



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

The NBP published July's **Inflation Report**. We present central paths of main macro-economic variables from the Report:

	2019	2020	2021
Inflation (% y/y)	2.0	2.9	2.6
Core inflation (% y/y)	1.7	2.4	2.3
GDP growth (% y/y)	4.5	4.0	3.5
Personal consumption (% y/y)	4.4	4.4	3.8
Investments (% y/y)	8.6	4.8	2.6
Output gap (% of potential GDP)	1.4	1.7	1.5

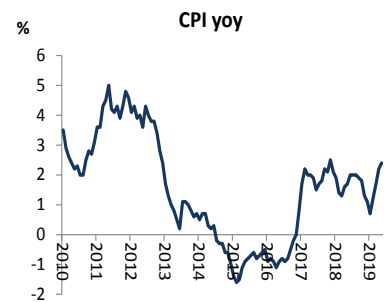
**Polish Financial Supervision Authority (KNF)** will analyse the impact of potential ruling of European Court of Justice that is likely to question so called abusive clauses in FX mortgage contracts used by some domestic banks in Poland. Last week the Finance Ministry met with auditors in order to discuss potential impact of the EU Court ruling that is expected in September and recent rulings of domestic courts that sided with bank customers. The Finance Ministry informed that auditors were still analysing what approach should be adopted versus this potential risk.

## THIS WEEK:

**Inflation** for June was confirmed at 0.3% m/m and 2.6% y/y. In June food prices rose by 0.3% m/m and increased monthly inflation by 0.08 percentage points, house maintenance and energy prices rose by 0.2% m/m increasing monthly inflation by 0.04 p.p., transport prices increased by 0.6% m/m increasing monthly CPI by 0.07 p.p. and prices of recreation and culture rose by 1.3% m/m increasing monthly inflation by 0.08 p.p. In June services prices visibly increased what was caused by strong rising trend in wages. Inflation structure shows that food and fuels had major impact on inflation, together with seasonal increase in recreation prices. However, higher wages started to translate on services prices and this factor was quite widespread.

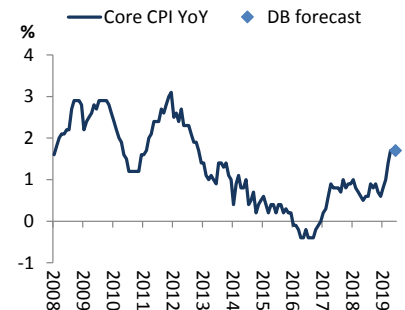
Today in the afternoon the NBP will release data on the **current account** for May (we forecast EUR460mn surplus). On Tuesday the NBP will publish **core inflation** for June (our call is 1.7% y/y). **Average wage** for June (Wednesday) should be 7.0% up y/y and **average employment** for June should increase by 2.7% y/y. **Industrial output** for June (due on Thursday) likely rose by 4.5% y/y and PPI for June should be 1.1% up y/y. **Retail sales** for June (due on Friday) should increase by 6.5% y/y.

Figure 1: Inflation y/y



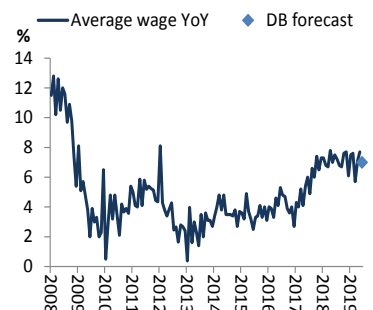
Source: GUS

Figure 2: Core inflation y/y



Source: NBP, Deutsche Bank Polska S.A.

Figure 3: Average wage y/y growth



Source: GUS, Deutsche Bank Polska S.A.



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Jul-15	8:00	Inflation (Jun)	0.3% (2.6%)	0.3% (2.6%)	0.3% (2.6%)
Jul-15	12:00	Current account (May)	EUR460mn		EUR504mn
Jul-16	12:00	Core inflation (Jun)	(1.7%)		0.3% (1.9%)
Jul-17	8:00	Average wage (Jun)	(7.0%)		2.5% (7.1%)
Jul-17	8:00	Average wage (Jun)	(2.7%)		0.1% (2.6%)
Jul-18	8:00	Average employment (Jun)	(4.5%)		-1.3% (2.0%)
Jul-18	8:00	PPI (Jun)	(1.1%)		-0.5% (0.7%)
Jul-19	8:00	Retail sales (Jun)	(6.5%)		1.5% (6.0%)

Source: Deutsche Bank Estimates, Reuters and Bloomberg Finance LP

## FX and interest rate forecasts

	EUR/PLN	USD/PLN	CHF/PLN	GBP/PLN	EUR/USD	WIBOR 3M	WIBOR 6M	EURIBOR 3M	LIBOR USD 3M	CPI (Poland)	Yield on 10Y POLGB
	(end of period)										
<b>Jul-19</b>	4.240	3.722	3.763	4.727	1.139	1.72	1.80	-0.31	2.35	2.5	2.25
<b>Aug-19</b>	4.242	3.723	3.762	4.766	1.139	1.72	1.80	-0.30	2.15	2.5	2.25
<b>Sep-19</b>	4.244	3.724	3.762	4.786	1.140	1.72	1.80	-0.30	2.05	2.6	2.20
<b>Oct-19</b>	4.246	3.726	3.762	4.806	1.140	1.72	1.80	-0.30	2.00	2.7	2.20
<b>Nov-19</b>	4.248	3.727	3.761	4.826	1.140	1.72	1.80	-0.30	1.90	3.0	2.25
<b>Dec-19</b>	4.250	3.728	3.761	4.846	1.140	1.72	1.80	-0.30	1.80	3.1	2.25
<b>Jan-20</b>	4.244	3.712	3.750	4.857	1.143	1.72	1.80	-0.30	1.80	3.5	2.30
<b>Feb-20</b>	4.238	3.696	3.740	4.867	1.147	1.72	1.80	-0.30	1.80	3.3	2.32
<b>Mar-20</b>	4.233	3.680	3.729	4.877	1.150	1.72	1.80	-0.30	1.80	3.1	2.35
<b>Apr-20</b>	4.227	3.665	3.718	4.886	1.153	1.72	1.80	-0.30	1.80	2.7	2.38
<b>May-20</b>	4.221	3.649	3.708	4.896	1.157	1.72	1.80	-0.30	1.80	2.6	2.40
<b>Jun-20</b>	4.215	3.634	3.697	4.905	1.160	1.72	1.80	-0.30	1.80	2.6	2.40

*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

## Important Disclosures

### Additional information available upon request

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