This week

- **The most important event this week will be the ECB meeting scheduled for Thursday.** Our baseline scenario assumes that this week the ECB will extend the asset purchase program until December 2018, reducing its scale to EUR 15bn starting from September 2018. However, we see a substantial risk that the ECB will postpone this decision due to political risk in Italy and uncertainty about the prospects for inflation and GDP in the Eurozone. Our baseline scenario is consistent with the last week statement by P. Praet who said that the ECB was satisfied with the current inflation performance. The latest macroeconomic projection will also be presented after the meeting. We believe that headline inflation profile will be revised upwards in 2018 and downwards in 2019 (with core inflation forecast unchanged) compared to the March forecast. In turn, the expected economic growth rate in 2018 will be lowered and will not visibly change between 2019 and 2020 compared to the March forecast. We expect that during the press conference we will see increased volatility in the financial markets. In case of materialization of our alternative scenario (status quo this week) we expect the strengthening of USD against EUR and weakening of PLN against EUR (due to negative correlation between EURUSD and EURPLN which could be observed in last days).
- **FOMC meeting will be held on Wednesday.** We expect that FED will hike the target range for the Federal Reserve funds rate by 25 bp up to [1.75%; 2.00%] this week. The June FOMC macroeconomic projection will be presented after the meeting. We believe that these projections will be of special importance in the context of the impact of the expansive fiscal policy and growing protectionist tendencies in global trade on the US economy. We expect that the economic growth rate and core inflation profile will be slightly raised between 2019 and 2020 compared to the March projection. In turn, the unemployment rate profile will be slimly revised downwards. We consider that interest rates profile will be slightly revised upwards in comparison to the March projection. The projection is likely to indicate that, in accordance with FOMC members' expectations, the target range for the Federal Reserve funds rate will amount to [2.25%; 2.50%] as at the end of 2018. The median of FOMC members' expectations in the March projection indicated the level of [2.00%; 2.25%] with only slight dominance of members standing for a such level of interest rates or lower. In our view, the expected scale of monetary tightening will not change in subsequent years. Currently the forward contracts market is pricing in two (including the one in June) hikes of FED interest rates (50 bp in total) until the end of 2018. We believe that the publication of the FOMC projection pointing to a faster than markets' expectations pace of monetary policy tightening will be negative for PLN and prices of Polish bonds.
- **Significant hard data on US economy will be released this week.** We forecast that nominal retail sales growth has not changed in May compared to April and amounted to 0.2%. The nominal retail sales dynamics stabilized due to lower sales in the automotive branch and higher fuel prices. We expect industrial production growth to have decreased to 0.0% MoM in May vs. 0.7% in April, owing to lower production growth in the heating sector (the effect of exceptionally warm May after a relatively low, against the historical background, temperature in April). We forecast that headline inflation rose to 2.8% YoY in May vs. 2.5% in April, due to higher core inflation (2.2% YoY vs. 2.1% in April) and faster growth of fuel prices. Business survey results will also be released this week. We forecast that the preliminary University of Michigan Index rose to 98.4 pts in June vs. 98.0 pts in May. In turn, the NY Empire State Index probably dropped to 18.5 pts in June vs. 20.1 pts in May. In our view, US readings will be overshadowed by FOMC meeting and their impact on the financial markets will be limited.
- **ZEW index reflecting the sentiment among analysts and institutional investors regarding the economic situation in Germany will be released on Tuesday.** We expect that its value decreased to -10.0 pts in June vs. -8.2 pts in May. The deterioration of sentiment will result mainly from the increase in political risk in Italy and growing protectionist tendencies in global

trade. We believe that the publication of the business survey results will be neutral for the markets.

