PLNCZK will be stable

This week

- **The most important event this week will be the release of the July business sentiment indicators for major European economies scheduled for Tuesday.** We expect that Composite PMI for the Eurozone has dropped to 54.5 pts vs. 54.9 pts in June. We believe that the index decline resulted from the deterioration of sentiment in France with its stabilization in Germany. Ifo Index, reflecting the sentiment among German managers representing the manufacturing, construction, and services, will be released on Wednesday. We expect it to decrease to 101.6 pts in July from 101.8 pts in June. The business survey results will be of particular importance in the context of assessing the prospects for the slight slowdown of activity observed in recent months in the single currency area and the impact of D. Trump's protectionist measures on exporters' sentiment. Our forecasts of business survey results for major European economies are below the consensus. Therefore, their materialization may be positive for PLN and prices of Polish bonds.
- **Another important event this week will be the ECB meeting scheduled for Thursday**. In our view, the monetary policy parameters will be left unchanged and the ECB expectations concerning the prospects for inflation and economic growth in subsequent quarters will be discussed at the conference. However, we believe that the conference will not provide any new information substantially altering our scenario, in which the ECB will hike the deposit rate by 40bp in total in H2 2019 and main interest rate by 25bp in Q4 2019. We expect that the conference after the meeting will be neutral for the financial markets.
- **This week we will see important hard data from the US economy and the results of the business climate surveys.** On Friday, the flash estimate of GDP in Q2 will be published. We forecast that the annualized rate of economic growth has increased to 4.8% vs. 2.0% in Q1, due to the relaxation of fiscal policy in the US (higher government spending and tax reductions, contributing to corporate investments growth). As expected by the investors, preliminary orders for durable goods rose by 2.5% MoM in June vs. a 0.4% decrease in May. The June data from the real estate market will also be released this week – new home sales (consensus at 670k vs. 689k in May) and existing home sales (5.47M vs. 5.43M in May). The results of the consumer survey will also be released in the US. In accordance with the market expectations, the final University of Michigan Index (97.1 pts in July vs. 98.2 pts in June) will confirm the deterioration of households' sentiment, signalled by the flash index. Our forecast of the US GDP growth rate is above the consensus (4.1%), therefore its materialization will be positive for USD and negative for PLN and prices of Polish bonds. Other US readings will be neutral for the financial markets, we believe.

Last week

- **Last week, the FED chairman, J. Powell, presented the semi-annual monetary policy report to the Congress.** In his testimony he maintained the so-far stance that FED would gradually hike interest rates and would take decisions based on the incoming data. J. Powell indicated that risks to the US economy were balanced although further lack of wage pressure continued to be a cause for concern from the point of view of inflation returning to target. Replying to questions about the impact of the Trump administration's trade policy on the US economy, he said that possible increase in protectionism in global trade would be negative for it. The market interpreted J. Powell's testimony as hawkish, which resulted in USD appreciation vs. EUR. Last week's remarks of J. Powell do not alter our scenario, in which FED will hike interest rates two more times this year each time by 25 bp (in September and December).
- **Important hard data on the US economy and business survey results were released last week.** The monthly dynamics of nominal retail sales dynamics dropped to 0.5% in June vs. 1.3% in

May. Excluding car sales, retail sales dynamics dropped to 0.4% vs. 1.4% in May. Conducive to their decrease were lower sales dynamics in most categories. Data on monthly dynamics of industrial production were also released last week and rose to 0.6% in June vs. -0.5% in May. Its increase resulted from higher output growth in manufacturing, while its decline in mining and utilities had an opposite impact. At the same, capacity utilization rose to 78.0% in June vs. 77.7% in May. Data from the US real estate market were also released last week. The number of building permits dropped to 1273k in June vs. 1301k in May, while the number of housing starts decreased to 1171k vs. 1337k in May. In both cases, this has been the highest level since September 2017. On the one hand, their slower growth results from supply-side constraints related to higher construction costs due to increasingly lower availability of labour and building plots as well as higher prices of timber (the effect of higher import duties on timber from Canada). On the other hand, demand-side constraints related to higher mortgage rates are more and more visible in the market. Business survey results were also released last week. The NY Empire State Index pointed to a slight deterioration of sentiment in manufacturing in New York State, decreasing to 22.6 pts in July vs. 25.0 pts in June. On the other hand, Philadelphia FED pointed to improvement in manufacturing in the northeast of the US, increasing to 25.7 pts in July vs. 19.9 pts in June. The last week's data from the US economy are consistent with our scenario, in which the annualized growth rate of US GDP will increase from 2.0% in Q1 to 4.8% in Q2.

