

## This week

- **The business sentiment indicators for major European economies were released today.** The Composite PMI for the Eurozone decreased to 50.4 pts in September vs. 51.9 pts in August. The index decrease resulted from the deterioration of business sentiment both in Germany and in France. Ifo Index, reflecting the sentiment among German managers representing the manufacturing, construction, trade and services will be released on Thursday. We expect it to decrease to 94.1 pts in September vs. 94.3 pts in August.
- **The data on the construction-assembly production in Poland was released today.** The production dynamics dropped to 2.7% YoY in August vs. 6.6% in July. Conducive to its lower dynamics were the unfavourable statistical effects in the form of a difference in the number of working days and high last year's base. For more details please see today's MACROPulse.
- **Significant hard data from the US will be released this week.** The third estimate of GDP in Q2 will be released on Friday. We expect that the annualized economic growth rate will be revised upwards to 2.1% vs. 2.0% in the second estimate, due to slightly higher contributions of government expenditure and private consumption. We forecast that preliminary durable goods orders decreased by 0.5% MoM in August vs. a 2.0% increase in July, due to lower orders for aircrafts in the Boeing company. We expect the data on new home sales (659k in August vs. 635k in July) to confirm slight increase of activity in the US real estate market. On the other hand, the Conference Board Consumer Confidence Index (133.0 pts in September vs. 135.1 pts in August) and the final University of Michigan Index (93.0 pts in September vs. 89.8 pts in August) will point to a continuously good consumer sentiment. We believe that the aggregate impact of the US data on PLN and Polish bond yields will be limited.
- **The review of Poland's long-term credit rating by Fitch is scheduled for Friday.** In March 2019, the agency left Poland's long-term credit rating unchanged at A- with a stable outlook. Fitch indicated in its rationale that the rating reflected strong macroeconomic fundamentals, supported by strong banking sector and "a sound economic policy framework". According to the Agency the factors which limited the room for the rating upgrade were relatively low – compared with A-rated countries - GDP per capita and relatively high net external debt. We expect that Fitch will factor in its forecasts the fiscal package announced by the government in April in the 2019 Convergence Plan Update and confirmed in the draft budget for 2020, lowering the forecast of general government deficit and public debt in the 2020-2021 period. Consequently, the expected public finance deficit will move away from the 3% of GDP threshold, the exceeding of which would have been strongly negative for the rating. In our view, Fitch will also signal a risk to the stability of the financial sector due to possible consequences for the banking sector of the CJEU verdict scheduled for 3/10/2019 regarding the CHF mortgage loans. We believe that Fitch will leave Poland's rating at A- and its outlook unchanged. The Agency's decision will be released after the closing of the European markets; therefore, possible reaction of the FX and debt market will materialize no sooner than next week.




## Last week

- **The most important event last week was the FOMC meeting.** In accordance with our expectations and the market consensus, FED lowered the target range for federal funds by 25bp to [1.75%; 2.00%]. In justifying its decision to ease the monetary policy, FED indicated the deterioration of global economic outlook and limited inflationary pressure in the US. The latest economic projections of FED members were also presented after the meeting (see below). Our baseline scenario assumes that FED will cut interest rates by another 25 pts in October or December, anticipating further deterioration of global economic outlook and will make two additional interest rate cuts (each by 25 bp) in 2020. The market is currently pricing in a cut by

less than 20bp before the end of 2019 and by 40bp by April 2020.

