This week

- **Vital data from the US will be released this week.** We forecast that in May, on the back of improved sales in the automotive industry and higher fuel prices, the nominal retail sales growth rate increased to 0.7% MoM, up from -0.2% in April. We expect that the industrial output growth rate climbed to 0.1% MoM in May against -0.5% in April, a rise attributable to acceleration in the manufacturing and mining. We project that in May, CPI inflation fell to 1.8% YoY down from 2.0% in April, following from stabilization of core inflation (2.2% YoY) and a decline of energy prices. This week, we will also learn about the results of the business climate survey. We predict that the University of Michigan initial index fell to 98.0 points in June vs. 100.0 points in May. In our opinion, US data releases will not have a significant impact on financial markets.
- **According to data published today, in June the Chinese trade balance increased to USD 41.7 billion, up from USD 13.8 billion in May, markedly above market expectations (USD 20.5 billion).** At the same time, in June exports dynamics increased to 1.1% YoY vs. -2,7% in May, while imports dynamics dropped to -8.5% YoY (vs. 4.0%), respectively, above and below market consensus (-3.8% for both export and import dynamics). The lower than expected growth rate of Chinese imports signals a persisting slowdown in domestic demand, despite the stimulus policy pursued by the Chinese government. In turn, in our opinion, an export growth rate higher than the market consensus does not signal first signs of recovery in global trade, but is rather attributable to increased orders for Chinese goods from US businesses in anticipation of further escalation of the trade war between the two countries. On Friday, further data regarding China will be published. We expect that the data will most likely show a slight acceleration of the annual growth rate of economic activity in May. We forecast that the industrial output growth rate did not change in May compared with April and amounted to 5.4% YoY, while retail sales expanded by 7.6% YoY, up from 7.2% in April, with investments in urban areas growing by 6.3% YoY vs. 6.1% in April. In our opinion, the publication of data from China will be neutral for financial markets. The data is consistent with our scenario assuming an acceleration of economic growth in China in the second half of 2019. Thus, we predict that throughout 2019 Chinese GDP will grow by 6.4% compared with 6.6% in 2018.
- **On Thursday, we will receive data regarding Poland's balance of payments in April.** We expect the current account balance to increase to EUR 799 million, up from EUR 533 million in March, mainly following from the increase in the balance of Poland-EU transfers. We forecast that in April, export dynamics was 10.9% YoY vs. 7.9% in March, while import dynamics rose to 7.8% YoY against 1.4% YoY on the back of favorable calendar effects. Although our forecast regarding the current account balance is above market expectations (EUR 250 million), we believe that the publication of data will not have a major bearing on the PLN exchange rate and yields on Polish bonds.
- **Data on Poland's May inflation to be published on Friday.** We see a risk that inflation may exceed flash estimate (2.3% YoY) and reach 2.4% YoY vs. 2.2% in April. Higher inflation in May was attributable to the increased food price growth rate, lower fuel price growth rate and a decline in core inflation (see below). Publication of the data should not be met with a significant market reaction.
- **We revised our macroeconomic forecasts for 2019-2020 (see below).** We expect that the 2019 GDP growth rate will amount to 4.7% YoY (4.3% before revision), and in 2020 will be equal to 3.8% (no change compared to previous forecast). We further believe that interest rates will remain stable at least until the end of 2020. The main arguments supporting our revised forecasts are deterioration in the outlook for global economic growth and the EBC's dovish attitude (we expect that negative rates will be maintained at least until mid-2021). In addition, despite the increase in CPI inflation, within the forecast horizon core inflation will remain well below the NBP target and its temporary increase will primarily reflect supply shocks (trade tax,

release of energy prices) and, to a lesser extent, increasing cost pressures.