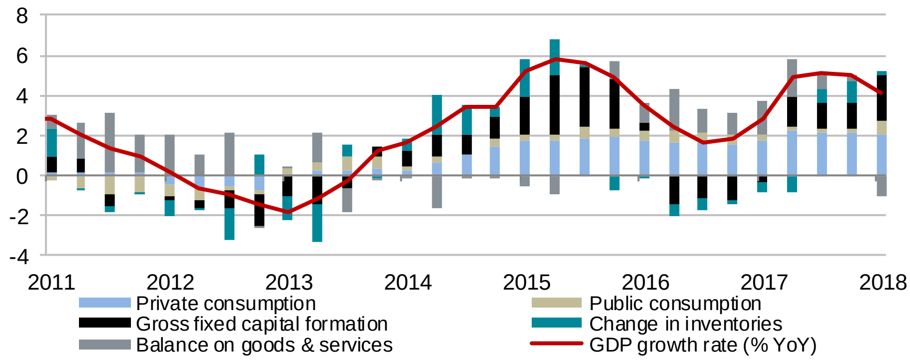
- **The dynamics of industrial production in Poland rose to 6.8% YoY in June vs. 5.4% in May.** The main factor behind the increase in industrial production dynamics between May and June was a favourable difference in the number of working days. The structure of data on the June production indicates that the wide ranging recovery in branches with a large percentage of exports in sales continues. Nevertheless, we estimate that, given the slowdown in global trade visible since the beginning of the year, the probability that the production growth rate in export-driven branches will decrease in the coming months is high. Moreover, the slowdown in world trade may be aggravated by further escalation of protectionist measures taken by the US in recent weeks. The construction-assembly production growth rate increased to 24.7% YoY in June vs. 20.8% YoY in May. Conducive to the increase in the construction-assembly production growth rate was the aforementioned statistical effect of the favourable difference in the number of working days. Seasonally-adjusted construction-assembly production increased in June 2018 by 2.5% MoM. Particularly noteworthy in the construction-assembly production structure is strong acceleration of production growth in the "construction of buildings" branch with a simultaneous slight slowdown of growth in the "civil engineering facilities" section. This supports our scenario, in which companies' investments will grow significantly in 2018 while the growth of public investments in the infrastructure peaked in Q1 2018 (see MACROpulse of 18/7/2018). In the whole Q2 the average dynamics of industrial production rose to 7.1% vs. 5.6% in Q1, while the dynamics of construction-assembly production dropped to 21.5% vs. 25.7%, which poses an upside risk to our GDP growth rate forecast for Q2 2018 (4.9% YoY vs 5.2% in Q1).
- **Retail sales dynamics in Poland increased in current prices by 10.3% YoY in June vs. a 7.6% increase in May, running significantly above the market consensus (7.9%).** The sales growth rate in constant prices went up to 8.2% in June vs. 6.1% YoY in May. The acceleration of real retail sales growth resulted primarily from higher dynamics of sales in the category "motor vehicles, motorcycles, parts" and "furniture, radio, TV, and household appliances (see MACROpulse of 20/7/2018). Indices of core sales, including retail sales without cars, furniture, radio, TV, and household appliances, point to a visible acceleration of sales growth in June in annual terms. This signals that the recovery in consumer demand remains strong. We estimate that retail sales in constant prices rose by 6.1% YoY in Q2 vs. 8.1% in Q1. This is in line with our scenario of deceleration in private consumption growth in Q2 to 4.5% YoY vs. 4.8% in Q1.

