This week

- **The most important event this week will be the publication of flash January business sentiment indicators for major European economies scheduled for Thursday.** We expect that Composite PMI for the Eurozone rose to 51.7 pts in January vs. 51.1 pts in December. We believe that the index increase resulted from the upturn in Germany and France. The improvement will mainly result from better sentiment in services. In France the index was supported by the last month's low base effect resulting from the "yellow vests" movement. The business survey results will be particularly important for assessing the sustainability of the slowdown of activity observed in recent quarters within the single currency area. 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 will increase to -15.0 pts in January vs. -17.5 pts in December. Ifo Index reflecting the sentiment among German managers representing the manufacturing, construction, trade and services sectors will be released on Friday. We expect that the index value will decrease to 100.3 pts in January from 100.1 pts in December. We believe that the publication of business survey results for the Eurozone will be neutral for the financial markets.
- **The ECB meeting will be held on Thursday.** In our view, the monetary policy parameters will not change and the conference will not provide any new information substantially altering our scenario, in which the ECB will hike the deposit rate in total by 40bp in H2 2019 and the main interest rate by 25bp in Q4 2019. We expect that despite weaker data released in recent months for the Eurozone, the bias of the ECB Governor, M. Draghi, presented at the conference will not become more dovish. In December, M. Draghi was drawing attention to growing downside risks to the forecast of economic growth in the Eurozone. Hard data for the Eurozone and business survey results released after the December ECB meeting were weaker than expected but, according to the ECB, most likely do not significantly alter the inflation and economic growth outlook in the medium term. That is why we believe that the ECB will wait with possible changes in communication until the publication of subsequent macroeconomic projection in March. The ECB Governor's remarks during the conference may be conducive to increased market volatility.
- **Some US readings are scheduled for this week but may be postponed due to the ongoing government shutdown (see below).** We believe that durable goods orders rose by 3.5% MoM in December vs. a 0.8% increase in November, due to higher orders for aircrafts in the Boeing company. We expect that data on existing home sales (5.26M in December vs. 5.32M in November) will point to further slowdown of activity in the US real estate market. In our view, the US data, if published, will be neutral for the financial markets.
- **Important data from China have been released today.** The economic growth rate decreased to 6.4% YoY in Q4 vs. 6.5% in Q3 (1.5% QoQ vs. 1.6% in Q3), hitting the lowest level since 1990. The slowdown of economic growth was expected by the market. On the other hand, surprising are the generally better-than-expected monthly data for December. Industrial production increased by 5.7% in December vs. 5.4% in November (with expectations at 5.3%), retail sales rose by 9.0% YoY vs. 8.1% (8.2%), while urban investments growth has not changed in December compared to November and amounted to 5.9% (6.0%). In our view, the better-than-expected monthly data are not yet the result of the stimulation of economic growth in China, whose effects are likely to be seen no sooner than in Q2 2019 (see MACROmap of 7/1/2019). Nevertheless, the better-from-the-consensus monthly data as at the end of 2018 may suggest the stabilization of economic activity in China and thus are slightly positive for PLN.