- **Important data from China will be released on Thursday.** We expect that the monthly data are likely to indicate a slowdown of the annual growth rate of economic activity. We forecast that industrial production rose by 6.0% YoY in May vs. 7.0% in April, retails sales rose by 9.5% YoY vs. 9.4%, and urban investments rose by 6.5% YoY vs. 7.0% in April. The publication of data from China will be neutral for the financial markets, we believe.
- **Data on the Polish balance of payments in April will be released on Wednesday**. We expect the current account surplus to rise to EUR -81M vs. EUR -982M in March, mainly due to higher balance on trade. We forecast that exports dynamics rose to 9.7% YoY in April vs. -2.0% in March, while imports growth rate rose to 11.6% YoY vs. 1.6%, due to favourable calendar effects. In our view, the reading will not have any significant impact on PLN or yields on Polish bonds.
- **Final data on the May inflation in Poland will be released on Thursday.** We believe that inflation will not change compared to the flash estimate (1.7% YoY vs. 1.6% in April). The increase in inflation resulted from higher dynamics of fuel prices. Lower growth rate of food prices had an opposite impact. We estimate that core inflation amounted to 0.5-0.6% YoY vs. 0.6% in April. The reading should not be market moving.
- **We have revised our macroeconomic forecasts for 2018-2019 (see below).** We expect that GDP growth rate in 2018 will amount to 4.5% YoY (4.3% before the revision), and in 2019 it will decrease to 3.2% (against 3.0% in the previous forecast). Due to the high base effects related to high dynamics of fuel prices this year we lowered our inflation forecast in 2019 (to 1.3% YoY vs. 1.7% in the previous forecast). We have also revised our scenario regarding the prospects of domestic monetary policy. We believe that in the conditions of economic slowdown and inflation clearly below the inflation target, the MPC will not decide to raise interest rates in November 2019. As a result, we have postponed our first interest rate hike to March 2020.

Last week

- **In line with our expectations, Fitch rating agency has maintained Poland's long-term credit rating at 'A-' with stable outlook.** In its rating action commentary Fitch pointed out that the current rating reflects the strong macroeconomic fundamentals of the Polish economy supported i.a. by a well-capitalised banking sector and a credible monetary policy. According to the agency, the possibility of rating hike is limited by a relatively low GDP per capita (compared to the countries with the A rating) and a relatively high net external debt. The agency forecasts that the public debt/GDP in 2019 will amount to 49.3% compared to 50.6% at the end of 2017, and that the GDP growth in 2018 and 2019 will be 4.4% and 3.4% respectively, thus at levels consistent with our forecast. The Agency also noted that the EU budget proposal for 2021-2027 presented by the European Commission suggests a lower inflow of EU funds to Poland compared to the current financial perspective, as well as the introduction of conditionality of the disbursement of EU funds connected to the rule of law. However, the commentary stressed that the current rating does not take into account what will happen after 2021. We uphold our assessment that within a few quarters the agency will not change Poland's rating and will maintain its stable outlook. In our opinion, Fitch's confirmation of Poland's rating is neutral for the PLN and yields on Polish bonds.
- **As we expected, the Monetary Policy Council (MPC) did not change the interest rates at its meeting last week (the reference rate is 1.50%).** In its statement after the meeting, the Council maintained its assessment that the current level of interest rates was conducive to maintaining Poland's economy on a sustainable growth path and to maintaining the macroeconomic stability. Similarly to a month ago, the MPC stated in its statement that the current data

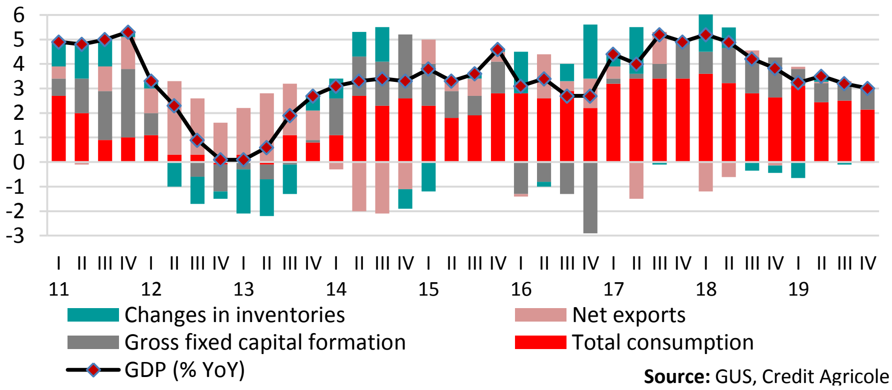
continued to point to a favourable outlook for economic activity growth in Poland, despite the expected slight decline in GDP growth in the coming years and in line with the available forecasts, inflation will remain close to the target in the monetary policy transmission horizon. The comments of A. Glapiński, President of the National Bank of Poland (NBP), and of E. Gatnar and R. Sury, members of the MPC present at the conference, indicated that the medium-term inflation risk has decreased in comparison to the previous month, in the opinion of the MPC. NBP President A. Glapiński signalled that the inflation path expected in the NBP's July projection would most likely be lower than that expected in the March projection (see MACROpulse of 6/6/2018). He also estimated that the total inflationary impact of higher oil prices, lower wage growth and the weakening of the Polish zloty in recent weeks would be limited. E. Gatnar, on the other hand, said that at present he did not see such a wage pressure as he had expected, and the weaker PLN was beneficial for exporters. R. Sura, on the other hand, pointed to the government's announcements of facilitating the employment of foreigners which will have an impact on reducing the wage pressure. At the same time A. Glapiński presented a view according to which "the stabilization of interest rates seems to be something obvious in a foreseeable horizon". He added that interest rates would "definitely" not change until the end of 2018, and in 2019 they would "very likely" remain at their current level. According to E. Gatnar, possible rate cuts would be detrimental to the stability of the banking sector. Such an assessment is consistent with the view previously expressed by the President of the NBP, according to which the NBP rates had reached the bottom limit, and the possible monetary policy easing would be implemented using unconventional tools. The statements made by A. Glapiński and the MPC members support our forecast concerning interest rates, according to which they would remain at their current levels until March 2020 (see below).