Last week

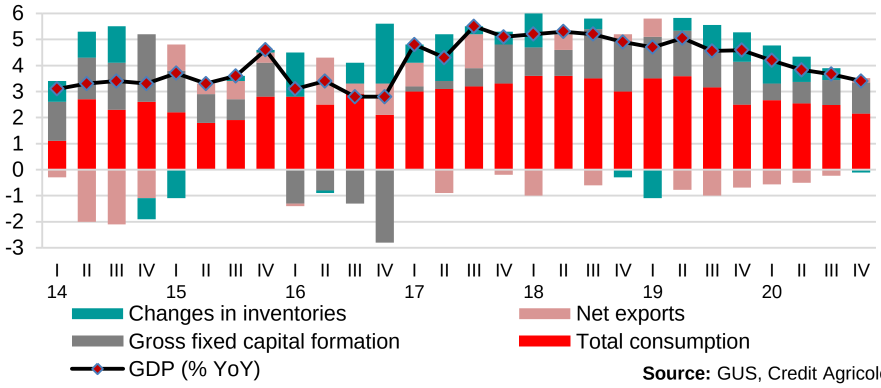
- **The ECB meeting was held last week.** In the press released published after the meeting, a change was made to the forward guidance. Currently, the ECB expects 'interest rates to remain at their present levels at least through the first half of 2020, and in any case for as long as necessary to ensure the continued sustained convergence of inflation to levels that are below, but close to, 2% over the medium term'. Previously, the EBC communicated that interest rates would remain unchanged at least until the end of 2019. At the same time, the communique provided details regarding interest applicable to loans under the the TLTRO III program (targeted longer-term refinancing operations, see MACROmap of 11 March 2019). According to the press release, it will be equal to the deposit rate increased by 10 bp., i.e., as things currently stand, -0.30%. Last week, the EBC also published its June macroeconomic projections. According to the latest ECB forecasts, in 2019 the GDP growth rate in the Eurozone will amount to 1.2% (vs. 1.1% in the March projection) and 1.4% in 2020 and 2021 (respectively 1.4% and 1.6%). In turn, inflation in 2019 will amount to 1.3% (1.2%), 1.4% (1.5%) in 2020 and 1.6% (1.6%) in 2021. Thus, throughout the projection horizon, it will not reach the ECB's inflation target (below, but close to 2%, in the medium term). During the press conference held after the meeting, Governor Mario Draghi reiterated several times that in the event of adverse and unexpected circumstances the ECB will be ready to act and utilize the monetary policy instruments at its disposal for this purpose. Despite the dovish tone, the conference had only a limited impact on the market. The content of the statement following the ECB meeting and the results of the June projection support our scenario assuming stable interest rates in the Eurozone at least until mid-2021.
- **According to the final estimate, in Q1 2019 the quarterly GDP growth rate in the Eurozone rose to 0.4%, up from 0.2% in Q4 2018 (1.2% QoQ in Q1 2019 against 1.1% in Q4 2018), in line with initial projections.** The increase in the economic growth rate was attributable to higher inventories (-0.25 pp. in Q1 vs. -0.40 pp. in Q4), private consumption (0.29 pp. vs. 0.17 pp.) and net exports (0.10 pp. vs. 0.03 pp.), offset by lower government spending (0.02 pp. versus 0.12 pp.) and investments (0.24 pp. vs. 0.30 pp.). Thus, the main engine of economic growth in Q1 was private consumption, while in Q4 it was chiefly spurred by investments. We predict that in the Q2, the GDP growth rate will contract to 0.3% QoQ, and on average in 2019 it will decline to 1.2% as compared to 1.8% in 2018.
- **Last week, vital data regarding the German economy was published.** In April, industrial output fell by 1.9% MoM against a 0.5% rise in March, well below market expectations (-0.4%). A significant reduction in its monthly dynamics followed from a decline in production in the manufacturing and energy sectors, while the opposite effect was attributable a rise in production in the construction. The data on the trade balance was also markedly lower than the market consensus as it shows that in April exports dynamics dropped to -3.7% MoM, against 1.6% in March, and import dynamics to -1.3% vs. 0.7%, with expectations equal to -0.9% and -0.2%, respectively. As a result, the trade surplus in April shrunk to EUR 17.0 billion against EUR 19.9 billion in March. Data concerning orders in the processing sector slightly exceeded expectations as they rose by 0.3% MoM in April vs. 0.8% in March, with a market consensus of 0.1%. The slowdown in the growth of orders followed from a decreased growth rate of export orders with the growth rate of domestic orders having the opposite effect. The driving factor for foreign orders was demand from countries outside the Eurozone. Currently, due to a very high risk of the US-China trade war escalating further, we believe that the slump in global trade will also extend into the second half of 2019. This poses a downward risk for our forecast according to which the German GDP will rise by 0.8% in 2019 against an increase of 1.5% in 2018.