Last week

- **The dynamics of industrial production in Poland dropped to 2.8% YoY in December vs. 4.7% in November**. The main reason for its decline was the slowdown of economic growth recorded in recent months in major trade partners (Germany and the Eurozone) and leading to significantly lower demand for Polish exports. We expect that the impact of slower growth of manufacturing activity in the Eurozone on the activity of Polish manufacturing will grow stronger and wider in Q1 2019. However, we maintain the view that due to the expected by us recovery in global trade starting from Q2, business climate in the Eurozone can be expected to gradually improve, resulting in an upturn in demand for Polish exports. The construction-assembly production dynamics decreased to 12.2% YoY in December vs. 17.1% YoY in November. The structure of data on the construction-assembly production supports our scenario, in which the investment activity of the public sector (including local governments) peaked in 2018 and the dynamics of public investments will gradually decrease in the coming quarters (see MACROpulse of 18/1/2019). The December data on the industrial production and construction-assembly production support our forecast of economic growth in Q4 (4.5% YoY vs. 5.1% in Q3). In Q1 2019 we expect further slowdown of economic growth to 3.7% YoY.
- **According to final data, CPI inflation decreased to 1.1% YoY in December vs. 1.3% in November.** Thus, inflation has reached the lowest level since December 2016. The decrease in inflation resulted from lower dynamics of fuel and energy prices and lower core inflation, which dropped to 0.6% YoY in December vs. 0.7% in November. The acceleration in the growth of food prices had an opposite impact (see MACROpulse of 15/1/2019). Inflation decreased to 1.4% YoY in Q4 2018 vs. 2.0% in Q3. It amounted to 1.6% in the whole 2018 vs. 2.0% in 2017. In the coming months we expect annual inflation to slightly increase to 1.6% YoY in Q2 2019 (local maximum), supported by a gradual increase in core inflation and faster growth of food prices. On the other hand, conducive to lower inflation rate will be falling fuel prices, resulting from the marked drop of oil prices. Consequently, inflation will stay significantly below the MPC target in the whole 2019 running in line with our scenario of stable NBP interest rates throughout 2019 (first hike in March 2020).
- **The deficit in the Polish current dropped to EUR 221M in November vs. EUR 471M in October.** The improvement in the current account balance resulted from higher balances on goods (up by EUR 340M compared to October). Lower balances on services, primary and secondary income (lower from October by EUR 34M, EUR 46M, and EUR 10M, respectively) had an opposite impact. Export dynamics dropped to 7.1% YoY in November vs. 12.1% in October, and imports dynamics dropped to 9.9% YoY vs. 17.5%. Slower exports and imports growth resulted from the statistical effect in the form of an unfavourable difference in the number of working days. The last week's data do not alter our forecast of cumulative current account balance for the last 4 quarters in relation to GDP in Q4 2018 (-0.7% vs. -0.4% in Q3).
- **The wage dynamics in the Polish sector of enterprises dropped to 6.1 % YoY in December from 7.7% in November**. In turn, the annual employment growth decreased to 2.8% vs. 3.0% in November (see MACROpulse of 18/1/2019). We estimate that the real wage fund growth rate (employment times average wage) in enterprises dropped to 7.8% YoY in December vs. 9.5% in November (8.8% in Q4 vs. 8.3% in Q3). The slight increase in wage fund growth in Q4 signals a moderate upside risk to our forecast of private consumption growth in Q4 2018 (4.4% YoY vs. 4.5% in Q3). At the same time, the data on corporate wage growth in the Polish corporate sector suggest that, despite the skilled labour shortage signaled by enterprises, the wage pressure continues to decrease. This strongly supports our scenario, in which the nominal wage dynamics in the entire economy will slightly decrease in 2019.
- **The British parliament rejected the draft Brexit deal negotiated by T. May**. Although the result of the vote did not surprise the investors, the scale of T. May's defeat (the deal was rejected by

a majority of 230 votes cast, including by members of the Conservative Party led by T. May) raised the market expectations of the UK taking actions aimed at delaying Brexit. In effect, after the vote, GBP appreciated vs. EUR. On the next day after the lost Brexit vote there was a vote on the motion of no-confidence in T. May government which was however rejected. Today, T. May is supposed to present a plan of further actions regarding Brexit. It is highly likely that under Article 50 of the EU treaty she will be trying to postpone the date of the UK's exit from the EU currently scheduled for 29 March. Although the EU will most probably accept this proposal, numerous remarks of the EU representatives indicate that there is no possibility of renegotiating the Brexit deal itself. Consequently, subsequent weeks will see increased volatility of EURGBP.