- **A surplus in current account of EUR 42M was recorded in Poland in May vs. a deficit of EUR 90M in April.** At the same time, this has been the first surplus in the Polish current account since January 2018. The improvement in the current account balance resulted from higher balances on primary and secondary income (higher from April by EUR 141M and EUR 120M, respectively), while lower balances on trade and services (lower from April by EUR 78M and EUR 51M, respectively) had an opposite impact. Export dynamics dropped to 2.7% YoY in May vs. 8.9% in April, and imports dynamics dropped to 1.7% YoY vs. 11.1%. Slower exports and imports growth resulted from the statistical effect in the form of unfavourable difference in the number of working days. The three-month moving average for both imports and exports dynamics decreased in May to the lowest level since November 2016. This shows that the deterioration observed from the beginning of 2018 in Germany is ever more strongly hampering the activity in Polish foreign trade. The last week's data support our forecast, in which the relation of cumulative current account balance for the last 4 quarters to GDP will increase to 0.1% in Q2 vs. -0.2% in Q1.
- **Nominal wage dynamics in the Polish corporate sector rose to 7.5% YoY in June from 7.0% in May**. Conducive to higher wage dynamics in June were pay rises in Jastrzębska Spółka Węglowa. Wage growth was also supported by statistical factors related to a favourable difference in the number of working days, which boosted wage dynamics of employees doing piecework. The annual employment growth has not changed in June compared to May and amounted to 3.7%. In our view, employment increase is boosted by gradual acceleration in real wage growth, supporting return to the labour market of so-far economically inactive persons as well as growing registered employment of immigrants from Ukraine (see MACROpulse of 17/7/2018). However, this does not alter our scenario of gradual deceleration of employment growth in the coming quarters.
- **Some hawkish remarks of MPC members were voiced last week**. E. Gatnar stated that there was room in Poland for two interest rate hikes by 25 bp and the first hike could take place at the beginning of 2019. He pointed to the increase in wage pressure he expected with the beginning of the electoral cycle and to the normalization of the ECB monetary policy as arguments in favour of interest rate hikes in Poland. In turn, K. Zubelewicz said that the July NBP projection provided strong arguments for starting interest rate hikes because he believed that keeping interest rates at a stable level increases the risk that inflation would durably exceed the inflation target after 2020. In our view, the above remarks of the MPC members do not reflect the stance of the Council's majority. In addition, the NBP Governor, A. Glapiński, continues to maintain his view that there will be no interest rate hikes until the end of 2020 (see MACROpulse of 11/7/2018). Thus, E. Gatnar's and K. Zubelewicz's remarks do not alter our scenario, in which the NBP interest rates will be left at the current level until the end of 2019 (the first hike by 25 bp in March 2020).
- **The economic growth rate in China dropped to 6.7% YoY in Q2 vs. 6.8% in Q1 (1.8% QoQ vs. 1.4% in Q1).** Conducive to lower annual GDP growth was lower contribution of net exports. Higher contributions of consumption and investments had an opposite impact. Especially noteworthy in the data structure is the growing significance of consumption in economic growth, with decreasing contribution of net exports. This suggests growing resilience of the Chinese economy to external demand shocks, including the increasing protectionism in global trade. Other monthly data pointed in general to a slight decrease in the annual growth rate of economic activity in June. Industrial production rose by 6.0% YoY in June vs. 6.8% in May, urban investments rose by 6.0% YoY vs. 6.1% in May, while retail sales rose by 9.0% YoY vs. 8.5%. We maintain our forecast, in which the Chinese GDP dynamics will decrease to 6.6% in 2018 vs. 6.9% in 2017. The main risk to our scenario is possible further escalation of protectionist measures in global trade.
- **Last week the US President D. Trump once again hardened his position concerning trade policy vis-à-vis China.** D. Trump threatened that he was prepared to introduce higher tariffs on

imports of goods from China worth USD 500bn. This would mean that higher duties would cover the whole Chinese exports to the US. The increasingly strident D. Trump's rhetoric vis-a-vis China indicates a high likelihood of further escalation of protectionist measures in global trade, which is negative for global sentiment and PLN. It is also worth noting that a part of the statement after the weekend G20 summit saying that its signatories will not resort to depreciating their currencies in order to improve competitiveness has been deleted. This makes possible further escalation of trade wars likely to be accompanied by currency wars as well, which is also negative for global sentiment and for PLN.