- **The US non-manufacturing ISM index rose to 58.6 pts in May vs. 56.8 pts in April.** The index increase resulted from higher contributions from all 4 its components (for delivery times, business activity, new orders and employment). The increase in the new orders component occurred despite a sharp drop in the index for new export orders (57.5 pts in May compared to 61.5 pts in April) to its lowest level since December 2017. This signals continued strong domestic demand in the U.S. economy and supports our scenario for FED's monetary policy (see above). The drop in export orders is consistent with our assessment, according to which a slowdown in world trade has been observed since the beginning of this year (historically, there has been a strong correlation between US exports of goods and services).
- **Last week important data from the German economy were released.** Germany's trade balance fell to EUR 19.4bn in April from EUR 21.6bn in March, which was below market expectations (EUR 20.5bn). It decreased as the imports dynamics increased (2.2% MoM in April compared to -0.2% in March) and exports dynamics decreased (-0.3% in April compared to 1.8% in March). The dynamics of industrial production also turned out to be lower than expected, falling in April to -1.0% MoM from 1.7% in March with the market consensus at the level of 0.2%. Its decrease resulted from a lower growth rate of production in manufacturing and energy. In April, the dynamics of orders in the German industry also decreased (-2.5% MoM from -1.1% in March), which was also clearly below market expectations (0.6%). It is worth noting that this is the fourth month in a row that orders in the German industry have decreased MoM. Nevertheless, excluding large orders, orders for capital goods and durable goods remain in an upward trend, which may indicate a temporary nature of the slowdown observed in the German economy since the beginning of this year. However, taking into account the results of the PMI survey in the German manufacturing, which pointed to a decrease in both new total orders and new export orders components, it is highly probable that the slowdown in the German industry will continue for several more months. As a result, we see a downside risk to our forecast, according to which the quarterly growth rate of the German GDP in Q2 2018 will increase to 0.6% from 0.3% in Q1.
- **According to the final estimate, quarterly growth rate of the GDP in the Eurozone declined to**

0.4% in Q1 2018 from 0.7% in Q4 2017 (2.5% YoY vs. 2.8%). Its drop resulted from lower contributions of net exports (-0.1 pp in Q1 2018 vs. 0.4 pp in Q4 2017), investments (0.1 pp vs. 0.3 pp) and public consumption (0.0 pp vs. 0.1 pp). Higher contribution of inventories (0.2 pp vs. -0.1 pp) and private consumption (0.3 pp v.s 0.1 pp) had the opposite impact. Therefore, economic growth in the Eurozone in Q1 2018 was primarily driven by private consumption, while in Q4 2017 it was driven by investments. Data for Q1 2018 pose a downside risk to our forecast, in which the quarterly GDP growth rate in the Eurozone will increase to 0.6% in Q2 2018.

