



Poland: Weekly Macroeconomic Update

LAST WEEK:

In August **the current account gap** amounted to -EUR2827mn compared to -EUR1116mn in July. In August exports fell by 3.3% y/y to EUR24.95bn while imports rose by 4.9% y/y to EUR27.20bn what resulted in trade gap of -EUR2.244bn versus trade gap of -EUR1.302bn in July. In August services balance amounted to EUR3.00bn, primary income account was -EUR3.06bn and secondary income account amounted to -EUR519mn.

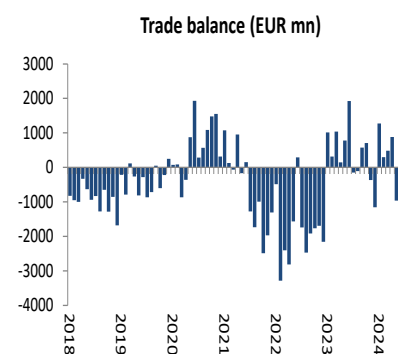
CPI for September was confirmed at 0.1% m/m and 4.9% y/y. The strongest impact on CPI in September had a 2.7% m/m fall in transport prices what reduced m/m inflation by 0.24 perc. point and an increase in prices of housing and energy of 0.4% m/m, an increase in prices of footwear and clothing of 1.9% m/m and an increase in food prices of 0.2% m/m what added respectively 0.09 p.p., 0.07 p.p. and 0.06 p.p. to monthly CPI.

Finance Minister Andrzej Domanski said that in 2025 Poland's economy might grow more than envisaged in 2025 budget 3.7% and GDP growth might exceed 4% next year. Finance Minister Andrzej Domanski underlined that while budgetary revenue from banking tax ought not be reduced, tax-neutral changes to the tax that would boost credit supply needed, among others for energy transition, could be discussed by the government already this year.

Member of the NBP Board Marta Kightley said that inflation would peak in Q1 2025 and would subsequently fall to within the NBP target in late 2025 or early 2026. She added that experience showed that growing interest rate differential between Poland and the euro-zone or the US not always led to a strengthening of the zloty.

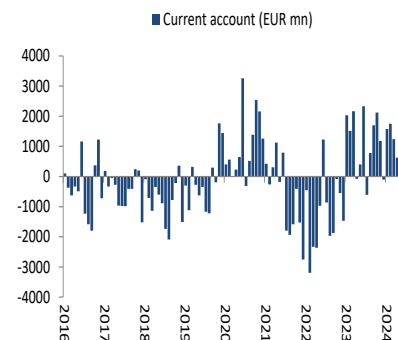
Core CPI for September amounted to 0.3% m/m and 4.3% y/y, in line with our expectations.

Figure 1. Trade balance (EURmn)



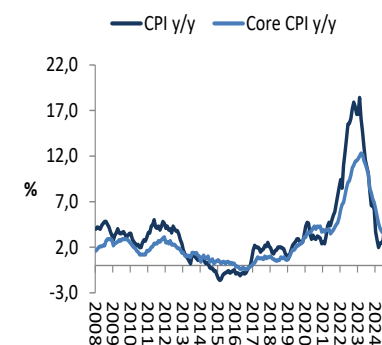
Source: NBP

Figure 2. Current account (EURmn)



Source: NBP

Figure 3. CPI and Core CPI



Source: NBP, GUS



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Oct-21	8:00	Average wage (Sep)		-0.6% (10.3%)	0.2% (11.0%)
Oct-21	8:00	Average employment (Sep)		-0.1% (-0.5%)	-0.2% (-0.5%)
Oct-21	8:00	Industrial output (Sep)		9.0% (-0.3%)	10.1% (0.3%)
Oct-21	8:00	PPI (Sep)		-0.5% (-6.3%)	-0.4% (-5.7%)
Oct-21	8:00	Construction output (Sep)		(-9.0%)	(-9.5%)
Oct-22	8:00	Real retail sales (Sep)			-1.0% (1.8%)
Oct-22	8:00	Nominal retail sales (Sep)			(2.8%)
Oct-22	8:00	Money supply M3 (Sep)			0.9% (6.8%)
Oct-23	8:00	Consumer confidence (Sep)			-14.1
Oct-23	8:00	Unemployment rate (Sep)			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)											
Oct-24	4,317	3,987	4,593	5,203	1,083	5,75	5,85	5,85	3,25	4,875	4,7	5,65
Nov-24	4,328	3,951	4,580	5,147	1,095	5,75	5,85	5,85	3,13	4,625	4,4	5,80
Dec-24	4,320	3,899	4,547	5,069	1,108	5,75	5,85	5,85	3,00	4,375	4,9	5,50
Jan-25	4,325	3,902	4,541	5,089	1,108	5,75	5,85	5,85	2,92	4,375	5,4	5,40
Feb-25	4,330	3,906	4,534	5,110	1,109	5,75	5,85	5,85	2,83	4,375	5,2	5,25
Mar-25	4,335	3,909	4,527	5,130	1,109	5,75	5,85	5,85	2,75	4,125	5,1	5,15
Apr-25	4,333	3,906	4,514	5,143	1,109	5,75	5,85	5,70	2,70	4,125	4,3	5,10
May-25	4,332	3,904	4,500	5,156	1,110	5,75	5,75	5,58	2,60	4,125	4,5	5,05
Jun-25	4,330	3,901	4,487	5,169	1,110	5,50	5,50	5,47	2,60	3,875	4,4	5,00
Jul-25	4,328	3,889	4,485	5,152	1,113	5,50	5,50	5,37	2,50	3,875	2,9	4,95
Aug-25	4,326	3,876	4,460	5,136	1,116	5,50	5,40	5,23	2,42	3,875	2,8	4,90
Sep-25	4,320	3,864	4,431	5,120	1,118	5,25	5,20	5,15	2,35	3,625	3,1	4,80

*- 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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