- **Significant data from the US economy were released last week.** The monthly dynamics of industrial production rose to 0.6% in August vs. -0.1% in July. Conducive to its growth were higher production dynamics in manufacturing and mining. At the same time capacity utilization rose to 77.9% in August vs. 77.5% in July. Last week we also saw data on building permits (1419k in August vs. 1317k in July), housing starts (1364k vs. 1215k) and existing home sales (5.49M vs. 5.42M) which pointed to a sharp increase in activity in the US real estate market in August. The regional business surveys for manufacturing were also released last week. The NY Empire State Index dropped to 2.0 pts in September vs. 4.8 pts in August, while the Philadelphia FED Index dropped to 12.0 pts in September vs. 16.8 pts in August, indicating a slight deterioration of sentiment. The last week's data from the US are consistent with our forecast in which the annualized US GDP growth rate will decrease to 2.0% in Q3 vs. 2.1% in Q2.
- **The meeting of the Swiss National Bank (SNB) was held last week.** The SNB left its main interest rate unchanged at (-1.75%) which was in line with the market expectations. The statement released after the meeting indicated that CHF exchange rate (namely CHF nominal rate weighted by the structure of Switzerland's foreign trade) had recently effectively appreciated while the situation in the foreign currency market continued to be unstable. Consequently, it was necessary to continue to maintain negative interest rates and be active in the currency market if needed. On the other hand, the SNB decided to modify the mechanism of tiered deposit rate on commercial banks' deposits with the central bank. So far the interest rate on funds up to 20 times the minimum reserve requirement for individual banks amounted to 0.0% and on funds above this threshold it was equal to the deposit rate (-0.75%). Now the SNB intends to announce every month the threshold for funds deposited with the central bank at the preferential rate. From 1 October it will be 25 times the minimum reserve requirement. The SNB justified its decision by the fact that low interest rates may be maintained globally for longer than originally expected. This suggests that the SNB wishes to weaken in this way the adverse impact of negative interest rates on the stability of the Swiss banking system. The SNB latest macroeconomic projection was presented at the conference after the meeting. In accordance with the September projection, inflation will amount to 0.4% in 2019 (vs. 0.6% in the June projection), to 0.2% in 2020 (vs. 0.7%), and to 0.6% in 2021 (1.1%). The forecast of the Swiss GDP in 2019 was also reduced (between 0.5% and 1.0% vs. ca. 1.5% in the June projection). The SNB decision and the statement after the meeting are consistent with our scenario for EURCHF and EURPLN, in which CHFPLN will amount to 3.93 at the end of 2019 and will drop to 3.71 at the end of 2020. The PLN appreciation vs. CHF will be related to the expected by us decrease in EURPLN to 4.27 at the end of 2020 and the expected increase in EURCHF to 1.15 at the end of 2020.
- **The dynamics of industrial production in Poland dropped to -1.3% YoY in August vs. 5.8% in July, running significantly below our forecast (0.1%) and the market expectations (1.7%).** The sharp decrease in the annual dynamics of industrial production in August compared to July resulted from the statistical effect in the form of an unfavourable difference in the number of working days and a different from the last year holiday schedule in car factories. Seasonally-adjusted industrial production decreased by 1.2% MoM in August. Thus, its 3-month moving average has reached the lowest level since March 2012. Further decrease in the seasonally-adjusted industrial production shows that the downturn in Poland's major trade partners and the slowdown in domestic construction have an increasingly strong negative impact on activity in Polish manufacturing (see MACROPulse of 19/9/2019). This is consistent with our view from the month before that the slowdown of activity in industry will be continued. The data on industrial production pose a downside risk to our forecast of GDP growth in Q3 (4.3% YoY vs. 4.5% in Q2) and in the whole 2019 (4.4% vs. 5.1% in 2018).
- **Retail sales in Poland increased in current prices by 6.0% YoY in August vs. a 7.4% increase in July, running below our forecast (6.3% YoY) and the market consensus (6.5%).** The sales

dynamics in constant prices decreased to 4.4% in August vs. 5.7% in July. The deceleration in retail sales between July and August resulted from the statistical effect in the form of an unfavourable difference in the number of working days and the last year's high base effects in the categories "food" and "furniture, radio, tv and household equipment". Conducive to lower sales growth rate was also their lower dynamics in the category "motor vehicles, motorcycles, parts" (see MACROpulse of 20/9/2019). We believe that the sales growth rate will stabilize in the coming months at a high level, supported by social transfers (the extended 500+ scheme in particular). Thus the data do not alter our forecast assuming the acceleration of consumption growth in Q3 (4.6% YoY vs. 4.4% in Q2).