- **China's trade balance fell from USD 28.4bn in April to USD 24.9bn in May, and was lower than market expectations (USD 32.5bn).** The decline in China's trade balance was accompanied by an increase in the imports growth rate (26.0% YoY in May vs 21.5%) and a slight slowdown in the exports growth (12.6% vs 12.7%). The relatively strong against the backdrop of recent month exports dynamics, may be largely resulting from an increased volume of sales to the US. This is because some of the Chinese exporters want to sell their goods before tariffs on Chinese exports to the US are raised (their increase having been suspended until the negotiations are over), also having in mind a potential further escalation of the conflict between the countries. Therefore, in our view, the surge in Chinese exports that we have seen over the last couple of months is temporary. At the same time we estimate that if both countries impose tariffs in the scope referred to by the US government (in accordance with the recent announcements, tariffs are to be imposed on Chinese exports to the US worth of USD 58bn and US exports to China worth of USD 53bn), it will have a limited negative impact on the Chinese GDP growth rate (not higher than 0.1 p.p.).
- **The summit of the Group of Seven (G7) comprising the United States, Canada, Germany, France, the United Kingdom, Italy and Japan was held last week.** As expected, the summit laid bare a deep division over the trade policy between the USA and the rest of the G7 countries. D. Trump reaffirmed his earlier statement saying that the USA was "treated unfairly" in global trade. At the same time he warned that US trade partners may lose access to the US market unless they change their foreign trade practices. The depth of the division between the US and other G7 countries is evidenced by D. Trump's refusal to sign a joint statement summarising the summit, in line with which the signatories were to strive to reduce tariff barriers, non-tariff barriers and subsidies in mutual trade. In our view, the overtones of the G7 summit indicate that the US protectionist actions are increasingly likely to escalate. In this context, the outcome of the summit is negative for global market sentiment, and consequently for the prices of Polish assets. From the point of view of the outlook for the economic growth in Poland, US decisions about tariffs on cars imported from the EU will be of particular importance. If the tariffs kick in, they will have a negative impact on Polish exports in the automotive and related industries, which are a part of the EU supply chain as well as on the entire Polish economy due to multiplier effects.

Forecasts for 2018-2019



Source: GUS, Credit Agricole

In view of recent data on the real economy and trends shown by business survey results, we have revised our macroeconomic forecasts (see the table on page 8). We expect the GDP to grow at 4.5% YoY in 2018 (4.3% before the revision), and at 3.2% in 2019 (vs. 3.0% in the previous forecast).

The upward revision of the GDP growth rate forecasted by us for 2018 results mainly from a higher starting point of the forecast, i.e. a noticeably higher GDP growth rate seen in Q1 2018 (see MACROpulse of 30/5/2018). The key GDP growth trends in our scenario have not changed considerably compared to our last forecast. We believe that Q1 2018 was the peak of the current GDP growth cycle. We expect the GDP growth rate to remain at relatively high levels in the coming quarters, but on a slight downward trend. Our scenario is supported by a considerable increase in the contribution of inventories to the GDP growth and a sharp slowdown in export growth. Our investments development scenario for three segments (households, enterprises and public sector) was described in MACROmap of 28/5/2018. We can see a moderate potential for further increase in the pace of growth of overall investments. Beginning in Q4 2018, fixed capital formation growth will be on a downward trend, to go down to ca. 3% in Q4 2019. We have also revised downward our Eurozone GDP growth forecast for 2018-2019, which will have a negative impact on business activity in Poland.

Despite investments recovery, GDP growth in the entire forecast horizon will be driven primarily by private consumption. In the coming quarters we are going to see further increase in wage pressure and faster increase in nominal wages up to 6.9% YoY in 2018 and 7.0% in 2019. Pay raises are going to contribute to a faster growth in real consumption to a limited extent only, as they are going to be accompanied by a slower increase of employment. Growing difficulties in finding highly skilled workforce, will limit non-agricultural employment (0.9% YoY in 2018 and 0.3% in 2019).

In recent months, inflation was higher than expected due to higher dynamics of food and fuel prices. Therefore, we have revised upwards our 2018 inflation forecasts (up to 1.6% YoY vs. 1.4% in the previous forecast). Due to high base effects connected with high dynamics of fuel prices this year, we have revised our 2019 inflation forecast downward (down to 1.3% YoY versus 1.7% in the previous forecast). Our expectations for food prices have not changed markedly compared to our March forecast. We continue to believe that Q4 will see slight deflation in food prices (-0.1% YoY), to a large extent driven by last year's high base effects. We expect food price dynamics to increase gradually in 2019, driven by faster growth in meet, sugar and dairy prices. The downward trend in fuel price growth in 2019 will not be offset by gradual increase in base inflation expected by us to go up to 1.6% in Q4 2019. Based on the above factors, we believe that CPI inflation will reach 1.5% YoY in Q4 2019.

