



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

MPC member Przemyslaw Litwiniuk said that he expect majority within the Council to start discussion on rate cuts to be built already in March 2025. In his opinion first rate cut will take place after release of NBP projection of July 2025, if the MPC is convinced that decline in inflation is sustainable.

MPC member Ireneusz Dabrowski said that in an optimistic scenario, depending on macroeconomic situation rate cut would be possible in March 2025. In more pessimistic scenario rate cut would take place in Q2 or Q3 2025.

PM Donald Tusk informed that mortgage installments of persons who own property damaged by flood would be cancelled for the period of next 12 months. Installments in this period will be paid by the Borrowers' Support Fund. Finance Minister Andrzej Domański said that cancellation of mortgage instalments wouldn't depend on size of the installment and added that banking sectors worked on deferring payments of loan instalments also for cash loans and loans to small and medium enterprises. Finance Minister Domański informed that government was assessing how much money would be needed for direct help and post-flood reconstruction that could amount to several tens of billions PLN. As a result, amendment to 2024 budget is very likely. PLN2bn of direct flood-related help has been already provisioned in the budget.

In the period of January-August 2024 **budget gap** amounted to PLN88.7bn or 48.2% of plan for 2024.

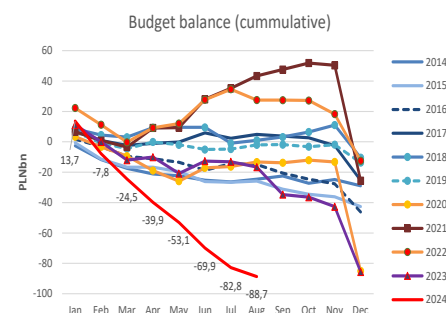
**Core inflation** (ex food and energy) inched down to 3.7% y/y in August from 3.8% y/y in July.

**Consumer confidence** rose to -13.9 pts in September from -15.9pts in August.

In August **average wage** in enterprises' sector fell by 1.1% m/m and rose by 11.1% y/y while **average employment** in enterprises' sector fell by 0.3% m/m and was 0.5% down y/y in August.

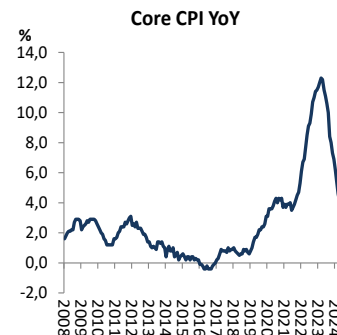
**Industrial output** fell by 5.2% m/m and declined by 1.5% y/y in August while **producer prices** were down by 0.1% m/m and fell by 5.1% y/y in August.

Figure 1. State budget balance



Source: Finance Ministry

Figure 2. Core CPI



Source: NBP

Figure 3. Real wage growth



Source: GUS, Deutsche Bank Polska S.A.



## DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Sep-23	8:00	Construction output (Aug)	(-7.5%)	(-9.6%)	(-7.1%)
Sep-23	8:00	Real retail sales (Aug)	(3.0%)	1.1% (2.6%)	1.7% (3.2%)
Sep-23	8:00	Nominal retail sales (Aug)	(3.5%)	(3.2%)	(3.7%)
Sep-23	12:00	Money Supply M3 (Aug)	(7.9%)	0.5% (7.8%)	0.6% (8.0%)
Sep-24	8:00	Unemployment rate (Aug)	5.0%		5.0%

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

## FX and interest rate forecasts

	EUR/PLN	USD/PLN	CHF/PLN	GBP/PLN	EUR/USD	Reference rate	WIBOR 3M*	WIBOR 6M*	EURIBOR 3M	Fed Funds (mid)	CPI (Poland)	Yield on 10Y POLGB
	(end of period)											
<b>Sep-24</b>	4,280	3,845	4,526	5,122	1,113	5,75	5,85	5,86	3,38	4,875	5,1	5,35
<b>Oct-24</b>	4,291	3,861	4,531	5,102	1,111	5,75	5,85	5,86	3,25	4,875	5,0	5,30
<b>Nov-24</b>	4,303	3,877	4,536	5,082	1,110	5,75	5,85	5,86	3,13	4,625	4,7	5,25
<b>Dec-24</b>	4,320	3,899	4,547	5,069	1,108	5,75	5,85	5,86	3,00	4,375	5,2	5,20
<b>Jan-25</b>	4,325	3,902	4,541	5,089	1,108	5,75	5,85	5,86	2,92	4,125	5,7	5,15
<b>Feb-25</b>	4,330	3,906	4,534	5,110	1,109	5,75	5,85	5,86	2,83	4,125	5,5	5,15
<b>Mar-25</b>	4,335	3,909	4,527	5,130	1,109	5,75	5,85	5,86	2,75	3,875	5,4	5,10
<b>Apr-25</b>	4,333	3,906	4,514	5,143	1,109	5,75	5,85	5,70	2,70	3,875	4,6	5,07
<b>May-25</b>	4,332	3,904	4,500	5,156	1,110	5,75	5,75	5,58	2,60	3,875	4,8	5,05
<b>Jun-25</b>	4,330	3,901	4,487	5,169	1,110	5,50	5,50	5,47	2,60	3,875	4,7	5,00
<b>Jul-25</b>	4,328	3,889	4,485	5,152	1,113	5,50	5,50	5,37	2,60	3,625	3,2	4,95
<b>Aug-25</b>	4,326	3,876	4,483	5,136	1,116	5,50	5,40	5,23	2,60	3,625	3,1	4,90

\*- According to road map published by the PFSa WIBOR cessation will occur in 2027 .

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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