- **Last week, vital US data was published.** In May, employment outside agriculture in the US increased by 75k, compared with 224k in April (downward revision from 263k), significantly below the market consensus (increase by 185k). The largest increase in the number of jobs was recorded in business services (+33.0k), education and healthcare (+27.0k), as well as tourism and recreation (+26.0k). The job market shrunk in the government sector (-15.0k), retail (-7.6k) and provision of information (-5.0k). The unemployment rate in May did not change compared to April and amounted to 3.6%, in line with market expectations and markedly below the level indicated by FOMC as natural unemployment (4.3%, see MACROmap of 25 March 2019). In May, the growth of hourly wages dropped to 3.1% as compared to 3.2% in April, which attests to continued low wage pressures in the American economy. Although the ADP report published a few days earlier suggested that the increase in employment in May may turn out to be markedly lower than expected, the release of the data led to the weakening of the USD against the EUR. Last week, the results of the business climate survey were published. The ISM index for the processing industry fell to 52.1 pts in May vs. 52.8 points in April, a trend attributable to lower contributions of its components for delivery time, inventories and current output. On the other hand, in May the ISM index for non-processing industries climbed to 56.9 points, compared with 55.5 points in April, spurred by higher contributions of components for employment, current operations and new orders. Last week's data from the US economy, coupled with the growing risk of the US-China trade war escalating, represent a downward risk to our forecast according to which the annualized US GDP growth rate will decrease to 2.0% in Q2 against 3.1% in Q1 and in all of 2019 will fall to 2.4% as compared to 2.9% in 2018.
- **China's Caixin Manufacturing PMI did not change in May vs. April, and stood at 50.2 pts, above the market consensus, which was the same as our forecast (50.0).** Therefore, it was the fourth consecutive month that the index remained above the 50-point threshold that separates growth from contraction. The index remained stable due to higher growth rates for new orders, employment, inventories and times of delivery and a lower growth rate for the ongoing production. As regards the data structure, noteworthy is an increase in the new orders component, which was accompanied by an increase for new export orders. In our opinion, the increase in export orders in China's manufacturing sector is most likely to be connected with the growth in the number of orders filed by American companies, which want to buy goods before the tariffs on Chinese exports are raised as announced by Donald Trump (see the MACROmap of 13.05.2019), and it is not a sign of recovery in global trade. What is also noteworthy as regards the data is a strong decline in the expected production component, which hit the all-time low in May (data is available from April 2012 onwards). We believe that the decline reflects Chinese manufacturers' fears of the impact that further escalation of trade war between the US and China might have on the Chinese economy. Indicative of contraction in Chinese manufacturing was the CFLP PMI index, which fell to a lower-than-expected 49.4 pts in May vs. 50.1 pts in April, with market consensus standing at 49.9 pts. We uphold our forecast for economic growth in China (6.4% in 2019 and 6.0% in 2020). However, in order for such a GDP growth rate to be achieved, the Chinese government will have to reinforce growth stimulation.
- **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 announcement following 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 balance. The Council also noted that this year's GDP growth rate may be slightly higher than assumed in the March projection. The Council upheld its opinion saying that inflation will remain close to the inflation target in the horizon of the monetary policy impact (2.5% +/- 1 p.p.). In the press conference, the NBP Governor, A. Glapiński, upheld its opinion saying that there are no grounds at the moment to either increase or decrease the interest rates, and they may remain stable until the end of the Council's term of office (early 2022). At

the same time he said that even though real interest rates (NBP reference rate, financial market rates and interest rates on some of the bank deposits) declined to negative levels in the last couple of months, the growth in lending to business undertakings is not too strong, which indicates that real interest rates have been set adequately. What A. Glapiński said supports our downward-adjusted scenario, which assumes that NBP interest rates will not change at least until the end of 2020 (see below).