-  **Nominal wage dynamics in the Polish sector of enterprises amounted to 6.8% YoY in August vs. 7.4% in July.** The decrease in the annual wage dynamics in August compared to July resulted from the statistical effect in the form of an unfavourable difference in the number of working days and the last year high base effects in some branches of the corporate sector. The employment growth rate in the enterprise sector dropped to 2.6% YoY in August vs. 2.7% in July. In MoM terms, employment decreased by 7.6k in August, which was the biggest decline recorded for this month since 2011. So far the main factor limiting corporate employment growth was the shortage of skilled labour. However, the sharp decrease in employment in August signals that the importance of restructuring as a factor impacting on the demand for labour is growing (see MACROpulse of 18/9/2019). We estimate that the real wage fund growth rate (the employment times the average salary) in enterprises dropped to 6.5% YoY in August from 7.2% in July and 7.1% in Q2. We believe that in the coming months the wage growth potential will be limited by continuously low inflation in Poland's major trade partners, sharp increase of non-wage costs of labour, investments implemented by companies to reduce labour intensity of production, and the announced by the government sharp increase of the minimum wage in January 2020.
-  **ZEW index reflecting the sentiment among analysts and institutional investors regarding the economic situation in Germany rose to -22.5 pts in September vs. -44.1 pts in August, running clearly above the market expectations (-37.8 pts).** According to the statement, the small improvement of sentiment resulted from the slight de-escalation of the US-China trade war, lower likelihood of no-deal Brexit, and the ECB decision to ease the monetary policy in the Eurozone. We believe that it highly likely that the German GDP will decrease by 0.1% QoQ in Q3, i.e. so-called technical recession will take place (the German GDP decreased by 0.1% QoQ in Q2).
-  **We have revised our EURUSD profile.** We now expect that EURUSD will amount to 1.11 at the end of 2019 and will increase to 1.20 at the end of 2020. We believe that conducive to EUR strengthening vs. USD in 2020 will be lower uncertainty about Brexit (our baseline scenario assumes that the UK will not leave the EU without a deal) and the forecast by us stronger from the market expectations monetary easing in the US with a high likelihood of the relaxation of fiscal policy in some Eurozone countries. Consequently, we now forecast that USDPLN will amount to 3.89 at the end of 2019 and to 3.56 at the end of 2020 (see the quarterly table).

 **FED projection has lowered the expectations of further rate cuts in the US**

**In accordance with our expectations and the market consensus, FED lowered the target range for federal funds by 25bp to [1.75%; 2.00%] at the meeting last week.** In justifying its decision to ease the monetary policy, FED indicated the deterioration of global economic outlook and limited inflationary pressure in the US. It is worth noting the FOMC decision was not unanimous. One FOMC member (J. Bullard) voted for a 50bp cut, while two FOMC members (E. George and S. Rosegren) voted for leaving interest rates at an unchanged level. The statement repeated the view that FED would take adequate

actions to maintain economic growth, strong labour market, and inflation close to FED symmetric target (2%). This provision suggests a possibility of further monetary easing in the US.

| March Economic Projections of FRB Members & Reserve Bank Presidents* |               |               |      |      |
|--|---------------|---------------|------|------|
| Indicator  | 2019          | 2020          | 2021 | 2022 |
| <b>Target federal funds rate</b>                                     |               |               |      |      |
| September Projection   | 1.9%          | 1.9%          | 2.1% | 2.4% |
| June Projection  | 2.4%          | 2.1%          | 2.4% |      |
| <b>Credit Agricole Projection</b>                                    | <b>1.625%</b> | <b>1.125%</b> |      |      |
| <b>Change in real GDP</b>  |               |               |      |      |
| September Projection   | 2.2%          | 2.0%          | 1.9% | 1.8% |
| June Projection  | 2.1%          | 2.0%          | 1.8% | n.a  |
| <b>Credit Agricole Projection</b>                                    | <b>2.2%</b>   | <b>1.1%</b>   |      |      |
| <b>Unemployment rate - Q4 Average</b>                                |               |               |      |      |
| September Projection   | 3,70%         | 3.7%          | 3.8% | 3.9% |
| June Projection  | 3.6%          | 3.7%          | 3.8% | n.a  |
| <b>Credit Agricole Projection</b>                                    | <b>3.7%</b>   | <b>4.1%</b>   |      |      |
| <b>Core PCE inflation</b>  |               |               |      |      |
| September Projection   | 1.8%          | 1.9%          | 2.0% | 2.0% |
| June Projection  | 1.8%          | 1.9%          | 2.0% |      |
| <b>Credit Agricole Projection</b>                                    | <b>1.9%</b>   | <b>2.1%</b>   |      |      |