- **Important data from the US were released last week.** The NY Empire State Index pointed to deterioration in manufacturing by decreasing to 3.9 pts in January vs. 10.9 pts in December. On the other hand, the Philadelphia FED Index pointed to improvement in manufacturing in the North-East of the USA and rose to 17.0 pts in January vs. 9.1 pts in December. The preliminary University of Michigan Index was also released last week and dropped to 90.7 pts in January vs. 98.3 pts in December, running clearly below the market expectations (97.0 pts). At the same time it has been the lowest index level since October 2016. The visible deterioration of consumer sentiment resulted from lower sub-indices for both the assessment of the current situation and for expectations. The publication of data on industrial production, retail sales, housing starts, and new building permits were also scheduled for last week (see MACROmap of 14/1/2019). However, the data were not published due to the government shutdown, namely the suspension of the functioning of the federal government due to non-adoption of the budget for 2019.The reason the budget was not adopted is the dispute between the US President and the politicians of the Democratic Party on the issue of financing the wall between the USA and Mexico. Currently there are no signals pointing to an increase in the likelihood of the stalemate being broken. At the same time this has been the longest shutdown in the US history. The strong deterioration of consumer sentiment and the continued shutdown pose a downside risk to our forecast, in which the annualized US GDP growth rate will decrease to 2.4% in Q1 2019 vs. 2.7% in Q4 2018, thus continuing to stay above the potential economic growth rate estimated by FED at a level slightly below 2%. We estimate that every 10 days of the shutdown decreases the GDP growth rate by 0.1 pp. Nevertheless, as the shutdown continues, this effect may become stronger.
- **The GDP growth rate in Germany decreased to 1.5% in 2018 vs. 2.2% in 2017, running in line with our forecast equal to the market consensus.** The slowdown of economic growth resulted from lower contributions of net exports (-0.5pp in 2018 vs. 0.3pp in 2017), private consumption (0.5pp vs. 0.9pp), and public consumption (0.2pp vs. 0.3pp). Higher contribution of inventories (0.4pp vs. 0.1pp) had an opposite impact. The contribution of investments to GDP growth has not changed and amounted to 0.6pp. Thus the main source of economic growth in Germany in 2018 were investments. At the same time, based on the data for the whole 2018, we estimate that the GDP growth rate in Q4 rose to 0.1% QoQ vs. -0.2% in Q3. We forecast that in 2019 the German GDP growth rate will decrease to 1.3%.

Will the MPC launch a program of low-interest loans for SME?

The business survey results and hard data published in recent months pointed to a slowdown in global trade, which, to a certain extent, resulted from growing protectionism. In result, the economic growth rate of Poland's major trade partners has decreased. The unfavourable situation abroad was conducive to a downturn in Poland, reflected i.a. by a sharp slowdown of industrial production growth in December (see above). Our baseline scenario assumes that the currently observed slowdown in global trade is temporary. The policy of stimulating demand carried out by the Chinese authorities will be conducive to stimulating economic growth in China and consequently also in Poland's major trade partners. Thus, our macroeconomic scenario anticipates "soft landing" of the Polish economy, namely a slight slowdown of GDP growth to 3.3% in 2019 and to 3.2% in 2020. Below we analyze an alternative scenario, where the expected by us recovery in global trade would not take place and consequently the GDP growth in Poland would significantly and permanently decrease. The study below is the first one in a cycle of analyzes focused on the unconventional tools of the monetary policy that the National Bank of Poland could possibly apply to mitigate the aforementioned negative demand shock. As the first instrument from the potential toolbox of the Monetary Policy Council we are analyzing a program of low interest credits for small and medium-size enterprises (SME).

The NBP Governor, A. Glapiński, has many times in recent months repeated his view that in a situation where the monetary easing was necessary, the Council would consider such easing through the use of unconventional monetary policy tools instead of interest rate cuts. According to the remarks of MPC members (E. Gatnar, Ł. Hardt), interest rate cuts, if any, would be negative for the stability of the banking sector. It should also be pointed out that the growth rate of credit is an important factor for the MPC in taking monetary policy decisions (see MACROpulse of 9/1/2019). Considering the above factors, the launch by the NBP of cheap financing for the SME sector amid possible slowdown of economic growth is one of the scenarios that should be taken into account. Below we describe the experiences of the National Bank of Hungary (MNB) from the implementation of a similar program (Funding for Growth Scheme, FGS) and indicate the difficulties related to its implementation in the Polish environment.