We have revised our scenario concerning domestic monetary policy prospects. We believe that in the context of economic slowdown and inflation markedly below the inflation target, the Monetary Policy Council will not decide to raise interest rates in November 2019. Our opinion is supported by comments made by the NBP President made at a conference following the June meeting of the Monetary Policy

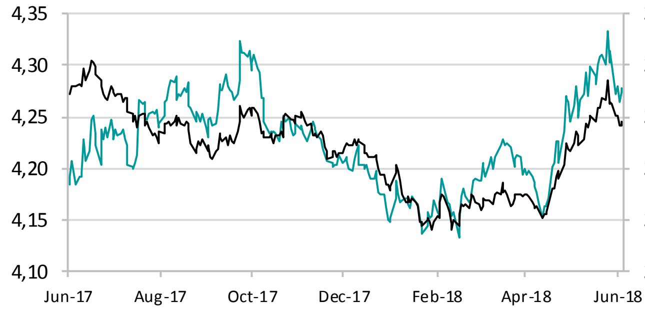
Council. In consequence, we have moved the expected first interest rate rise forward to March 2020, while upholding our forecasted EUR/PLN rate of exchange (see the table below).

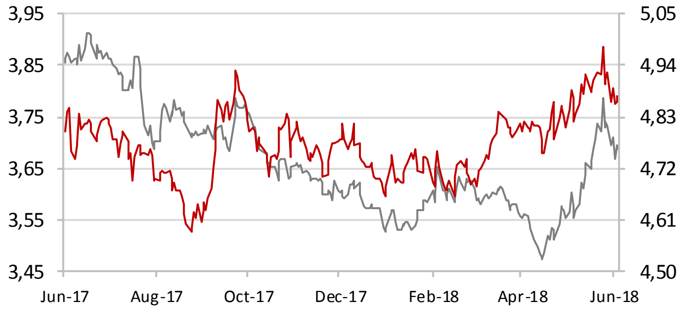
We can see significant downward risks to our forecast of the GDP growth rate in Poland. If the US decides to intensify its protectionist measures in international trade, likely to be followed by the introduction of retaliatory custom duties by China and the European Union (so-called “trade war”), the actual economic growth slowdown seen by Poland’s key trade partners may be stronger than expected. Particularly harmful from the point of view of the outlook for economic growth in Germany, and thus also in Poland, would be the introduction of customs duties on cars exported to the US (at 25%), which is currently being considered by D. Trump.

The second risk factor is the current policy-mix in the US. The expansionary fiscal policy of D. Trump’s administration is being pursued in a situation of an overheated economy. We believe that tax cuts in the US will only have a temporary positive impact on economic growth in the US and will not contribute to any significant growth in business investments or productivity in the following years. Thus, we expect the positive impact of the tax system reform on GDP growth in the US to expire in 2020. In the context of expected further tightening of FED’s t monetary policy in the coming quarters, such a development in the fiscal policy is likely to increase the risk of recession in the US in 2020.