- **In accordance with a flash estimate, CPI inflation in Poland went up to 2.3% YoY in May vs. 2.2% in April, running slightly below the market consensus (2.4%) that was in line with our forecast.** The Central Statistical Office published partial data on the inflation structure, which contained information about price growth rates for the following categories: “food and non-alcoholic beverages”, “energy commodities” and “fuels”. The total inflation growth was mainly driven by a stronger increase in the prices of food and non-alcoholic beverages (5.0% YoY in May vs. 3.3% in April). Slower growth in the prices of fuels (4.1% YoY in May vs. 8.6% in April) and energy commodities (-0.9% YoY in May vs. -0.8% in April) as well as a decline in the core inflation, which fell in line with our estimates from 1.7% YoY in April to 1.6% YoY in May, had the opposite effect. In our opinion, a significant increase in the growth rate of prices of food and non-alcoholic beverages was mainly driven by a strong increase in the growth rate of the prices of pork in consequence of a marked drop in global supply of pork due to the ASF in China. This issue will be discussed in detail in the next AGRImap. The preliminary data on inflation support our upward-adjusted forecast, which says that inflation will increase from 1.2% YoY in Q1 to 2.4% YoY in Q2, and it will reach 2.2% YoY for the entire 2019 vs. 1.6% in 2018. The final data on inflation will be published on 14 June.
- **The PMI index for the Polish manufacturing industry decreased in May to 48.8 pts compared to 49.0 pts in April, being slightly below our forecast in line with market expectations (49.0).** Therefore, it was the seventh consecutive month that the index remained above the 50-point level that separates growth from contraction. The decline in the PMI index was driven by lower component contributions to inventories of purchased items. A good signal coming from the examination is a slight increase in the components of current production, total new orders (including export orders) and employment. One should however remember that the aforementioned sub-indexes remained below the border of 50 points in May, which indicates only a slowdown in the rate of decline of the volumes concerned. This may mean that we are close to the bottom of the slowdown in the Polish manufacturing industry, signalled by PMI studies. A slight increase in the Expected Production Index (over the next 12 months) and the stabilisation of the PMI index for German manufacturing industry in May also provide support for this assessment (see MACROmap of 27.05.2019). Due to the continuing discrepancy in recent months between the PMI findings and the actual situation in manufacturing (see MACROmap of 01.04.2019), we are of the opinion that index indications currently have limited predictive properties for the economic growth rate. Nevertheless, we believe that they are of support for our upward revised forecast of GDP growth in Q2 (4.7% YoY compared to 4.9% in Q4) and whole 2019 (4.7% compared to 5.1% in 2018 – see below).
- **Last week, the US president, D. Trump, took a decision on indefinite suspension of the introduction of tariffs on the import of goods from Mexico.** The USA and Mexico reached an agreement on taking actions aiming at stopping illegal emigration from Mexico to the USA. Deescalation of the trade war between the USA and Mexico may increase investors' hopes of reaching an agreement in talks between the USA and China and between the USA and the EU. D. Trump’s decision may decrease market participants' concerns regarding extension of the global trade downturn and, consequently, reduce expectations of monetary policy mitigation by the major central banks. Hence, it is slightly negative for PLN and Polish debt prices.

Forecasts for 2019 – 2020



Source: GUS, Credit Agricole

Taking into account recent data on the real economy as well as trends signalled by soft indicators, we have revised our macroeconomic forecasts (see the table on page 9). We expect the GDP growth rate in 2019 to be 4.7% YoY (4.3% before the revision), and in 2020 to be 3.8% (no change in relation to the previous forecast).

The main trends related to economic growth in our scenario have not changed significantly when compared to the last forecast. We are of the opinion that Q2 2019 will be the peak of the current economic growth cycle. In subsequent quarters we expect the GDP growth rate to reach relatively high levels, however it will be in a slight decreasing trend. The upward revision of our forecast GDP growth rate in 2019 is mainly driven by an increase in the starting point of the forecast, i.e. a significantly higher GDP growth rate in Q1 2019 than expected (see MACROmap of 31.05.2019). In the structure of data for Q1, the higher dynamics of fixed assets expenditures was a particular surprise. Data on investments of companies employing at least 50 people indicates that despite a clear downturn in Poland's main trade partners, companies, in response to a still high utilisation of production capacity and a rapid growth in domestic demand, decide to increase their investment expenditures. This means that the dynamics of enterprise investments and total investments in 2019 will be at a significantly higher level than we have expected (see MACROmap of 3.06.2019). Due to the political cycle (receding investment "peak" in local government units of 2018 related to local government elections), as well as limited space in the central budget to increase public investments, we expect a gradual slowdown in the growth of public gross expenditures for fixed assets. As a result – having considered these opposite trends – we forecast that the total investment growth rate will equal 8.8% YoY on average in 2019 and 4.9% in 2020 compared to 8.7% in 2018.