Following the outbreak of the global financial crisis, Hungary recorded a significant decrease in loans for enterprises, despite a significant scale of the monetary policy easing carried out through interest rate cuts. For this reason, in 2013 the MNB decided to launch the FGS consisting of providing the banking sector with low interest funds for granting fixed interest loans to companies from the SME sector.

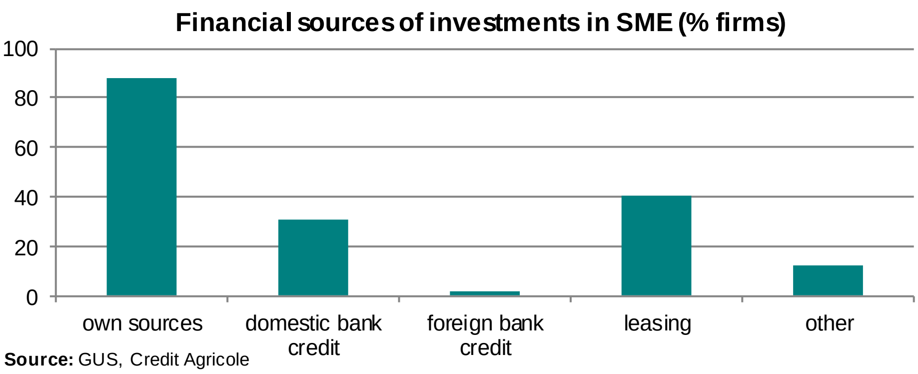
The MNB addressed its actions to SME for several reasons. In Hungary such companies produce mainly for the domestic market, which has limited the positive impact of the recovery in foreign demand recorded at the time for the production of this sector. The decrease in lending in this segment was more pronounced than in the overall corporate sector. In addition, larger companies were able to obtain financing via access to the capital market or from their parent companies. These forms of financing were not available to a majority of smaller enterprises. Continuing weak demand and limited access to financing contributed to an increased number of bankruptcies in this sector in Hungary. At the same time it should be pointed out that SME constitute an important part of the Hungarian economy being responsible at the time for nearly 50% of net revenues, 65% of employment and 46% of gross capital formation.

In the FGS, the interest on credits offered by commercial banks could not be higher than 2.5%, which significantly lowered the cost of financing for SME compared to market terms (ca. 6%). Some companies also appreciated the benefits of fixed interest rate of the financing which supported incurring loans with longer maturities (even up to 10 years). SME benefited from the MNB scheme not only to take new working capital and investment loans but also to repay their earlier obligations (in order to reduce the cost of debt service) or to convert loans taken in foreign currencies (to eliminate foreign exchange risk). As a result, the decrease in the volume of credits for the SME sector was successfully stopped. In total, between 2013 and 2017, within the framework of three phases of the FGS scheme, nearly 40 thousand companies obtained financing exceeding in total HUF 2800bn (7.3% of GDP in 2017). The MNB estimates that thanks to the scheme, the total GDP growth recorded between 2013 and 2017 was higher by 2.0-2.5pp compared to an alternative scenario where the recovery in lending would be less pronounced.