PLNCZK will be stable

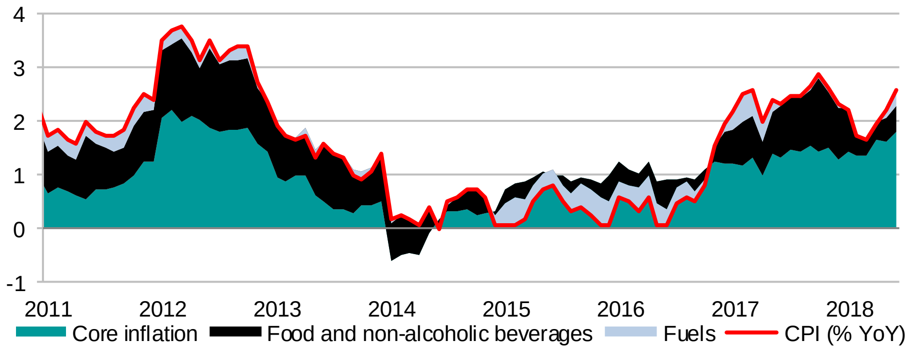
The Czech National Bank (CNB) is the only bank in the region which in recent quarters has been normalizing the monetary policy in a decisive manner. In June the CNB decided to increase the two-week REPO rate (hereinafter the interest rate) from 0.75% to 1.00%. More and more factors signal a growing likelihood of another hike in the coming months. Below we present our scenario for the monetary policy in the Czech Republic and a consistent scenario for PLN vs CZK.



Source: CNB, Credit Agricole

The economic growth rate in the Czech Republic dropped to 4.2% YoY in Q1 vs. 5.0% in Q417. We expect that the downward tendency will continue in subsequent quarters. Fiscal stimulus (wage increases in the public sector and introduction of new social measures), as well as acceleration of public investment will be favourable for GDP growth. The increase in total investments will be supported by growing absorption of EU funds but, at the same time, limited by the normalization of the monetary policy by the CNB. Still, due to the forecasted slowdown of economic growth in the Eurozone and the high base effects for domestic demand GDP dynamics in Czech Republic will decline. We assess the probability of significant fiscal easing by the new government – leading to a marked decrease of general government balance – as low.

In our view, the possible imposition of customs duties at 25% on the exports of cars from the EU to the US would have a limited impact on the Czech economy. The exports of cars directly to the US constitute a negligible part of the Czech foreign trade. The exports of parts and components (for cars manufactured e.g. in Germany and then exported to the US) are of a greater importance. However, due to the ease of geographic reorientation of exports of the Czech automotive industry, currently observed considerable backlogs regarding orders for cars (meaning that even in the case of a sharp slump in demand the production capacities will be still fully exhausted for several more months), and limited price elasticity of the US demand for cars, this impact will also be limited. The increased probability of strong intensification of protectionist trends in global trade in the coming quarters and growing risk of slower global GDP growth would contribute towards the economic slowdown in the Czech Republic to a greater extent. However, we currently do not assume the escalation of trade wars as our baseline scenario. Consequently, we forecast that GDP growth rate will amount to 3.3% in 2018 and 3.1% in 2019.