Deterioration in global economic growth outlook, mainly due to trade war escalation, is a factor that limits the scale of GDP growth rate revision in Poland. In recent weeks, the likelihood of US and China reaching an agreement soon has fallen considerably. Additionally, news appeared indicating that the US may intensify its protectionist measures in foreign trade also towards other countries (Mexico, India). Such trends will contribute to a stronger-than-expected slowdown in the economic growth rates of Poland's main trade partners. A border tax that may be imposed on vehicles imported to the US from the EU would be particularly unfavourably from the point of view of economic growth prospects for Germany and, consequently, for Poland (decision about that is to be taken in a few months'' time). Our baseline scenario is a prolonged conflict between the US and China (over a few quarters). In consequence, global trade recovery is expected to materialise later than we forecasted in March (second half of this year). Negative impact of those trends on the rate of GDP growth in Poland (via net export contribution changes) will be strengthened by continued high growth in imports supported by strong domestic demand. It should be noted, however, that despite a slowdown in global trade, the relatively fast production growth in manufacturing in Poland should continue in the coming quarters. The main reasons why Poland's industrial production is expected to be resilient to strong deterioration in global trends include: buffer in the form of production backlogs, high competitiveness of Poland's manufacturing and increase in production targeted at the domestic market.

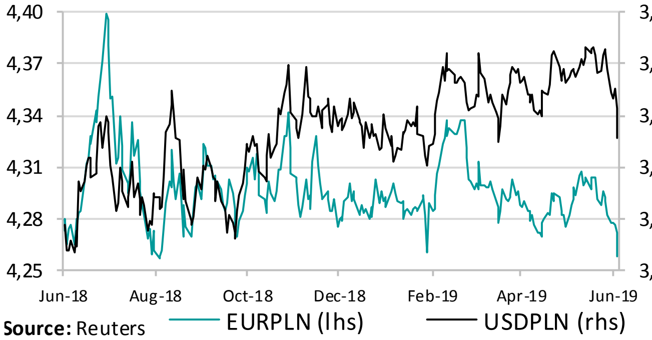
Consumption, supported by social transfer payments, will be a factor stabilising the economic growth (see MACROmap of 11/03/2019). We believe that due to the time profile of the fiscal package, private consumption growth will reach its local high, at 5.0% YoY, in the second quarter of this year and will be a key driver of economic growth throughout the forecast horizon. In addition to the fiscal package, private consumption will be supported by good situation in the labour market and record-high household optimism.

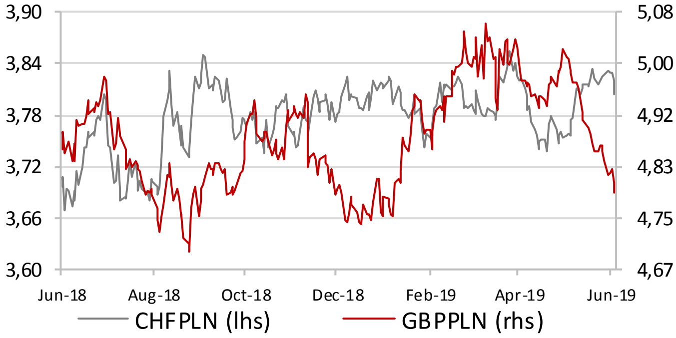
We have revised our inflation forecast for the years 2019-2020 upward. The upward revision results from taking into consideration the following factors: rise in the growth rate of food prices, planned removal of the energy price cap for businesses, and introduction of retail tax. The higher path of food prices results to a large extent from higher-than-earlier-expected rises in pork prices in consequence of a marked drop in global supply of pork due to ASF spreading in China. We believe that the rising pork prices will drive rises in the prices of other types of meat, including in particular poultry. We are going to present a detailed analysis of the impact of ASF spreading to the world's agricultural markets in the next AGRImap. Additional factors behind the upward revision of the food price path include higher rises in fruit prices compared to our forecasts due to frost and the expected introduction of retail tax. Based on information available, we expect the retail tax to be introduced and the cap on energy prices to be removed in Q3 of this year. We expect that the overall impact of these two factors will drive the core inflation path upwards by 0.4 pp over four quarters. There is some uncertainty in our estimate connected with the scale of compensation paid to businesses as part of de minimis aid (see MACROmap of 27/05/2019). Oil prices will probably be lower than we forecasted in March. Consequently, fuel prices, combined with the last year's high base effects, will limit rise in inflation in the coming quarters. In our scenario we assume that the cap on prices for households will be removed in 2020, which will drive the prices of energy commodities markedly upwards in Q1. As a result of the factors described above, inflation will rise gradually to a local high of 3.0% YoY in Q1. In 2020, some of those factors will stop having an impact, which will contribute to inflation going down to an annual average of 2.0% YoY compared to 2.2% in 2019.