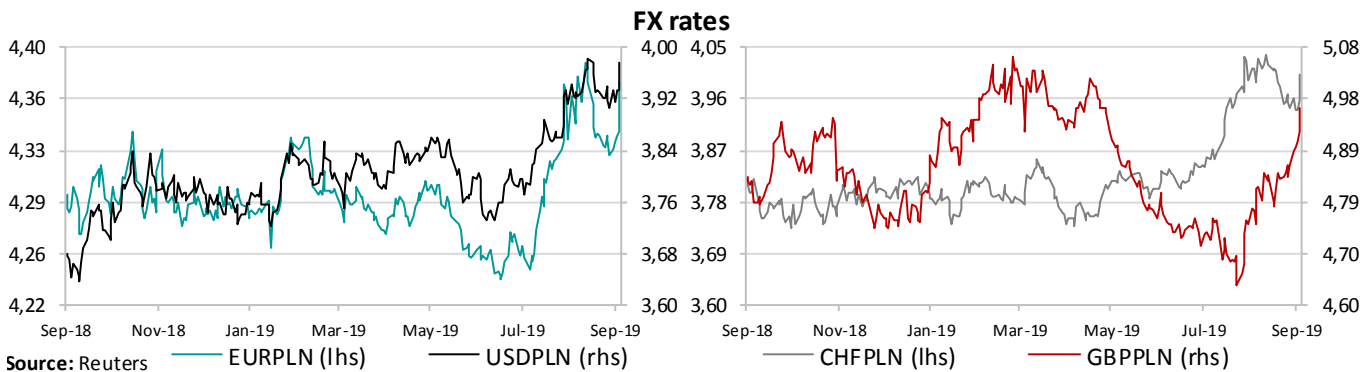
**Source:** Federal Reserve Board and Credit Agricole.

Projections of change in real GDP and core PCE are from the fourth quarter of the previous year to the fourth quarter of the year indicated. Projections for the unemployment rate are for the average civilian unemployment rate in the fourth quarter of the year indicated. Projections for the target federal funds rate are the value of midpoint of the target range that is the median of individual forecasts of FOMC members at the end of year.

The latest FOMC macroeconomic projection was presented after the meeting. The median expectations for the economic growth rate have slightly increased. According to the September projection, the GDP growth rate will amount to 2.2% in 2019 (2.1% in the June projection), 2.0% in 2020 (2.0%), 1.9% in 2021 (1.8%), 1.8% in 2022, and 1.9% in the long term (1.9%). The median expectations for the unemployment rate have also slightly increased. According to the September projection, the unemployment rate will amount to 3.7% (3.6%), 3.7% in 2020 (3.7%), 3.8% in 2021 (3.8%), and 3.9% in 2022. On the other hand, the natural unemployment rate estimated by FED has not changed and amounted to 4.2% both in June and in September projections. Unchanged were also the profiles of inflation (1.5% in 2019, 1.9% in 2020, 2.0% in 2021, and 2.0% in 2022) and core inflation (1.8% in 2019, 1.9% in 2020, 2.0% in 2021, and 2.0% in 2022). On the other hand, the FOMC members' median expectations concerning the level of interest rates have changed significantly. FOMC members expect now that interest rates in the US will stay at the current level until the end of 2020. In turn, both in 2021 and in 2022 they expect a hike by 25bp, which would mean returning to the level from before the cut in July 2019. Such expectations of the FOMC members are consistent with the remark by the FED Chairman J. Powell who, when justifying the interest rate cut, said in July that it did not mean the start of an easing cycle in the US monetary policy. Although J. Powell did not repeat this wording at the least week's conference, it is consistent with FOMC members' expectations concerning the US economic outlook, which, considering the September projection results, remain optimistic. Consequently, the hawkish tone of the September projection resulted in USD appreciation vs. EUR and higher yields on US bonds.

