



Poland: Weekly Macroeconomic Update

LAST WEEK:

In August **real retail sales** rose by 1.1% m/m and was 2.6% up y/y after rising 4.4% y/y in July. In August the strongest growth was reported in retail sales of automobiles (up 15.7% y/y), other retail sales, including via Internet (up 13.9% y/y), retail sales of pharmaceuticals and cosmetics (up 11.2% y/y) and retail sales of fuels (up 5.7% y/y). A decline in real retail sales was reported in sales of footwear and clothing (down 13.6% y/y), furniture, consumer electronics and white goods (down 5.3% y/y), retail sales in specialized shops (down 1.9% y/y) and food (down 0.4% y/y). In August nominal retail sales were 0.9% up m/m and rose by 3.2% y/y.

In August **construction output** fell by 9.6% y/y and rose by 0.9% y/y.

Money supply M3 rose by 0.5% m/m and increased by 7.8% y/y in August after rising by 8.3% y/y in July.

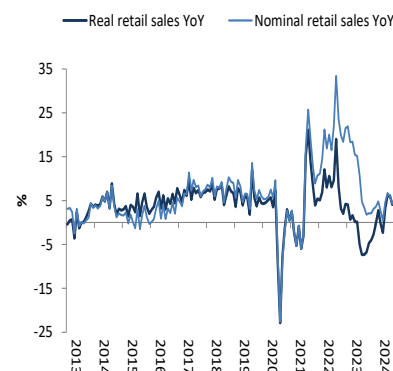
In August 2025 **registered unemployment rate** remained at 5.0%, unchanged from July. In August number of registered unemployed amounted to 772.3 thousand persons declining 1.3% y/y and rising 0.9% m/m.

MPC member Iwona Duda said that the Council needed confirmation in data that decline in inflation was sustainable, before starting discussion on interest rate cuts. In her opinion discussion on rate cuts may start in March 2025 at earliest when March inflation projection is available. She also informed that initial discussion on rate cut had already started but was based on projection of July that showed average 2025 inflation above 5%.

MPC member Ludwik Kotecki expressed a hope that the Council will start cutting interest rates early in 2025 and NBP President Adam Glapinski wouldn't change his current dovish stance in monetary policy. In Kotecki's view inflation will rise to about 5% in September before reaching a high of 6% in January or February before declining in second half of 2025 to 2.5% at the end of next year. Kotecki sees vast majority within the MPC to be ready to start discussing rate cuts in Q1 2025. MPC member expects the Council to start easing with a 25bps cut and expects total cuts of no more than 100bps in 2025.

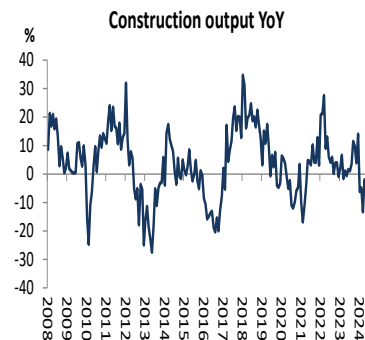
Finance Ministry informed that Poland had financed about 98% of **funding needs** envisaged in 2024 budget bill.

Figure 1. Retail sales (y/y growth)



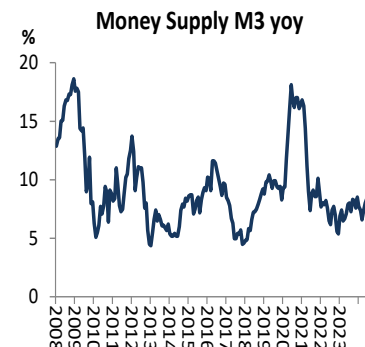
Source: GUS

Figure 2. Construction output (y/y growth)



Source: GUS

Figure 3. Money supply M3 (y/y growth)



Source: NBP.



DIARY (this week)

Date	GMT	Release/Event	DB Expected	Actual	Consensus
Sep-30	8:00	CPI (Sep,flash)	0.3% (5.0%)	0.1% (4.9%)	0.1% (4.9%)
Oct-01	7:00	PMI manufacturing (Sep)	47.4		47.3
Oct-02	8:00	MPC decision	5.75%		5.75%
Oct-03	13:00	Press conference of NBP President			
Oct-04	12:00	Minutes from MPC meeting			

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)											
Sep-24	4,275	3,819	4,528	5,119	1,120	5,75	5,85	5,85	3,28	4,875	4,9	5,28
Oct-24	4,286	3,842	4,531	5,098	1,116	5,75	5,85	5,85	3,25	4,875	4,7	5,27
Nov-24	4,298	3,865	4,533	5,077	1,112	5,75	5,85	5,85	3,13	4,625	4,4	5,25
Dec-24	4,320	3,899	4,547	5,069	1,108	5,75	5,85	5,85	3,00	4,375	4,9	5,20
Jan-25	4,325	3,902	4,541	5,089	1,108	5,75	5,85	5,85	2,92	4,125	5,4	5,15
Feb-25	4,330	3,906	4,534	5,110	1,109	5,75	5,85	5,85	2,83	4,125	5,2	5,15
Mar-25	4,335	3,909	4,527	5,130	1,109	5,75	5,85	5,85	2,75	3,875	5,1	5,10
Apr-25	4,333	3,906	4,514	5,143	1,109	5,75	5,85	5,70	2,70	3,875	4,3	5,07
May-25	4,332	3,904	4,500	5,156	1,110	5,75	5,75	5,58	2,60	3,875	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	2,60	3,625	2,9	4,95
Aug-25	4,326	3,876	4,483	5,136	1,116	5,50	5,40	5,23	2,60	3,625	2,8	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

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