	Hungary (Jun 2013)	Poland (2018)
Corporate credit growth rate (YoY, 12-month average)	-4,5%	6,3%
Credit growth rate in SME segment (YoY, 12-month average)	-5,0%	3,1%
NPL in corporate segment	17,6%	8,9%
Rejection rate in SME (when applying for a loan)	14,3%	7,5%
Access to finance as the most important problem SME are facing	12,6%	8,0%

Source: KNF, SAFE, Credit Agricole

Current situation in Poland is different from that in Hungary at the time of the launch of the FGS (June 2013, see the table). The lending in the SME sector is at a low level (on the average 3.1% YoY for the last 12 months) but the volume of credits is not decreasing. In addition, the share of non-performing loans in the corporate credit portfolio (8.9%) is markedly lower than in Hungary at the time (17.6%). Moreover, Polish SMEs have no problems in obtaining financing. According to SAFE survey carried out by the ECB and the European Commission, only 8.0% of SMEs are currently indicating access to financing as the most important problem in the functioning of the enterprise and only 7.5% of bank loan requests are rejected. However, we should bear in mind that amid a substantial protracted slowdown of economic growth in Poland, the aforementioned factors may significantly deteriorate. The implementation of a low interest financing scheme would then be justified.



Source: GUS, Credit Agricole

We do believe however that in the Polish conditions the launch of such scheme could encounter significant obstacles. The main problem in Poland would be a limited demand of enterprises for bank loans. In accordance with the survey "EFL barometer" carried out in January 2019, the indicator of planned SME investments was at the lowest level since Q4 2017. The planned decrease in the level of investments causes the surveyed companies to express smaller demand for external financing. In addition, it is the specificity of the Polish market that SMEs implement investments mainly with the use of their own resources (88% of SMEs indicate this source of financing in GUS surveys) instead of bank credit (31%, see the chart). Furthermore, according to SAFE survey, 61% of the surveyed SMEs said that bank credit was not a significant source of financing their activity.

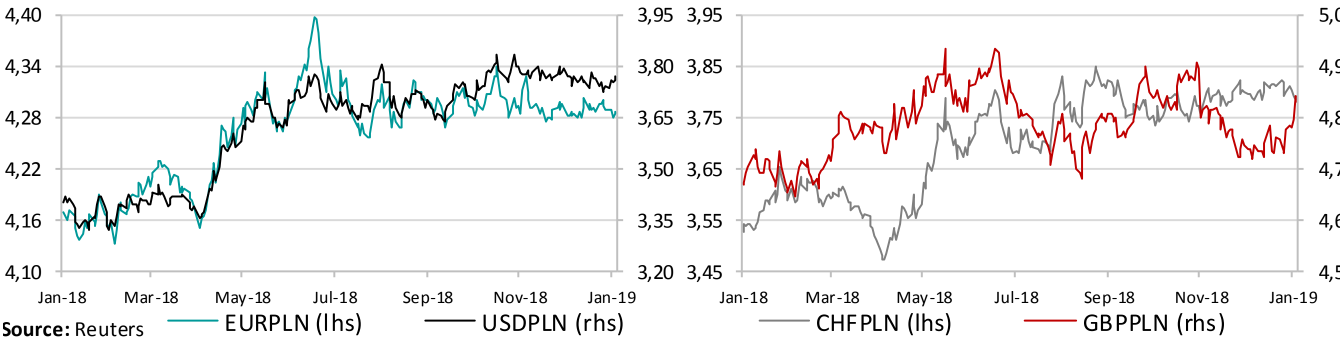
SME's limited demand for bank credit also means that the interest offered under the program would have to be significantly lower from the market rate to encourage the companies to benefit from the scheme. Banks' margin in the segment of credits for non-financial enterprises (difference between interest on loans for enterprises and average interest on total deposits) amounts to 2.1 pp. This means that if the NBP provides commercial banks with zero-interest funds, then, in order not to deteriorate their results, the banks will be granting credits with interest at least at 2.1%. Considering that the average interest on corporate credits amounts now to 3.6%, the financing offered under the scheme at 2.1% is likely to be sufficiently attractive for SME.