Despite FOMC hawkish projection, we maintain our scenario in which FED will cut interest rates by 25 pts in October. We believe that the uncertainty about the global economic outlook will remain high in the coming quarters. Consequently, in our view, FED will decide to cut interest rates again, anticipating the adverse impact of further deterioration of global economic outlook on the US economic activity. In turn, in 2020 we assume two more interest rate cuts each by 25 bp, in reply to the marked slowdown of GDP growth resulting from the deterioration of the global sentiment and the escalation of the US-China trade war. The market is currently pricing in a cut by less than 20bp before the end of 2019 and by 40bp by April 2020. Our scenario assuming a stronger from the current market expectations monetary easing in the US is consistent with our revised EURUSD forecast assuming its increase to 1.20 at the end of 2020 (see below).

 **Further deterioration of sentiment in the Eurozone**



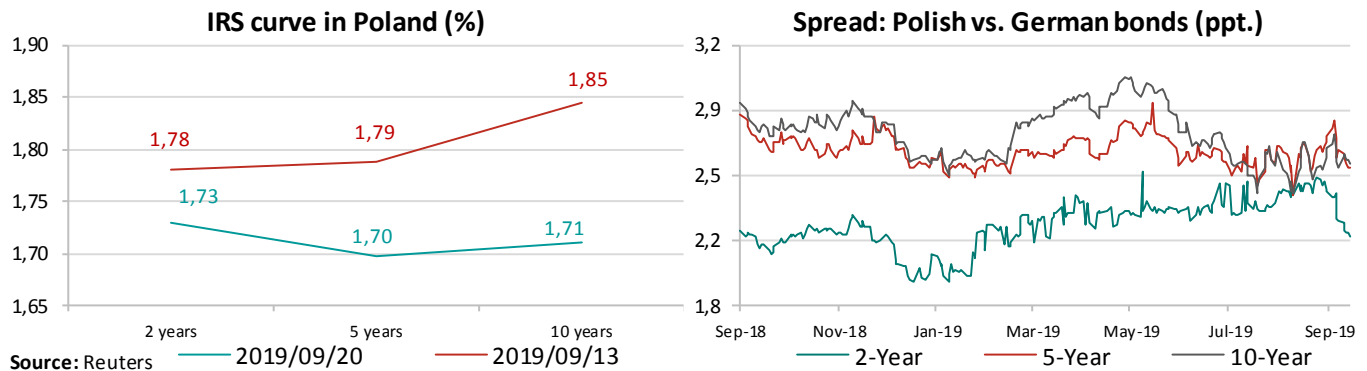
**Last week, the EURPLN exchange rate rose to 4.3756 (weakening PLN by 1.1%).** A slight weakening of PLN and of other emerging currencies was observed throughout last week, largely due to higher global risk aversion, resulting i.a. from the escalation of the conflict in the Middle East. An additional factor conducive to the outflow of capital from the emerging markets was also the hawkish tone of the latest FOMC projection released on Wednesday. The visibly-weaker-than-expected domestic data on industrial production had a limited impact on PLN. Friday saw a marked weakening of PLN in reaction to media reports indicating that CJUE would publish a verdict on foreign currency loans on 3 October.

On Monday, USD was slightly appreciating vs. EUR, due to higher the global risk aversion. In subsequent days EUR was making up for the losses in anticipation of the FOMC meeting planned for Wednesday. The hawkish tone of the FOMC projection brought about a correction and USD appreciation. However, it was temporary, as investors continue to expect a significant monetary easing in the US (see above). Also noteworthy last week is the continuous appreciation of GBP vs. EUR resulting from the lowering – in the investors’ opinion – likelihood of a no-deal Brexit.

We believe that Ifo index for Germany, data from the US (third GDP estimate, preliminary durable goods orders, new home sales, Conference Board Index, final University of Michigan Index) will be neutral for PLN. The Friday’s review of Poland’s rating by Fitch will be published after the closing of the European markets; therefore its impact will materialize no sooner than next week.



**Eurozone PMIs in the spotlight**



**Last week, 2-year IRS rates decreased to 1.73 (down by 5bp), 5-year rates to 1.70 (down by 9bp), and 10-year rates to 1.71 (down by 14bp).** Throughout the previous week, we observed a weak fall of IRS rates following the core markets. This was largely a correction after their sharp increase two weeks ago (see MACROmap of 16/9/2019). A hawkish tone of the FOMC projection has not managed to reverse this trend. The weaker-than-expected domestic data on industrial production were not market moving. A debt exchange auction, at which the Finance Ministry repurchased bonds maturing in 2019 and 2020 and sold PLN 4.8bn of 2-, 5-, and 10-year bonds with demand amounting to PLN 6.0bn, was also held last week. The auction had a limited impact on the curve.