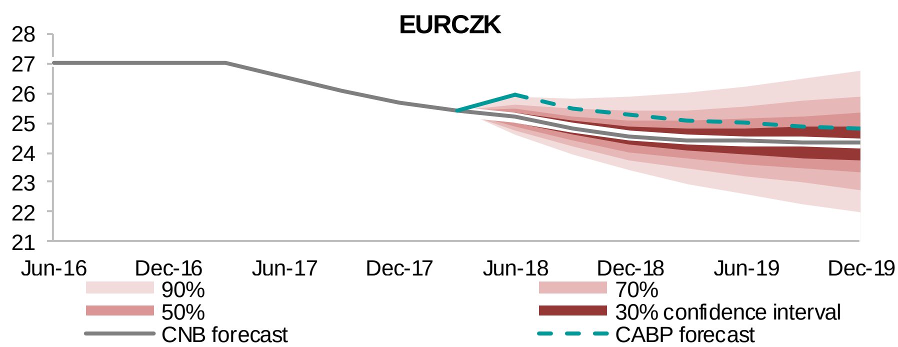


Source: Datastream, Credit Agricole

The unemployment rate in the Czech Republic amounted to 2.3% in May, reaching the lowest level among the EU countries. The supply-side constraints in the labour market (difficulties in finding skilled labour) are conducive to a fast growth of nominal wages (8.6% YoY in Q1 vs. 7.4% in Q417). Owing to the decreasing possibilities of enterprises absorbing higher labour costs by lowering margins, we expect that wage pressure will be conducive to higher core inflation in subsequent quarters. The increase in PPI inflation showing strong correlation with the consumer price growth rate – up to 2.9% YoY in June from 1.5% in May – supports our view. At the same time, higher oil prices will result in only a temporary increase in inflation and, due to high base effects, will be conducive to its decrease in 2019. In addition, the relatively low inflation in the Eurozone will limit the price growth rate in the Czech Republic. All in all, we expect that CPI inflation will amount to 2.2% YoY in 2018 and will drop to 1.9% in 2019.

We believe that two factors are of particular importance when constructing a scenario for the monetary policy in the Czech Republic. Firstly, the CNB is very meticulous about the inflation target (2.0%). According to the central bank, a substantial risk of its even small and permanent overshooting justifies monetary tightening. Secondly, the CNB has a strong commitment to normalize the monetary policy as soon as possible (i.e. PRIBOR 3M reaching the natural level amounting to ca. 3.00%), macroeconomic conditions permitting. The purpose of such action is to create a buffer in the monetary policy in the event of a future slowdown of economic growth.

Due to the reaction function outlined above, the CNB decided to hike interest rates in June. The main arguments in favour of the monetary policy tightening were the inflation running above the June CNB forecast, lack of materialization of CZK strengthening anticipated in the projection (and basically its depreciation due to the sell-off of assets in the emerging markets) being a pro-inflationary factor, higher oil prices, and concerns that the supply-side constraints in the labour market will result in a significant inflation increase in the future.



