



Poland: Weekly Macroeconomic Update

LAST WEEK:

At MPC meeting in September three members of the Monetary Policy Council: Joanna Tyrowicz, Ludwik Kotecki and Przemysław Litwiniuk voted against a motion to accept monetary policy guidelines for 2025. Remaining six MPC members (except from Iwona Duda who was absent from the meeting) voted for the motion and the guidelines were accepted.

Amended budget act for 2024 envisages a PLN56.3bn decline in budget revenues (budget revenues in 2024 are envisaged at PLN625.075bn versus PLN682.375bn planned earlier). Budget expenditures in 2024 are intact at PLN866.375bn what is tantamount to PLN240.3bn budget deficit versus PLN184bn budget gap envisaged earlier. Net borrowing need for 2024 are envisaged at PLN308.6bn versus PLN252.2bn envisaged earlier.

Statistics Poland revised **GDP growth** for Q1 2024 to 2.1% y/y from 2.0% y/y estimated earlier and kept estimate of GDP growth in Q2 2024 at 3.2% y/y.

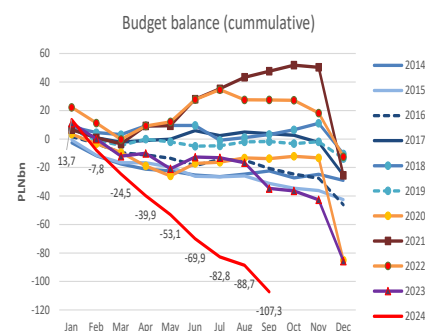
According to flash estimate of Statistics Poland, **consumer inflation** in October amounted to 0.3% m/m and 5.0% y/y, increasing from 4.9% y/y in September. In October prices of food and non-alcohol beverages rose by 0.7% m/m and were 4.9% up y/y, energy prices rose by 0.3% m/m and were 11.5% up y/y while fuel prices fell by 2.2% m/m and were unchanged y/y. Inflation is gradually rising due to increasing energy prices, rising prices of services and gradual increase in food prices.

THIS WEEK:

Manufacturing PMI rose to 49.2pts in October from 48,6pts in September, remaining in a contraction zone for 30th month in a row.

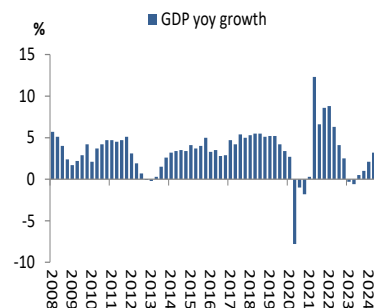
On Wednesday the MPC ends tow-day policy meeting. We expect the Council to keep interest rates unchanged this week. Press conference of NBP President on Thursday will be of interest for market participants. Financial markets are significantly impacted by US presidential elections.

Figure 1. Budget balance (PLNbn)



Source: Finance Ministry

Figure 2. Real GDP y/y growth



Source: GUS

Figure 3. PMI manufacturing



Source: S&P Global



DIARY (this week)

| Date | GMT | Release/Event | DB Expected | Actual | Consensus |
|--------|-------|--------------------------------|-------------|--------|-----------|
| Nov-04 | 8:00 | PMI manufacturing (Oct) | | 49.2 | 48.6 |
| Nov-06 | | MPC decision | 5.75% | | 5.75% |
| Nov-07 | 13:00 | Official reserve assets (Oct) | | | |
| Nov-07 | 14:00 | NBP President press conference | | | |

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) | | | | | | | | | | | |
| Nov-24 | 4,361 | 3,987 | 4,620 | 5,176 | 1,094 | 5,75 | 5,82 | 5,84 | 3,00 | 4,625 | 4,8 | 5,85 |
| Dec-24 | 4,320 | 3,899 | 4,547 | 5,069 | 1,108 | 5,75 | 5,82 | 5,84 | 2,80 | 4,375 | 5,4 | 5,55 |
| Jan-25 | 4,325 | 3,902 | 4,541 | 5,089 | 1,108 | 5,75 | 5,82 | 5,83 | 2,70 | 4,375 | 6,0 | 5,40 |
| Feb-25 | 4,330 | 3,906 | 4,534 | 5,110 | 1,109 | 5,75 | 5,81 | 5,82 | 2,65 | 4,375 | 5,8 | 5,25 |
| Mar-25 | 4,335 | 3,909 | 4,527 | 5,130 | 1,109 | 5,75 | 5,80 | 5,80 | 2,55 | 4,125 | 5,7 | 5,15 |
| Apr-25 | 4,333 | 3,906 | 4,514 | 5,143 | 1,109 | 5,75 | 5,77 | 5,67 | 2,45 | 4,125 | 4,8 | 5,10 |
| May-25 | 4,332 | 3,904 | 4,500 | 5,156 | 1,110 | 5,75 | 5,75 | 5,58 | 2,40 | 4,125 | 5,0 | 5,05 |
| Jun-25 | 4,330 | 3,901 | 4,487 | 5,169 | 1,110 | 5,50 | 5,50 | 5,47 | 2,30 | 3,875 | 4,9 | 5,00 |
| Jul-25 | 4,328 | 3,889 | 4,485 | 5,152 | 1,113 | 5,50 | 5,50 | 5,37 | 2,20 | 3,875 | 3,4 | 4,95 |
| Aug-25 | 4,326 | 3,876 | 4,460 | 5,136 | 1,116 | 5,50 | 5,40 | 5,23 | 2,10 | 3,875 | 3,3 | 4,90 |
| Sep-25 | 4,320 | 3,864 | 4,431 | 5,120 | 1,118 | 5,25 | 5,20 | 5,15 | 2,05 | 3,625 | 3,6 | 4,80 |
| Oct-25 | 4,315 | 3,853 | 4,426 | 5,105 | 1,120 | 5,25 | 5,10 | 5,05 | 2,05 | 3,625 | 3,6 | 4,65 |

*- 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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