



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

The Central Statistical Office confirmed **headline inflation** for August at 0.0% mom and 2.0% yoy. In August food and beverage prices fell by 0.7% mom and rose by 2.1% yoy, footwear and clothing prices were 1.7% down mom and declined by 3.4% yoy, prices of housing and energy were 0.2% up mom and rose by 1.8% yoy. transport prices rose by 0.4% mom and 8.5% yoy. In August goods prices fell by 0.3% mom and rose by 2.1% yoy while services prices rose by 0.5% mom and 1.8% yoy. In August there was no inflationary pressure visible in the structure of headline inflation despite a rise in services' prices related mainly to higher prices of transport services.

In July the **current account** deficit widened to –EUR809mn from –EUR240mn in June. Trade deficit was –EUR432mn in July, close to –EUR413mn trade gap in June. In July exports rose by 9.8% yoy and imports increased by 11.6% yoy compared to 9.0% yoy and 10.2% yoy respectively in June. In July there was stable surplus of EUR1.689bn while primary deficit widened to –EUR2.012bn. Robust growth in imports and exports is a result of strong domestic demand and stable demand for Poland's exports.

**Core inflation** for August was 0.1% up mom and rose by 0.9% yoy, marginally above expectations.

**Moody's**, as expected, maintained Poland's rating at A2 with stable outlook.

## THIS WEEK:

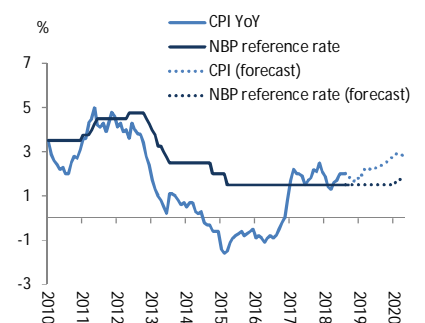
On Tuesday the Central Statistical Office will release data on wages and employment. We estimate that **average wage** in enterprises' sector fell by 0.1% mom and rose by 3.5% yoy in August. **Average employment** in enterprises' sector likely rose by 0.1% mom and increased by 3.5% yoy in August.

**Industrial output** for August (due on Wednesday) should increase by 2.5% mom and 6.8% yoy. Construction output likely rose by 19.5% yoy in August.

On Thursday the NBP will release **minutes from MPC meeting** in September. We expect minutes from MPC meeting to be neutral for market participants.

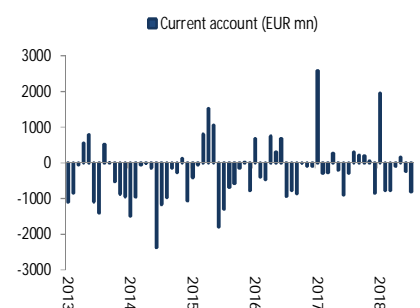
**Retail sales** for August (Friday) likely rose by 1.0% mom and increased by 9.0% yoy. Retail sales in constant prices should increase by 6.8% yoy in August.

Figure 1: Inflation and NBP reference rate



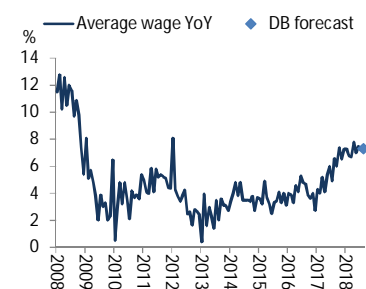
Source: GUS, NBP, Deutsche Bank

Figure 2: The current account



Source: NBP

Figure 3. Average wage (yoy growth)



Source: GUS, Deutsche Bank



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Sep-18	8:00	Average wage (Aug)	-0.1% (7.3%)		-0.3% (7.0%)
Sep-18	8:00	Average employemnt (Aug)	0.1% (3.5%)		0.0% (3.5%)
Sep-19	8:00	Industrial production (Aug)	2.5% (6.8%)		1.2% (5.1%)
Sep-19	8:00	PPI (Aug)	-0.1% (3.0%)		-0.1% (3.0%)
Sep-19	8:00	Construction output (Aug)	(19.5%)		(18.6%)
Sep-20	12:00	Minutes from MPC minutes			
Sep-21	8:00	Retail sales (Aug)	1.0% (9.0%)		1.0% (9.2%)
Sep-21	8:00	Real retail sales (Aug)	(6.8%)		(7.1%)

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	EURIBOR 3M	LIBOR USD 3M	CPI (Poland)
	(end of period)								
<b>Sep-18</b>	4.295	3.703	3.801	4.813	1.160	1.71	-0.32	2.34	1.8
<b>Oct-18</b>	4.283	3.671	3.757	4.773	1.167	1.71	-0.31	2.37	1.9
<b>Nov-18</b>	4.272	3.641	3.714	4.733	1.173	1.71	-0.30	2.40	1.7
<b>Dec-18</b>	4.260	3.610	3.672	4.693	1.180	1.71	-0.30	2.43	1.8
<b>Jan-19</b>	4.255	3.588	3.658	4.695	1.186	1.71	-0.28	2.46	1.7
<b>Feb-19</b>	4.250	3.566	3.643	4.696	1.192	1.71	-0.25	2.49	2.1
<b>Mar-19</b>	4.245	3.545	3.628	4.697	1.198	1.71	-0.25	2.52	2.3
<b>Apr-19</b>	4.240	3.524	3.614	4.698	1.203	1.71	-0.20	2.55	2.2
<b>May-19</b>	4.235	3.502	3.599	4.699	1.209	1.71	-0.15	2.58	2.2
<b>Jun-19</b>	4.230	3.481	3.585	4.700	1.215	1.71	-0.15	2.61	2.2
<b>Jul-19</b>	4.225	3.461	3.570	4.701	1.221	1.71	-0.15	2.64	2.3
<b>Aug-19</b>	4.220	3.440	3.556	4.702	1.227	1.71	-0.15	2.67	2.3

Source: Deutsche Bank Polska S.A.



# Appendix 1

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