In our view, Ifo index for Germany, data from the US (third GDP estimate, preliminary durable goods orders, new home sales, Conference Board Index, final University of Michigan Index) will be neutral for the curve. The Friday’s review of Poland’s rating by Fitch will be published after the closing of the European markets; therefore its impact will materialize no sooner than next week.

## Forecasts of the monthly macroeconomic indicators

| Main monthly macroeconomic indicators in Poland |        |        |        |        |        |        |        |        |        |        |        |        |            |             |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|-------------|
| Indicator                                       | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19     | Sep-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*   | 4,30   | 4,28   | 4,34   | 4,29   | 4,29   | 4,26   | 4,30   | 4,30   | 4,28   | 4,28   | 4,24   | 4,29   | 4,38       | <b>4,32</b> |
| USDPLN*   | 3,71   | 3,69   | 3,84   | 3,79   | 3,74   | 3,72   | 3,79   | 3,84   | 3,82   | 3,83   | 3,73   | 3,87   | 3,98       | <b>3,89</b> |
| CHFPLN*   | 3,83   | 3,75   | 3,80   | 3,79   | 3,81   | 3,74   | 3,79   | 3,85   | 3,75   | 3,83   | 3,82   | 3,90   | 4,02       | <b>3,93</b> |
| CPI inflation (% YoY)                           | 2,0    | 1,9    | 1,8    | 1,3    | 1,1    | 0,7    | 1,2    | 1,7    | 2,2    | 2,4    | 2,6    | 2,9    | 2,9        |             |
| Core inflation (% YoY)                          | 0,9    | 0,8    | 0,9    | 0,7    | 0,6    | 0,8    | 1,0    | 1,4    | 1,7    | 1,7    | 1,9    | 2,2    | 2,2        |             |
| Industrial production (% YoY)                   | 5,0    | 2,7    | 7,4    | 4,6    | 2,8    | 6,0    | 6,9    | 5,5    | 9,2    | 7,6    | -2,6   | 5,8    | -1,3       |             |
| PPI inflation (% YoY)                           | 3,0    | 3,0    | 3,2    | 2,8    | 2,1    | 2,2    | 2,9    | 2,5    | 2,6    | 1,4    | 0,5    | 0,6    | 0,7        |             |
| Retail sales (% YoY)                            | 9,0    | 5,6    | 9,7    | 8,2    | 4,7    | 6,6    | 6,5    | 3,1    | 13,6   | 7,3    | 5,3    | 7,4    | 6,0        |             |
| Corporate sector wages (% YoY)                  | 6,8    | 6,7    | 7,6    | 7,7    | 6,1    | 7,5    | 7,6    | 5,7    | 7,1    | 7,7    | 5,3    | 7,4    | 6,8        |             |
| Employment (% YoY)                              | 3,4    | 3,2    | 3,2    | 3,0    | 2,8    | 2,9    | 2,9    | 3,0    | 2,9    | 2,7    | 2,8    | 2,7    | 2,6        |             |
| Unemployment rate* (%)                          | 5,8    | 5,7    | 5,7    | 5,7    | 5,8    | 6,1    | 6,1    | 5,9    | 5,6    | 5,4    | 5,3    | 5,2    | <b>5,2</b> |             |
| Current account (M EUR)                         | -1005  | -876   | -405   | 343    | -1126  | 2438   | -718   | 116    | 720    | 874    | 21     | -814   |            |             |
| Exports (% YoY EUR)                             | 8,9    | -1,5   | 13,2   | 8,1    | 1,7    | 5,4    | 9,9    | 7,8    | 10,1   | 12,7   | -1,6   | 8,8    |            |             |
| Imports (% YoY EUR)                             | 14,0   | 4,2    | 18,1   | 9,2    | 2,2    | 1,6    | 7,8    | 2,6    | 8,5    | 11,3   | -3,1   | 9,5    |            |             |