However, the interest on bank credits granted to SME (thus also spread) is usually higher than in the corporate segment. Amid economic slowdown, risk premium is likely to increase, additionally contributing to higher spread. This will be conducive to higher interest on credits granted under the scheme. To increase SME's demand for such financing, the NBP could provide commercial banks with funds at a negative interest rate or introduce a system of incentives for banks with a view to reducing interest (e.g. by reducing banking tax for the scheme participants). However, the latter would require NBP's cooperation with the government. We should also bear in mind that low interest on credits could contribute towards companies implementing investments, which will have a limited impact on long-term GDP and productivity growth.

Despite the above difficulties, we believe that a program of low-interest credits for the SME sector would be the first tool to be used by the NBP as part of unconventional monetary policy in the event of a protracted, sharp deceleration in economic growth and inflation running sustainably and significantly below the target. In the next MACRmap we will present the results of our analysis examining what the scale of such scheme would have to be in Poland to effectively stimulate economic growth and inflation.

Domestic data on retail sales may strengthen PLN

FX rates



Source: Reuters

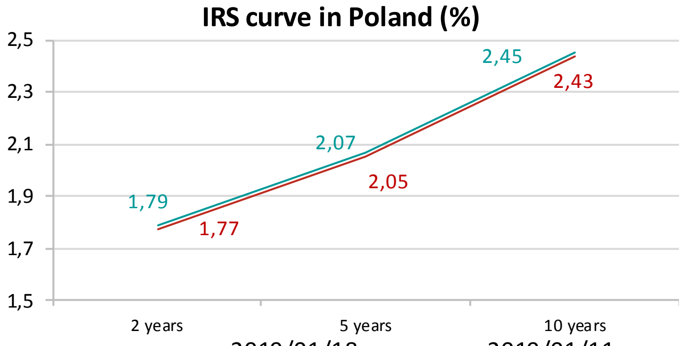
Last week, the EURPLN exchange rate amounted to 4.2881 (no change compared to the level from two weeks ago). On Monday and Tuesday, EURPLN was stable and ranged between 4.28 and 4.30. Wednesday saw a slight appreciation of PLN, supported by weaker expectations of interest rate cuts in Poland, as reflected by higher FRA rates. Further into the week, EURPLN was showing a weak upward trend, due to increased uncertainty about Brexit (see above). On Friday, the weaker-than-expected data on domestic industrial production were additionally conducive to PLN weakening.

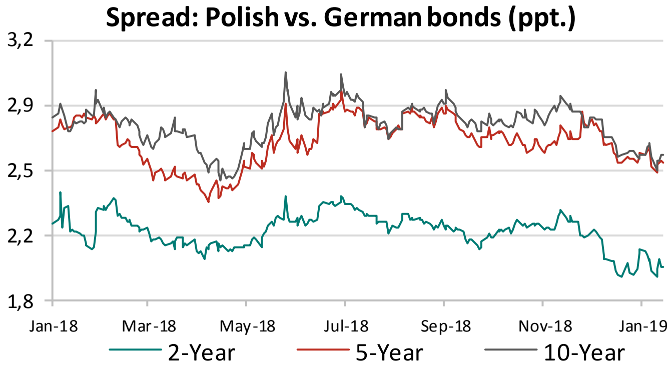
Last week saw increased volatility of EURGBP. On Tuesday evening, GBP strengthened vs. EUR after the British parliament rejected the draft Brexit deal. Though not surprising to investors, the very low support for the draft deal increased the market expectations of the UK's actions aimed at delaying Brexit. Thursday saw further depreciation of EURGBP after the no-confidence vote in T. May was rejected. Consequently, amid the stabilization of EURPLN, last week saw a visible depreciation of PLN vs. GBP (by 1.2%).

The data from China that were published last night and proved slightly better than expected are slightly positive for PLN. Crucial for PLN this week will be domestic data on retail sales. If our higher-from-the-market-expectations forecast materializes, the data may be conducive to PLN appreciation. On Thursday we expect increased volatility of EURPLN due to the ECB meeting. Business survey results for the

Eurozone (PMIs as well as Ifo and ZEW for Germany) and data from the US (existing home sales, preliminary durable goods orders), if published, will have a limited impact on PLN, we believe.

