



Poland: Weekly Macroeconomic Update

LAST WEEK:

MPC member professor Henryk Wnorowski said that assumption that interest rate hikes would stop at 6.50% might be too optimistic. He underlined that 100bps hike in April had been a response to loose fiscal policy but added that he didn't see a risk of rate hikes of similar size in coming months. In his view the current level of exchange rate is not a reason for concern and expects the zloty to appreciate.

Poland sent a letter to the EU with a request to channel additional funds for refugees from Ukraine. In the letter government estimates a cost of supporting refugees in 2022 at about EUR11bn (PLN51bn at the current exchange rate, 1.9% of GDP) and in adverse scenario EUR24bn (PLN111bn or 4.1% of GDP). From February 24 to April 21, 2.9 million persons entered Poland from Ukraine while 802 thousands persons returned to Ukraine from Poland.

In March **core inflation** (ex food and energy) amounted to 1.0% m/m and 6.9% y/y and was slightly below market consensus view.

In April **consumer confidence** improved to -37.2pts from -39pts in March.

In March **average wage** in enterprises' sector rose by 7.2% m/m and increased by 12.4% y/y.

In March **average employment** in enterprises' sector rose by 0.2% m/m and increased by 2.4% y/y.

In March **industrial output** rose by 18.2% m/m and was 17.3% up y/y. **Producer prices** were 4.9% up m/m and increased by 20.0% y/y in March.

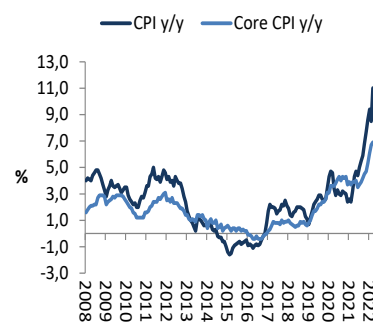
In March **construction output** increased by 41.4% m/m and was 27.6% up y/y.

Real retail sales rose by 16.4% m/m and increased by 9.6% y/y in March. **Nominal retail sales** rose by 22.0% m/m and increased by 22.0% y/y in March.

THIS WEEK:

This week economic calendar contains **money supply** for March (on Monday), registered **unemployment rate** for March (on Tuesday) and flash **CPI** for March (on Friday).

Figure 1: CPI and core CPI (y/y change)



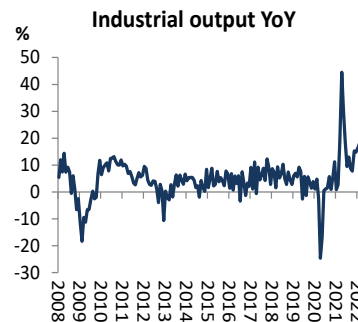
Source: NBP, Statistics Poland

Figure 2: Average wage (y/y growth)



Source: Statistics Poland

Figure 3: Industrial output (y/y growth)



Source: Statistics Poland



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Apr-19	12:00	Money supply M3 (Mar)	1.4% (8.0%)		1.2% (7.7%)
Apr-21	8:00	Unemployment rate (Mar)	5.4%		5.4%
Apr-21	8:00	Inflation (Apr, prel.)	1.0% (11.2%)		1.4% (11.3%)

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-22	4,640	4,296	4,549	5,499	1,080	5,80	6,05	-0,45	1,20	11,2	6,00
May-22	4,640	4,324	4,527	4,649	1,073	5,85	6,20	-0,50	1,45	11,5	5,80
Jun-22	4,634	4,315	4,531	4,771	1,074	6,35	6,60	-0,50	1,50	11,7	5,60
Jul-22	4,629	4,306	4,535	4,893	1,075	6,35	6,60	-0,50	1,70	11,8	5,40
Aug-22	4,623	4,296	4,539	5,014	1,076	6,35	6,60	-0,48	1,80	12,0	5,20
Sep-22	4,617	4,287	4,543	5,135	1,077	6,35	6,60	-0,45	2,05	11,5	5,20
Oct-22	4,611	4,278	4,546	5,256	1,078	6,35	6,60	-0,40	2,30	10,9	5,20
Nov-22	4,606	4,269	4,550	5,375	1,079	6,35	6,60	-0,35	2,30	10,3	5,30
Dec-22	4,600	4,259	4,554	5,494	1,080	6,35	6,60	-0,30	2,30	9,5	5,40
Jan-23	4,591	4,228	4,538	5,465	1,086	6,35	6,60	-0,28	2,55	8,4	5,40
Feb-23	4,582	4,197	4,521	5,435	1,092	6,35	6,60	-0,28	2,55	8,7	5,45
Mar-23	4,573	4,166	4,505	5,406	1,098	6,35	6,60	-0,28	2,55	6,0	5,50

*- or its successor

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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