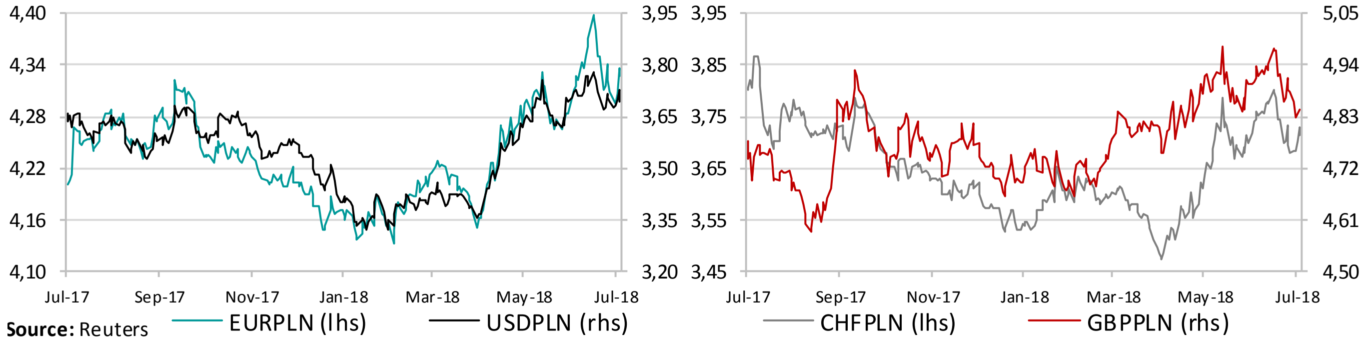
Source: CNB, Credit Agricole

EURCZK did not appreciate after the CNB's June decision and its level has only stabilized. In effect, it continues to run visibly above the path presented in the May projection of the central bank, posing an upside risk to the CNB inflation projection. Furthermore, the unwinding of long koruna positions opened before the exit from FX commitment by the CNB will be conducive to weakening of CZK vs. EUR. In addition, the CPI inflation stood at 2.6% YoY in June (significantly above the inflation target and the level assumed in the projection). According to the Minutes after the June CNB meeting, the CNB is anxious that tight labour market may lead to the acceleration of inflation in the forthcoming future. Consequently, in our baseline scenario we expect the CNB to deliver a 25bp hike in August. We see a risk that, due to changing macroeconomic conditions, interest rates will remain unchanged in August and the expected monetary tightening will materialize no sooner than in subsequent months before the end of 2018. We forecast that interest rates will be increased by total of 75bp in 2019 to reach 2.00% at year end. This forecast is consistent with our scenario of the ECB monetary policy (deposit rate up by 15bp in Q319 and by 25bp in Q419 and repo rate up by 25bp in Q419). We believe that ECB decisions will be an essential factor impacting the monetary policy in the Czech Republic.

A gradual tightening of the monetary policy in the Czech Republic will be conducive to a slight appreciation of CZK vs. EUR (EURCZK amounting to 25.30 as at the end of 2018 and to 24.80 as at the end of 2019). The strengthening of CZK will also be supported by the expected appreciation of EUR vs. USD. Considering the expected by us EURPLN profile (see the quarterly table), we forecast that in subsequent quarters PLNCZK will stabilize around the currently observed level (5.93-5.98).

First estimate of US GDP may weaken PLN

FX rates



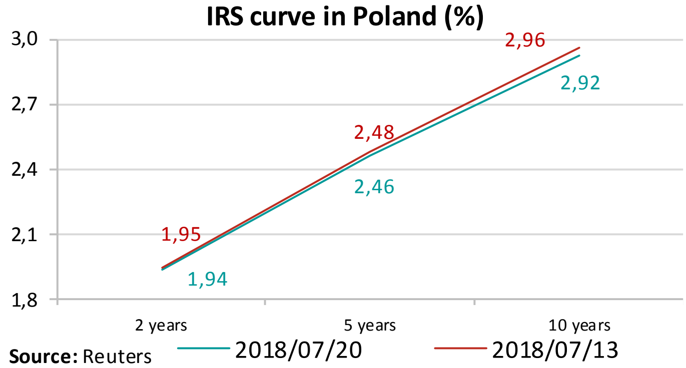
Source: Reuters

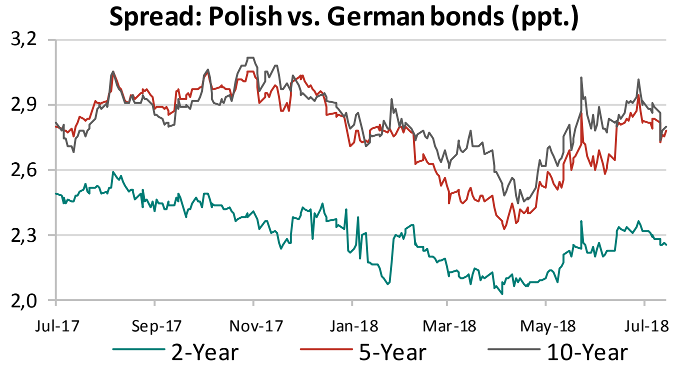
Last week, the EURPLN exchange rate rose to 4.3265 (PLN weakening by 0.4%). Monday through Wednesday EURPLN was relatively stable fluctuating between 4.29 and 4.31. Thursday saw a marked weakening of PLN following EUR depreciation vs USD (see below). Friday saw a correction. Numerous domestic data (industrial production, retail sales, corporate wages and employment) and hawkish remarks of two MPC members were not market moving.

Last week USD appreciated vs. EUR in reaction to J. Powell's testimony to the Congress, which the market interpreted as hawkish. Consequently, last week, PLN depreciated vs. USD by 0.1%. PLN also depreciated vs. CHF (by 1.0%). On the other hand, PLN appreciated vs. GBP (by 0.8%), due to higher EURGBP rate. GBP weakening vs EUR resulted largely from increased uncertainty about Brexit and the publication of weaker-than-expected data on inflation and retail sales in the UK.