ECB may increase IRS volatility





Source: Reuters

Last week, 2-year IRS rates increased to 1.79 (up by 2bp), 5-year rates to 2.07 (up by 2bps), and 10-year rates to 2.45 (down by 2bp). Monday and Tuesday saw a decrease in IRS rates, following the German market. On Wednesday the trend reversed and IRS rates increased due to lower expectations of interest rate cuts in Poland. Further into the week, IRS rates continued to increase. Higher uncertainty about Brexit had a limited impact on the market.

This week the market will focus on domestic data on retail sales which may be conducive to increase in IRS rates at the short end of the curve. Thursday may see increased volatility of IRS rates due to the ECB meeting. Business survey results for the Eurozone (PMIs as well as Ifo and ZEW for Germany) and data from the US (existing home sales, preliminary durable goods orders), if published, will not have any significant impact on the curve, we believe.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland

Indicator	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
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	4,15	4,17	4,21	4,24	4,31	4,37	4,27	4,30	4,28	4,34	4,29	4,29	**4,29**
USDPLN*	3,48	3,34	3,42	3,42	3,51	3,69	3,74	3,66	3,71	3,69	3,84	3,79	3,74	**3,74**
CHFPLN*	3,57	3,59	3,62	3,58	3,54	3,74	3,78	3,69	3,83	3,75	3,80	3,79	3,81	**3,76**
CPI inflation (% YoY)	2,1	1,9	1,4	1,3	1,6	1,7	2,0	2,0	2,0	1,9	1,8	1,3	1,1	
Core inflation (% YoY)	0,9	1,0	0,8	0,7	0,6	0,5	0,6	0,6	0,9	0,8	0,9	0,7	0,6	
Industrial production (% YoY)	2,8	8,6	7,3	1,7	9,3	5,2	6,7	10,3	5,0	2,7	7,4	4,6	2,8	
PPI inflation (% YoY)	0,3	0,2	-0,1	0,5	1,0	3,0	3,7	3,4	3,0	3,0	3,2	2,7	2,2	
Retail sales (% YoY)	6,0	8,2	7,9	9,2	4,6	7,6	10,3	9,3	9,0	5,6	9,7	8,2	**8,9**	
Corporate sector wages (% YoY)	7,3	7,3	6,8	6,7	7,8	7,0	7,5	7,2	6,8	6,7	7,6	7,7	6,1	
Employment (% YoY)	4,6	3,8	3,7	3,7	3,7	3,7	3,7	3,5	3,4	3,2	3,2	3,0	2,8	
Unemployment rate* (%)	6,6	6,8	6,8	6,6	6,3	6,1	5,8	5,8	5,8	5,7	5,7	5,7	**5,8**	
Current account (M EUR)	-1354	2289	-792	-914	263	297	112	-994	-681	-858	-471	-221		
Exports (% YoY EUR)	4,8	15,5	6,6	-4,4	9,9	1,4	7,0	8,4	7,3	0,0	12,1	7,1		
Imports (% YoY EUR)	13,2	19,0	9,5	0,3	13,6	2,9	8,7	10,0	11,2	5,4	17,5	9,9		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland

