



Poland: Weekly Macroeconomic Update

LAST WEEK:

In November **average wage** in enterprises' sector rose by 2.5% m/m and increased by 13.9% y/y. Relatively robust growth in nominal wages in enterprises' sector points to strong bargaining power of employees in sectors in which employment grows. Real wage fell by 3.0% y/y in November. **Average employment** in enterprises' sector rose by 0.1% m/m and increased by 2.3% y/y in November. Most likely an increase in employment took place in services that were less exposed to decline in foreign demand.

In November **industrial output** rose by 2.9% m/m and was 4,6% up y/y. In November the strongest growth in output was reported in production of investment good (up 13.8% y/y), non-durable consumer goods (up 7.5% y/y) and intermediate goods (up 2.6% y/y) while decline was reported in production of energy-related goods (down 5.4% y/y) and consumer durables (down 3.2% y/y).

In November **PPI** fell by 0.5% m/m and was 20.8% up y/y. The strongest decline in prices occurred in manufacturing of coke and oil refining products (down 7.6% m/m), mining of coal and lignite (down 2.4% m/m) and production of metals (down 1.9% m/m). The strongest growth in prices was reported in production and supply of electric energy, gas, steam, water and hot water (up 1.5% m/m), electrical equipment (up 0.9% m/m), tobacco (up 0.8% m/m), beverages and pharmaceuticals (each up 0.6% m/m) and food (up 0.5% m/m)

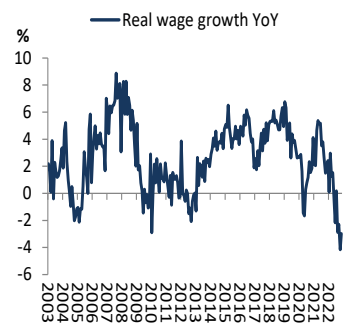
In November **real retail sales** fell by 0.3% m/m and were 1.6% up y/y. Real retail sales of furniture, RTV and white goods fell by 7.6% y/y, real retail sales of automobiles were 6.4% down y/y and real retail sales of fuels declined by 4.4% y/y. The strongest rise in real retail sales was reported in footwear and clothing (up 18.9% y/y), pharmaceuticals and cosmetics (up 6.1% y/y) and food (up 4.8% y/y). Nominal retail sales were 0.3% up m/m and 18.4% up y/y in November.

In November **construction output** rose by 9.1% m/m and was 4.0% up y/y.

Consumer confidence indicator rose to -41,9 pts in December from -43.3 in November. An improvement in consumer confidence stemmed from improvement in majority of components (except from assessment of future economic situation in Poland that worsened). Expectations of future economic situation of households improved significantly in December.

In December majority of **business conditions indicators** remained below long-term trend and were negative (what means that there were more negative assessments of business conditions than positive ones in that sectors). The weakest business conditions were reported in construction (-23.9 in December versus -22.6 in November), manufacturing (-19.5 in December vs. -22.6 in November), hotels and restaurants (-19,5 in December vs. -19,3 in November), retail trade (-11,3 in December vs. -9.1 in November) and transport and storage (-8.3 in December vs. -7.4 in November). Business conditions indicators were positive in finances and insurance (9.9 in December vs. 10.5 in November) and in information and telecommunication (8.0 in December vs. 8.9 in November).

Figure 1. Real wage growth (y/y)



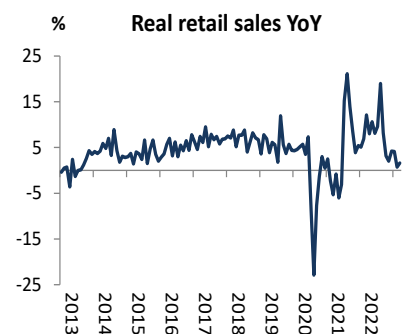
Source: Statistics Poland

Figure 2. PPI (y/y)



Source: Statistics Poland

Figure 3. Real retail sales (y/y growth)



Source: Statistics Poland



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
No releases scheduled					

Source: Deutsche Bank Estimates., Reuters and Bloomberg Finance LP

FX and interest rate forecasts

	EUR/PLN	USD/PLN	CHF/PLN	GBP/PLN	EUR/USD	Reference rate	WIBOR 3M*	WIBOR 6M*	EURIBOR 3M	LIBOR USD 3M*	CPI (Poland)	Yield on 10Y POLGB
(end of period)												
Dec-22	4,675	4,390	4,722	5,285	1,065	6,75	7,05	7,15	2,13	4,73	17,6	6,80
Jan-23	4,665	4,442	4,744	5,301	1,050	6,75	7,05	7,15	2,28	5,05	17,5	6,60
Feb-23	4,654	4,433	4,765	5,242	1,050	6,75	7,05	7,15	2,43	5,05	20,0	6,50
Mar-23	4,644	4,423	4,787	5,183	1,050	6,75	7,05	7,15	2,63	5,30	17,1	6,45
Apr-23	4,633	4,413	4,810	5,125	1,050	6,75	7,05	7,15	3,25	5,30	15,4	6,40
May-23	4,623	4,403	4,832	5,066	1,050	6,75	7,05	7,15	3,30	5,05	14,2	6,40
Jun-23	4,613	4,393	4,855	5,008	1,050	6,75	7,05	7,15	3,50	5,05	13,2	6,30
Jul-23	4,602	4,348	4,802	4,972	1,058	6,75	7,05	7,10	3,50	4,80	12,9	6,20
Aug-23	4,592	4,305	4,750	4,936	1,067	6,75	7,05	6,75	3,50	4,80	12,2	6,00
Sep-23	4,581	4,262	4,699	4,901	1,075	6,75	6,85	6,50	3,50	4,80	11,4	6,00
Oct-23	4,571	4,219	4,648	4,866	1,083	6,50	6,60	6,50	3,50	4,80	9,9	5,80
Nov-23	4,560	4,177	4,599	4,832	1,092	6,25	6,35	6,25	3,50	4,80	9,3	5,80

*- According to road map published by the PFSA WIBOR cessation will occur in 2025 .

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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