We have revised our scenario concerning domestic monetary policy prospects. We believe that interest rates will remain unchanged at least until the end of 2020. The main arguments for revising our forecast include a deterioration of outlook concerning global economic growth as well as the ECB's dovish bias (maintaining negative interest rates at least until mid-2021). Moreover, despite rising headline inflation, core inflation will remain within the forecast horizon, clearly below the NBP target, and its temporary increase will reflect primarily supply shocks (trade tax, energy price deregulation), and to a lesser extent an increase in cost pressure. Our scenario is also supported by comments made by the NBP Governor at a conference following the June meeting of the MPC. Due to the lack of the monetary policy tightening expected by us in 2020, the scale of appreciation of PLN over several quarters forecast by us has decreased (see table below). We believe that the EURPLN exchange rate will run at the level of 4.28 at the end of 2019 and 4.23 at the end of 2020.

Deescalation of the US-Mexico trade war negative for the PLN

FX rates





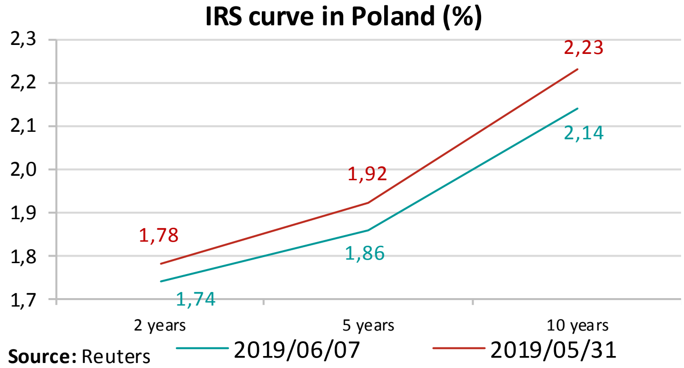
Source: Reuters

EURPLN exchange rate dropped last week to 4.2583 (PLN strengthened by 0.5%). From Monday to Friday the PLN, like other currencies in the region, strengthened slightly against the EUR. This was to a large extent a result of decreasing global risk aversion, which was reflected in a declining VIX index. The increased appetite for risky assets was supported by growing investor expectations for monetary easing by the FED and the ECB due to the worsening global growth prospects, especially in view of the risk of further escalation of the US-China trade war. These expectations were further supported by last week's dovish speeches by J. Powell and M. Draghi. Friday saw a marked strengthening of the PLN against the EUR in response to the publication of weaker than expected data from the US labour market. Last week also brought an appreciation of the PLN against the USD, which was caused by a drop in the EURPLN and an increase in the EURUSD exchange rates. The weakening of the USD against the EUR was largely due to publication of weaker than expected data from the US labour market (ADP report and non-agricultural employment).

This week's slight weakening of the PLN may be supported by D. Trump's decision to suspend indefinitely the introduction of tariffs on imports of goods from Mexico (see above). In our view, domestic data (final inflation estimate, balance of payments), data from the USA (inflation, retail sales, industrial production, the University of Michigan's preliminary index) and China (industrial production, retail sales, investment in urban agglomerations) will not have a significant impact on the exchange rate of the Polish currency.

