



# Poland: Weekly Macroeconomic Update

## LAST WEEK:

**Core inflation** (ex food and energy) in April amounted to 0.5% m/m and remained at 3.9% y/y. An increase in monthly core inflation stemmed mainly from hikes in services' prices.

In April **average wage** in enterprises' sector fell by 2.1% m/m and was 9.9% up y/y. Average monthly salary in enterprises' sector amounted to PLN5806 in April.

In April **average employment** in enterprises' sector fell by 0.2% m/m and increased by 0.9% y/y to 6317k employed. Analysts expected no change in employment in April and employment data may suggest that post-covid recovery in labour market is slower than recovery in industry as economy opened after the lockdown.

In April **producer prices** rose by 0.5% m/m and increased by 5.3% y/y. Growth in producer prices accelerated in April from 3.9% y/y in March, due to disruptions in supply chains and increased demand following synchronized opening of economies.

In April **construction output** declined by 4.2% y/y versus a deeper 7.7% fall expected by economists. Overall conditions in construction improve, but an improvement occurs mainly in construction of buildings while strong decline is taking place in infrastructure investments.

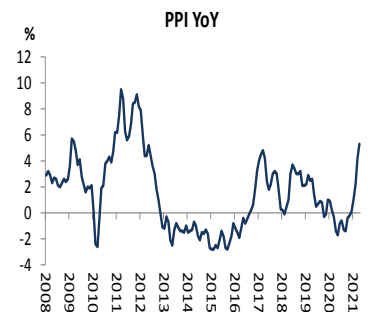
## THIS WEEK:

**Industrial output** fell by 9.2% m/m and rose by 44.5% y/y in April. The strongest increase in industrial output in April was reported in manufacturing of automobiles (up 370% y/y versus 78.9% y/y decline in April 2020), furniture (up 125.8% y/y versus 50.2% y/y decline in April 2020) and computers, electronic and optical equipment (up 90.4% y/y versus 21.9% y/y decline in April 2020). In April this year declines in output were reported solely in mining.

In April **real retail sales** fell by 7.7% m/m and rose by 21.1% y/y. In April retail the strongest growth was reported in retail sales of automobiles and parts (up 118% y/y), footwear and clothing (up 75.9% y/y), fuels (up 23.5% y/y), pharmaceuticals and cosmetics (up 16.9% y/y) and furniture, consumer electronics and white goods (up 10.0% y/y). Retail sales via Internet increased their share in total sales to 10.8% in April from 9.5% in March.

**Money supply M3** declined by 0.1% m/m and rose by 11.2% y/y in April, below market consensus expectations. Registered unemployment rate for April fell to 6.3% from 6.4% in March.

Figure 1: PPI (y/y)



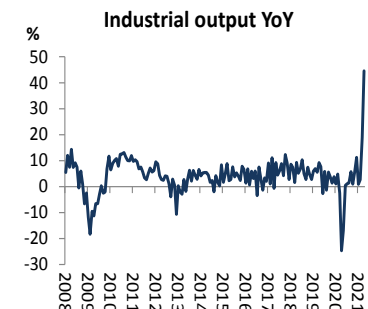
Source: Statistics Poland

Figure 2: Average employment (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
May-24	9:00	Industrial output (Apr)	(41.2%)	-9.2% (44.5%)	-10.0% (44.5%)
May-24	9:00	Retail sales (Apr)	(23.0%)	-7.7% (21.1%)	-3.9% (25.9%)
May-25	13:00	Money supply M3 (Apr)	(12.3%)	-0.1% (11.2%)	0.7% (12.4%)
May-26	9:00	Unemployment rate (Apr)	6.3%	6.3%	6.3%

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)										
<b>May-21</b>	4.500	3.676	4.091	5.208	1.224	0.21	0.25	-0.53	0.14	4.4	1.75
<b>Jun-21</b>	4.494	3.650	4.075	5.172	1.231	0.21	0.25	-0.52	0.16	4.1	1.80
<b>Jul-21</b>	4.489	3.624	4.059	5.137	1.239	0.21	0.25	-0.51	0.18	4.2	1.82
<b>Aug-21</b>	4.483	3.598	4.044	5.102	1.246	0.21	0.25	-0.50	0.20	4.3	1.85
<b>Sep-21</b>	4.477	3.573	4.028	5.068	1.253	0.21	0.25	-0.50	0.20	4.2	1.87
<b>Oct-21</b>	4.471	3.548	4.013	5.034	1.260	0.21	0.25	-0.50	0.20	4.4	1.90
<b>Nov-21</b>	4.466	3.523	3.997	5.000	1.268	0.21	0.25	-0.50	0.20	4.4	1.90
<b>Dec-21</b>	4.460	3.498	3.982	4.967	1.275	0.21	0.25	-0.50	0.20	4.6	1.90
<b>Jan-22</b>	4.455	3.488	3.985	4.964	1.277	0.21	0.25	-0.50	0.20	4.2	1.95
<b>Feb-22</b>	4.450	3.479	3.987	4.961	1.279	0.22	0.25	-0.50	0.20	4.2	1.97
<b>Mar-22</b>	4.445	3.469	3.987	4.954	1.281	0.22	0.25	-0.50	0.20	3.8	2.00
<b>Apr-22</b>	4.440	3.460	3.986	4.947	1.283	0.22	0.25	-0.50	0.20	3.7	2.00

*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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