New FED projection may weaken the PLN

FX rates





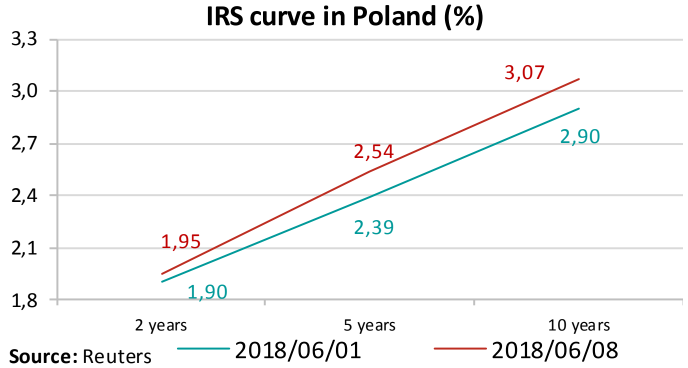
Source: Reuters

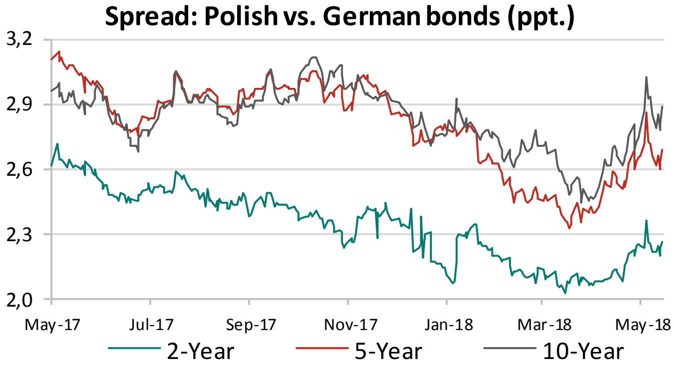
Last week, the EURPLN rate fell down to 4.2788 (PLN strengthening by 0.5%). The whole last week, the EURPLN rate was in a downward trend. The strengthening of PLN resulted from a decrease in global risk aversion, which was reflected in a decrease of the VIX index. The stabilisation of the political situation in Italy positively impacted the moods at the markets. Also, last week’s hawkish speech by a member of the ECB Executive Board, P. Praet, contributed to the strengthening of zloty, as he stated that the ECB was satisfied with the present performance of inflation (see above). The MPC meeting had no significant impact on the PLN. The Fitch’s decision to keep the Polish rating and its stable perspective was announced after the closing of European markets and hence had no significant impact on the Polish currency.

Due to the nature of the last week’s strengthening of the Polish currency, which was mainly a result of the decrease of the global risk aversion, the PLN was gaining also in relation to other major currencies. As a result, last week, the Polish currency strengthened against the US dollar (by 1.4%), Swiss franc (by 1.2%) and British pound (by 1.0%). A particularly clear appreciation of the zloty against the dollar was related to the appreciation of the euro against the dollar after the abovementioned hawkish speech by P. Praet.

Last week's Fitch's decision is, in our opinion, neutral for the Polish currency. However, the tone of last week's G7 meeting is negative for the PLN (see above). This week, the Wednesday FOMC meeting will be of key importance for the Polish currency. In our opinion, the largely expected decision of the FED to increase interest rates will not have a significant impact on the Polish zloty. However, we believe that the June FOMC projections may contribute to weakening of the PLN. An increased volatility of the PLN exchange rate can also be observed during the press conference after the ECB meeting scheduled for Thursday. In our opinion, the numerous data releases from the USA, the Eurozone, China and Poland will remain in the shadow of the ECB and FED meetings and will not have a significant impact on the market.

ECB and FED in the spotlight of the market





Source: Reuters

Last week, 2-year IRS rates increased to the level of 1.945 (increase by 4bp), 5-year to 2.535 (increase by 15bp), and 10-year to the level of 3.065 (increase by 17bp). Last week, a strong increase in IRS rates took place, following the German market. It was related to the hawkish speech of P. Praet, a member of the ECB Executive Board, who stated that the ECB was satisfied with the present performance of inflation. The Fitch's decision to keep the Polish rating and its stable perspective was announced after the closing of European markets and hence had no significant impact on the IRS rates.

Fitch's last week's decision is, in our opinion, neutral for the IRS rates. The deterioration in global market moods we were expecting after the last week's G7 meeting, which pointed to an escalation of trade wars (see above), may contribute to a slight increase of IRS rates at the long end of the curve. This week, investors will focus their attention on the FOMC meeting scheduled for Wednesday. Although we are of the opinion that the very decision about an increase of interest rates will be neutral for the market, the publication of the June's FED projection may contribute to an increase in IRS rates. We also expect their increased volatility during the press conference after the ECB meeting. We are of the opinion that numerous data releases from the USA, the Eurozone and Poland will remain in the shadow of the decisions of the most important central banks and will have no impact on IRS rates.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland

Indicator	May-17	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
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*	4,18	4,23	4,25	4,25	4,31	4,24	4,20	4,18	4,15	4,17	4,21	4,24	4,31	**4,30**
USDPLN*	3,72	3,70	3,59	3,57	3,65	3,64	3,53	3,48	3,34	3,42	3,42	3,51	3,69	**3,64**
CHFPLN*	3,84	3,86	3,72	3,72	3,77	3,65	3,59	3,57	3,59	3,62	3,58	3,54	3,74	**3,71**
CPI inflation (% YoY)	1,9	1,5	1,7	1,8	2,2	2,1	2,5	2,1	1,9	1,4	1,3	1,6	**1,6**	
Core inflation (% YoY)	0,8	0,8	0,8	0,7	1,0	0,8	0,9	0,9	1,0	0,8	0,7	0,6	**0,6**	
Industrial production (% YoY)	9,3	4,4	6,3	8,9	4,3	12,4	9,2	2,8	8,6	7,3	1,7	9,2	**9,3**	
PPI inflation (% YoY)	2,4	1,8	2,2	3,0	3,2	3,0	1,8	0,3	0,2	-0,1	0,5	1,1	**1,1**	
Retail sales (% YoY)	8,4	6,0	7,1	7,6	8,6	8,0	10,2	6,0	8,2	7,9	9,2	4,6	**4,6**	
Corporate sector wages (% YoY)	5,4	6,0	4,9	6,6	6,0	7,4	6,5	7,3	7,3	6,8	6,7	7,8	**7,8**	
Employment (% YoY)	4,5	4,3	4,5	4,6	4,5	4,4	4,5	4,6	3,8	3,7	3,7	3,7	**3,8**	
Unemployment rate* (%)	7,3	7,0	7,0	7,0	6,8	6,6	6,5	6,6	6,9	6,8	6,6	6,3	**6,3**	
Current account (M EUR)	-202	-902	-296	311	218	436	278	-699	2072	-972	-982	**-81**		
Exports (% YoY EUR)	19,1	7,2	15,0	13,4	11,5	15,8	15,5	2,6	11,7	5,5	-2,0	**9,7**		
Imports (% YoY EUR)	21,5	14,3	14,6	8,7	8,9	15,4	15,9	10,9	16,3	8,3	1,6	**11,6**		

*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
	Investments (pp)	0,9	1,4	1,5	1,6	0,7	0,8	0,6	0,8	0,6	1,4	0,7
	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)***		-0,1	0,1	-0,1	-0,6	-0,9	-0,9	-0,8	-0,9	0,3	-0,6	-0,9
Unemployment rate (%)**		6,6	5,8	5,9	6,0	6,4	5,8	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	1,8	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	4,30	4,27	4,24	4,23	4,20	4,18	4,15	4,18	4,24	4,15
USDPLN**		3,42	3,64	3,50	3,37	3,36	3,31	3,27	3,19	3,48	3,37	3,19

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
		Tuesday 06/12/2018				
11:00	Germany	ZEW Economic Sentiment (pts)	Jun	-8,2	-10,0	-13,0
14:30	USA	CPI (% MoM)	May	0,2	0,2	0,2
14:30	USA	Core CPI (% MoM)	May	0,1	0,2	0,2
		Wednesday 06/13/2018				
11:00	Eurozone	Employment (% YoY)	Q1	1,6		
11:00	Eurozone	Industrial production (% MoM)	Apr	0,5		-0,3
14:00	**Poland**	**Current account (M EUR)**	**Apr**	**-982**	**-81**	**-237**
20:00	USA	FOMC meeting (%)	Jun	1,75	2,00	2,00
		Thursday 06/14/2018				
4:00	China	Retail sales (% YoY)	May	9,4	9,5	9,6
4:00	China	Industrial production (% YoY)	May	7,0	6,0	6,9
4:00	China	Urban investments (% YoY)	May	7,0	6,5	7,0
10:00	**Poland**	**CPI (% YoY)**	**May**	**1,6**	**1,7**	**1,7**
13:45	Eurozone	EBC rate decision (%)	Jun	0,00	0,00	0,00
14:30	USA	Retail sales (% MoM)	May	0,3	0,2	0,4
16:00	USA	Business inventories (% MoM)	Apr	0,0	0,3	0,3
		Friday 06/15/2018				
11:00	Eurozone	Wages (% YoY)	Q1	1,7		
11:00	Eurozone	HICP (% YoY)	May	1,9	1,9	1,9
14:00	**Poland**	**Core inflation (% YoY)**	**May**	**0,6**	**0,6**	**0,6**
14:30	USA	NY Fed Manufacturing Index (pts)	Jun	20,1	18,5	19,0
15:15	USA	Industrial production (% MoM)	May	0,7	0,0	0,3
15:15	USA	Capacity utilization (%)	May	78,0	78,0	78,2
16:00	USA	Initial U. of Michigan Sentiment Index (pts)	Jun	98,0	98,4	98,5

*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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