Indicator		2018				2019				2018	2019	2020
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)		5,3	5,1	5,1	4,5	3,7	3,6	3,2	2,9	5,0	3,3	3,2
Private consumption (% YoY)		4,7	4,9	4,5	4,4	4,2	3,5	3,4	3,3	4,6	3,6	3,0
Gross fixed capital formation (% YoY)		8,2	4,7	9,9	9,3	8,1	6,7	4,4	3,6	8,3	5,2	4,2
Export - constant prices (% YoY)		3,4	7,6	4,9	4,4	4,7	4,7	4,9	5,4	5,1	4,9	4,5
Import - constant prices (% YoY)		5,5	6,5	6,9	6,5	5,7	5,6	6,3	5,8	6,4	5,9	6,0
GDP growth contributions	Private consumption (pp)	3,0	2,8	2,7	2,2	2,7	2,0	2,0	1,6	2,7	2,1	1,7
	Investments (pp)	1,0	0,8	1,7	2,3	1,0	1,1	0,8	0,9	1,5	1,0	0,8
	Net exports (pp)	-1,0	0,9	-0,9	-0,9	-0,4	-0,3	-0,6	-0,1	-0,5	-0,3	-0,6
Current account (% of GDP)***		-0,2	0,0	-0,4	-0,7	-1,0	-1,0	-1,0	-0,9	-0,7	-0,9	-0,8
Unemployment rate (%)**		6,6	5,8	5,7	5,8	6,1	5,6	5,7	5,8	5,8	5,8	5,8
Non-agricultural employment (% YoY)		1,4	1,0	1,1	0,8	0,4	0,4	0,4	0,4	1,1	0,4	0,1
Wages in national economy (% YoY)		6,2	7,1	7,6	7,3	7,5	7,2	6,9	6,2	7,1	7,0	5,5
CPI Inflation (% YoY)*		1,5	1,7	2,0	1,4	1,6	1,6	1,2	1,4	1,6	1,5	2,0
Wibor 3M (%)**		1,70	1,70	1,72	1,72	1,72	1,72	1,72	1,80	1,72	1,80	2,30
NBP reference rate (%)**		1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	1,50	2,00
EURPLN**		4,21	4,37	4,28	4,29	4,30	4,33	4,29	4,25	4,29	4,25	4,15
USDPLN**		3,42	3,74	3,69	3,74	3,74	3,64	3,52	3,43	3,74	3,43	3,22

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST* CA	FORECAST* CONSENSUS**
		Monday 01/21/2019				
3:00	China	GDP (% YoY)	Q4	6,5	6,4	6,4
3:00	China	Retail sales (% YoY)	Dec	8,1	8,4	8,2
3:00	China	Industrial production (% YoY)	Dec	5,4	5,3	5,3
3:00	China	Urban investments (% YoY)	Dec	5,9	6,4	6,0
		Tuesday 01/22/2019				
10:00	**Poland**	**Retail sales (% YoY)**	**Dec**	**8,2**	**8,9**	**7,7**
11:00	Germany	ZEW Economic Sentiment (pts)	Jan	-17,5	-15,0	-18,3
16:00	USA	Existing home sales (M MoM)	Dec	5,32	5,26	5,25
		Wednesday 01/23/2019				
14:00	**Poland**	**M3 money supply (% YoY)**	**Dec**	**8,8**	**8,9**	**8,6**
16:00	Eurozone	Consumer Confidence Index (pts)	Jan	-6,2		-6,5
16:00	USA	Richmond Fed Index	Jan	-8,0		
		Thursday 01/24/2019				
9:30	Germany	Flash Manufacturing PMI (pts)	Jan	51,5	51,3	51,3
10:00	**Poland**	**Registered unemplyment rate (%)**	**Dec**	**5,7**	**5,8**	**5,8**
10:00	Eurozone	Flash Services PMI (pts)	Jan	51,2	52,2	51,5
10:00	Eurozone	Flash Manufacturing PMI (pts)	Jan	51,4	51,1	51,4
10:00	Eurozone	Flash Composite PMI (pts)	Jan	51,1	51,7	51,4
13:45	Eurozone	EBC rate decision (%)	Jan	0,00	0,00	0,00
14:30	USA	Initial jobless claims (k)	w/e	213		220
15:45	USA	Flash Manufacturing PMI (pts)	Jan	53,8		53,5
		Friday 01/25/2019				
10:00	Germany	Ifo busienss climate (pts)	Jan	101,0	100,3	100,6
14:30	USA	Durable goods orders (% MoM)	Dec	0,8	3,5	1,5

*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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