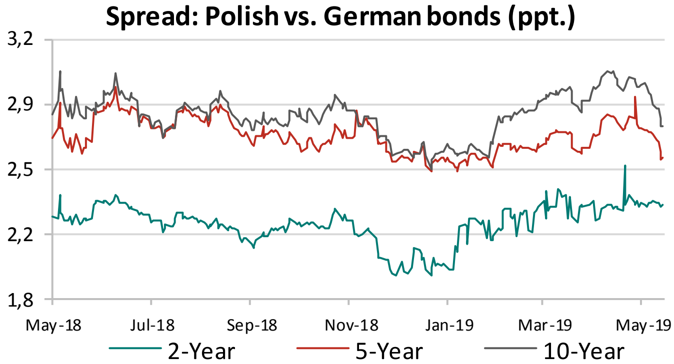
Global sentiment favours a decrease in IRS rates

IRS curve in Poland (%)



Source: Reuters

Spread: Polish vs. German bonds (ppt.)



Last week the 2-year IRS rates dropped to a level of 1.74 (down by 4bp), 5-year rates to 1.86 (down by 6bp) and 10-year rates to 2.14 (down by 9pb). Throughout last week we observed a decrease in IRS rates following the underlying markets. This was to a large extent related to the increased expectations of investors for monetary easing by the major central banks in the face of worsening global growth prospects. These expectations were further supported by last week's dovish speeches by J. Powell and M. Draghi. Neither the ECB meeting nor the publication of US labour market data had a significant impact on the curve.

Last week's decision by D. Trump to suspend indefinitely the introduction of tariffs on goods imported from Mexico may favour an increase in IRS rates. This week, the final data on domestic inflation will be in the spotlight of the market. In our view, however, it will not have a significant impact on the curve. The data on the Polish balance of payments and data from the USA (inflation, retail sales, industrial production, the University of Michigan's preliminary index) will also be neutral for IRS rates.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-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*	4,31	4,37	4,27	4,30	4,28	4,34	4,29	4,29	4,26	4,30	4,30	4,28	4,28	4,28
USDPLN*	3,69	3,74	3,66	3,71	3,69	3,84	3,79	3,74	3,72	3,79	3,84	3,82	3,83	3,86
CHFPLN*	3,74	3,78	3,69	3,83	3,75	3,80	3,79	3,81	3,74	3,79	3,85	3,75	3,83	3,75
CPI inflation (% YoY)	1,7	2,0	2,0	2,0	1,9	1,8	1,3	1,1	0,7	1,2	1,7	2,2	2,4	
Core inflation (% YoY)	0,5	0,6	0,6	0,9	0,8	0,9	0,7	0,6	0,8	1,0	1,4	1,7	1,9	
Industrial production (% YoY)	5,2	6,7	10,3	5,0	2,7	7,4	4,6	2,8	6,0	6,9	5,5	9,2	7,2	
PPI inflation (% YoY)	3,0	3,7	3,4	3,0	3,0	3,2	2,8	2,1	2,2	2,9	2,5	2,6	1,6	
Retail sales (% YoY)	7,6	10,3	9,3	9,0	5,6	9,7	8,2	4,7	6,6	6,5	3,1	13,6	8,5	
Corporate sector wages (% YoY)	7,0	7,5	7,2	6,8	6,7	7,6	7,7	6,1	7,5	7,6	5,7	7,1	6,8	
Employment (% YoY)	3,7	3,7	3,5	3,4	3,2	3,2	3,0	2,8	2,9	2,9	3,0	2,9	2,9	
Unemployment rate* (%)	6,1	5,8	5,8	5,8	5,7	5,7	5,7	5,8	6,1	6,1	5,9	5,6	5,4	
Current account (M EUR)	236	192	-754	-1005	-876	-482	-29	-1248	1825	-342	533	799		
Exports (% YoY EUR)	1,5	7,7	12,0	8,9	-1,5	13,2	7,6	2,3	5,0	10,0	7,9	10,9		
Imports (% YoY EUR)	4,1	9,4	12,4	14,0	4,2	18,0	9,1	2,3	4,9	7,8	1,4	7,8		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland												
Indicator		2019				2020				2018	2019	2020
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)		4,7	5,0	4,6	4,6	4,2	3,8	3,7	3,4	5,1	4,7	3,8
Private consumption (% YoY)		3,9	5,0	4,4	4,0	3,7	3,6	3,5	3,4	4,5	4,3	3,6
Gross fixed capital formation (% YoY)		12,6	10,8	8,1	6,6	4,8	4,9	5,2	4,8	8,7	8,8	4,9
Export - constant prices (% YoY)		5,9	5,3	6,0	6,0	5,4	5,4	5,4	6,3	6,3	5,8	5,6
Import - constant prices (% YoY)		5,0	7,2	8,3	7,7	6,9	6,7	6,2	6,3	7,1	7,1	6,5
GDP growth contributions	Private consumption (pp)	2,4	2,9	2,6	2,0	2,3	2,1	2,1	1,7	2,6	2,5	2,0
	Investments (pp)	1,6	1,7	1,5	1,6	0,6	0,8	1,0	1,2	1,5	1,7	0,9
	Net exports (pp)	0,7	-0,8	-1,0	-0,7	-0,6	-0,5	-0,2	0,2	-0,2	-0,5	-0,3
Current account (% of GDP)***		-0,4	-0,6	-0,5	-0,6	-1,0	-1,1	-1,1	-1,0	-0,7	-0,6	-1,0
Unemployment rate (%)**		5,9	5,2	5,4	5,7	5,8	5,1	5,3	5,6	5,8	5,7	5,6
Non-agricultural employment (% YoY)		0,0	0,2	0,2	0,1	0,1	0,1	0,1	0,1	0,9	0,1	0,1
Wages in national economy (% YoY)		7,1	7,6	7,8	7,7	7,7	7,7	7,3	7,1	7,2	7,6	7,5
CPI Inflation (% YoY)*		1,2	2,4	2,6	2,6	3,0	2,0	1,5	1,5	1,6	2,2	2,0
Wibor 3M (%)**		1,72	1,72	1,72	1,72	1,72	1,72	1,72	1,72	1,72	1,72	1,72
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**		4,30	4,28	4,28	4,28	4,28	4,28	4,25	4,23	4,29	4,28	4,23
USDPLN**		3,84	3,86	3,82	3,75	3,69	3,63	3,54	3,50	3,74	3,75	3,50

