues were PLN162.6bn or 41.9% of annual plan and budget expenditures were PLN164.8bn or 39.6% of annual plan. In the period of January-May VAT revenues were PLN74bn (40.7% of annual plan), PIT revues were PLN25.4bn (39.5% of the plan), CIT revenues were PLN20.6bn (59.1% of plan) while revenues from banking tax amounted to PLN1.9bn or 42.5% of annual plan.

In 2019 Finance Ministry envisages **general government deficit** of 1.7% of GDP. For 2020 the Finance Ministry envisages real GDP growth of 3.7% and average inflation of 2.5%.

In May 2019 average **monthly wage** in enterprises' sector fell by 2.5% m/m and increased by 7.7% y/y to PLN5058. In May 2019 **average employment** in enterprises' sector fell by 0.2% m/m and rose by 2.7% y/y to 6.38 million persons.

**Industrial output** was unchanged m/m and rose by 7.7% y/y in May. **PPI** was 0.2% m/m and 1.4% y/y in May.

## THIS WEEK:

In May **construction output** grew by 9.6% y/y in real terms.

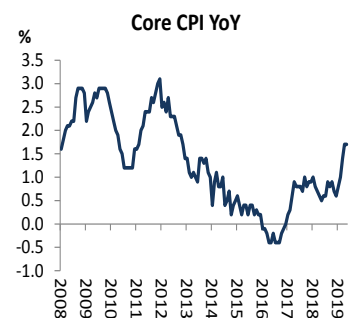
**Retail sales** in the current prices rose by 7.3% y/y and decreased by 3.0% y/y in May.

**Money supply (M3)** for May (to be released on Tuesday) should increase by 10.1% y/y.

**Unemployment rate** for May (Wednesday) likely fell to 5.4% from 5.6% in April.

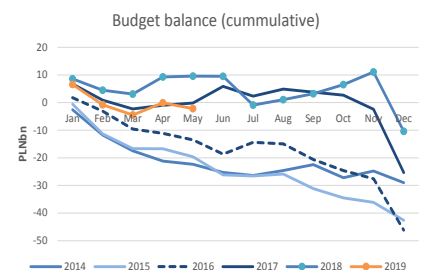
**Flash inflation** for June (Friday) should amount to 0.1% m/m and 2.4% y/y.

Figure 1: Core inflation



Source: NBP

Figure 2: State Budget balance



Source: Finance Ministry

Figure 3: Average wage (enterprises sector)



Source: GUS



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jun-24	8:00	Construction output (May)	15.0%	9.6%	14.0%
Jun-24	8:00	Retail sales (May)		-3.0% (7.2%)	-1.9% (8.5%)
Jun-24	8:00	Real retail sales (May)		(5.6%)	(6.9%)
Jun-25	12:00	Money supply M3 (May)	1.0% (10.1%)		1.0% (10.1%)
Jun-26	10:00	Unemployment rate (May)	5.4%		5.4%
Jun-28	10:00	Inflation (flash, June)	0.1% (2.4%)		0.2% (2.4%)

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>Jun-19</b>	4.265	3.745	3.787	4.774	1.139	1.72	1.79	-0.31	2.45	2.4	2.40
<b>Jul-19</b>	4.264	3.743	3.784	4.754	1.139	1.72	1.80	-0.31	2.35	2.5	2.50
<b>Aug-19</b>	4.263	3.742	3.781	4.790	1.139	1.72	1.80	-0.30	2.15	2.5	2.55
<b>Sep-19</b>	4.263	3.741	3.778	4.807	1.140	1.72	1.80	-0.30	2.05	2.6	2.60
<b>Oct-19</b>	4.262	3.739	3.776	4.824	1.140	1.72	1.80	-0.30	2.00	2.7	2.65
<b>Nov-19</b>	4.261	3.738	3.773	4.841	1.140	1.72	1.80	-0.30	1.90	3.0	2.75
<b>Dec-19</b>	4.260	3.737	3.770	4.858	1.140	1.72	1.80	-0.30	1.80	3.1	2.80
<b>Jan-20</b>	4.253	3.720	3.758	4.867	1.143	1.73	1.81	-0.30	1.80	3.5	2.85
<b>Feb-20</b>	4.247	3.703	3.747	4.876	1.147	1.74	1.82	-0.30	1.80	3.3	2.80
<b>Mar-20</b>	4.240	3.687	3.736	4.885	1.150	1.75	1.85	-0.30	1.80	3.1	2.75
<b>Apr-20</b>	4.233	3.671	3.724	4.894	1.153	1.80	1.90	-0.30	1.80	2.7	2.75
<b>May-20</b>	4.227	3.654	3.713	4.903	1.157	1.80	1.90	-0.30	1.80	2.6	2.75

*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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### Additional information available upon request

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