Crucial for PLN this week will be the publication of flash PMIs for major European economies. We expect that they may be slightly positive for PLN. On the other hand, negative for PLN may be the first estimate of US GDP in Q2. Other numerous data from the US (preliminary durable goods orders, final University of Michigan Index, new home sales, and existing home sales) as well as the ECB meeting will not be market moving, we believe.

Market focused on flash PMIs in the Eurozone





Source: Reuters

Last week, 2-year IRS rates decreased to 1.94 (down by 1bp), 5-year to 2.46 (down by 2bp), and 10-year to 2.92 (down by 4bp). Last week low liquidity prevailed in the market due to holiday season. In effect, even small trades generated IRS volatility. Conducive to increased IRS volatility was also the testimony of the FED chairman, J. Powell, to the Congress. Numerous domestic data (industrial production, retail sales, corporate wages and employment) and hawkish remarks of two MPC members were not market moving.

This week the market will focus on the publication of PMIs for the Eurozone. If our forecast that is lower from the market consensus materializes, the data may be conducive to a decline in IRS rates. The publication of the first estimate of the US GDP in Q2 is likely to have an opposite impact. We expect that other US readings (preliminary durable goods orders, final University of Michigan Index, new home sales, and existing home sales) as well as the ECB meeting scheduled for Thursday will not have a significant impact on IRS rates.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland

Indicator	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
NBP reference rate (%)	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50
EURPLN*	4,23	4,25	4,25	4,31	4,24	4,20	4,18	4,15	4,17	4,21	4,24	4,31	4,37	4,38
USDPLN*	3,70	3,59	3,57	3,65	3,64	3,53	3,48	3,34	3,42	3,42	3,51	3,69	3,74	3,79
CHFPLN*	3,86	3,72	3,72	3,77	3,65	3,59	3,57	3,59	3,62	3,58	3,54	3,74	3,78	3,81
CPI inflation (% YoY)	1,5	1,7	1,8	2,2	2,1	2,5	2,1	1,9	1,4	1,3	1,6	1,7	2,0	
Core inflation (% YoY)	0,8	0,8	0,7	1,0	0,8	0,9	0,9	1,0	0,8	0,7	0,6	0,5	0,6	
Industrial production (% YoY)	4,4	6,3	8,9	4,3	12,4	9,2	2,8	8,6	7,3	1,7	9,3	5,3	6,8	
PPI inflation (% YoY)	1,8	2,2	3,0	3,2	3,0	1,8	0,3	0,2	-0,1	0,5	1,0	2,8	3,7	
Retail sales (% YoY)	6,0	7,1	7,6	8,6	8,0	10,2	6,0	8,2	7,9	9,2	4,6	7,6	10,3	
Corporate sector wages (% YoY)	6,0	4,9	6,6	6,0	7,4	6,5	7,3	7,3	6,8	6,7	7,8	7,0	7,5	
Employment (% YoY)	4,3	4,5	4,6	4,5	4,4	4,5	4,6	3,8	3,7	3,7	3,7	3,7	3,7	
Unemployment rate* (%)	7,0	7,0	7,0	6,8	6,6	6,5	6,6	6,9	6,8	6,6	6,3	6,1	5,9	
Current account (M EUR)	-902	-296	311	218	206	54	-847	1955	-782	-785	-90	42		
Exports (% YoY EUR)	7,2	15,0	13,4	11,5	15,8	15,5	2,6	12,1	5,9	-1,6	8,9	2,7		
Imports (% YoY EUR)	14,3	14,6	8,7	8,9	15,4	15,9	10,9	16,7	8,1	1,4	11,1	1,7		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland

Indicator	2018				2019				2017	2018	2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	5,2	4,9	4,2	3,8	3,2	3,5	3,2	3,0	4,6	4,5	3,2
Private consumption (% YoY)	4,8	4,5	3,9	4,3	4,3	3,5	3,6	3,4	4,8	4,4	3,7
Gross fixed capital formation (% YoY)	8,1	8,9	8,7	6,7	5,7	4,7	3,6	3,2	3,4	7,9	4,0
Export - constant prices (% YoY)	1,1	4,5	4,3	4,7	6,0	5,5	5,3	4,9	8,2	3,7	5,4
Import - constant prices (% YoY)	3,5	6,1	4,2	5,3	6,2	5,8	5,4	5,1	8,7	4,8	5,6
GDP growth contributions: Private consumption (pp)	3,0	2,7	2,3	2,2	2,7	2,1	2,1	1,7	2,7	2,5	2,1
GDP growth contributions: Investments (pp)	0,9	1,4	1,5	1,6	0,7	0,8	0,6	0,8	0,6	1,4	0,7
GDP growth contributions: Net exports (pp)	-1,2	-0,6	0,3	-0,1	0,1	0,1	0,2	0,0	0,1	-0,5	0,1
Current account (% of GDP)***	-0,2	0,1	-0,1	-0,6	-0,9	-0,9	-0,8	-0,9	0,2	-0,6	-0,9
Unemployment rate (%)**	6,6	5,9	5,9	6,0	6,4	5,9	5,9	6,0	6,6	6,0	6,0
Non-agricultural employment (% YoY)	1,4	1,2	0,6	0,3	0,3	0,3	0,3	0,1	1,9	0,9	0,3
Wages in national economy (% YoY)	6,2	7,4	7,0	7,1	7,6	7,0	6,7	6,6	5,3	6,9	7,0
CPI Inflation (% YoY)*	1,5	1,7	1,9	1,1	1,3	1,3	1,2	1,5	2,0	1,6	1,3
Wibor 3M (%)**	1,70	1,70	1,70	1,70	1,70	1,70	1,70	1,78	1,72	1,70	1,78
NBP reference rate (%)**	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50
EURPLN**	4,21	4,37	4,27	4,24	4,23	4,20	4,18	4,15	4,18	4,24	4,15
USDPLN**	3,42	3,74	3,62	3,50	3,44	3,36	3,27	3,19	3,48	3,50	3,19

* quarterly average
** end of period
***cumulative for the last 4 quarters

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST* CA	FORECAST* CONSENSUS**
		Monday 07/23/2018				
14:00	**Poland**	**M3 money supply (% YoY)**	**Jun**	**6,6**	**7,0**	**7,3**
16:00	USA	Existing home sales (M MoM)	Jun	5,43		5,44
16:00	Eurozone	Consumer Confidence Index (pts)	Jul	-0,5		-0,7
		Tuesday 07/24/2018				
9:30	Germany	Flash Manufacturing PMI (pts)	Jul	55,9	55,7	55,5
10:00	Eurozone	Flash Services PMI (pts)	Jul	55,2	54,5	55,0
10:00	Eurozone	Flash Manufacturing PMI (pts)	Jul	54,9	54,4	54,7
10:00	Eurozone	Flash Composite PMI (pts)	Jul	54,9	54,5	54,8
10:00	**Poland**	**Registered unemplyment rate (%)**	**Jun**	**6,1**	**5,9**	**5,9**
15:45	USA	Flash Manufacturing PMI (pts)	Jul	55,4		55,4
16:00	USA	Richmond Fed Index	Jul	20,0		
		Wednesday 07/25/2018				
10:00	Eurozone	M3 money supply (% MoM)	Jun	4,0		4,0
16:00	USA	New home sales (k)	Jun	689		670
		Thursday 07/26/2018				
13:45	Eurozone	EBC rate decision (%)	Jul	0,00	0,00	0,00
14:30	USA	Durable goods orders (% MoM)	Jun	-0,4		2,8
		Friday 07/27/2018				
14:30	USA	Preliminary estimate of GDP (% YoY)	Q2	2,0	4,8	4,1
16:00	USA	Final U. of Michigan Sentiment Index (pts)	Jul	97,1		97,1

*The forecasts of macroeconomic indicators for Poland were prepared by Credit Agricole Bank Polska S.A. The forecasts of foreign indicators were prepared by Crédit Agricole Corporate and Investment Bank

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Jakub BOROWSKI
Chief Economist
tel.: 22 573 18 40
jakub.borowski@credit-agricole.pl

Krystian JAWORSKI
Senior Economist
tel.: 22 573 18 41
krystian.jaworski@credit-agricole.pl

Jakub OLIPRA
Economist
tel.: 22 573 18 42
jakub.olipra@credit-agricole.pl