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST* CA	FORECAST* CONSENSUS**
		Monday 06/10/2019				
	China	Trade balance (bn USD)	May	13,8	21,4	20,5
		Tuesday 06/11/2019				
10:30	Eurozone	Sentix Index (pts)	Jun	5,3		2,9
		Wednesday 06/12/2019				
3:30	China	PPI (% YoY)	May	0,9	0,4	0,6
3:30	China	CPI (% YoY)	May	2,5	2,5	2,7
14:30	USA	CPI (% MoM)	May	0,3	0,1	0,1
14:30	USA	Core CPI (% MoM)	May	0,1	0,2	0,2
		Thursday 06/13/2019				
11:00	Eurozone	Industrial production (% MoM)	Apr	-0,3		-0,4
12:00	**Poland**	**Current account (M EUR)**	**Apr**	**533**	**799**	**250**
		Friday 06/14/2019				
4:00	China	Retail sales (% YoY)	May	7,2	7,6	8,2
4:00	China	Industrial production (% YoY)	May	5,4	5,4	5,5
4:00	China	Urban investments (% YoY)	May	6,1	6,3	6,1
10:00	**Poland**	**CPI (% YoY)**	**Jun**	**2,3**	**2,4**	**2,4**
14:30	USA	Retail sales (% MoM)	May	-0,2	0,7	0,6
15:15	USA	Industrial production (% MoM)	May	-0,5	0,1	0,2
15:15	USA	Capacity utilization (%)	May	77,9		78,0
16:00	USA	Business inventories (% MoM)	Apr	0,0		0,5
16:00	USA	Initial U. of Michigan Sentiment Index (pts)	Jun	100,0	98,0	98,0

*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

** Reuters

MACRO MAP

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