\*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                      | 4,5  | 4,3  | 4,0  | 3,8  | 3,7  | 3,2  | 3,2  | 5,1  | 4,4  | 3,5  |
| Private consumption (% YoY)             | 3,9                      | 4,4  | 4,6  | 4,4  | 4,0  | 3,8  | 3,4  | 3,0  | 4,5  | 4,3  | 3,5  |
| Gross fixed capital formation (% YoY)   | 12,6                     | 9,0  | 8,1  | 6,8  | 5,2  | 5,7  | 4,1  | 4,3  | 8,7  | 8,5  | 4,7  |
| Export - constant prices (% YoY)        | 5,9                      | 3,9  | 5,5  | 4,9  | 4,2  | 4,1  | 4,2  | 4,4  | 6,3  | 5,1  | 4,2  |
| Import - constant prices (% YoY)        | 5,0                      | 4,3  | 5,9  | 5,0  | 7,0  | 5,9  | 5,2  | 4,8  | 7,1  | 5,1  | 5,7  |
| GDP growth contributions                | Private consumption (pp) | 2,4  | 2,5  | 2,7  | 2,2  | 2,5  | 2,2  | 2,0  | 1,5  | 2,6  | 2,0  |
|   | Investments (pp)         | 1,6  | 1,5  | 1,5  | 1,7  | 0,7  | 1,0  | 0,8  | 1,1  | 1,5  | 0,9  |
|   | Net exports (pp)         | 0,7  | 0,0  | 0,0  | 0,1  | -1,3 | -0,7 | -0,4 | -0,1 | -0,2 | -0,6 |
| Current account (% of GDP)***           | -0,3                     | -0,1 | 0,0  | -0,1 | -0,8 | -1,1 | -1,2 | -1,3 | -0,6 | -0,1 | -1,3 |
| Unemployment rate (%)**                 | 5,9                      | 5,3  | 5,2  | 5,6  | 5,8  | 5,2  | 5,1  | 5,5  | 5,8  | 5,6  | 5,5  |
| Non-agricultural employment (% YoY)     | 0,0                      | 0,2  | 0,1  | 0,1  | 0,1  | 0,1  | 0,1  | 0,1  | 0,9  | 0,1  | 0,1  |
| Wages in national economy (% YoY)       | 7,1                      | 7,0  | 7,3  | 7,5  | 7,3  | 7,0  | 6,8  | 7,0  | 7,2  | 7,2  | 7,0  |
| CPI Inflation (% YoY)*                  | 1,2                      | 2,4  | 2,9  | 3,0  | 3,4  | 2,5  | 1,9  | 1,5  | 1,6  | 2,4  | 2,3  |
| 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                     | 4,24 | 4,32 | 4,32 | 4,32 | 4,32 | 4,29 | 4,27 | 4,29 | 4,32 | 4,27 |
| USDPLN**                                | 3,84                     | 3,73 | 3,89 | 3,89 | 3,86 | 3,79 | 3,67 | 3,56 | 3,74 | 3,89 | 3,56 |

\* quarterly average

\*\* end of period

\*\*\*cumulative for the last 4 quarters

**Calendar**

| TIME                        | COUNTRY       | INDICATOR                                  | PERIOD     | PREV.<br>VALUE | FORECAST*   |             |
|-----------------------------|---------------|--|------------|----------------|-------------|-------------|
|                             |               |  |            |                | CA          | CONSENSUS** |
| <b>Monday 09/23/2019</b>    |               |  |            |                |             |             |
| 9:30                        | Germany       | Flash Manufacturing PMI (pts)              | Sep        | 43,5           | 44,5        | 44,0        |
| 10:00                       | Eurozone      | Flash Services PMI (pts)                   | Sep        | 53,5           | 53,4        | 53,3        |
| 10:00                       | Eurozone      | Flash Manufacturing PMI (pts)              | Sep        | 47,0           | 47,5        | 47,3        |
| 10:00                       | Eurozone      | Flash Composite PMI (pts)                  | Sep        | 51,9           | 52,0        | 51,9        |
| <b>14:00</b>                | <b>Poland</b> | <b>M3 money supply (% YoY)</b>             | <b>Aug</b> | <b>9,9</b>     | <b>10,1</b> | <b>10,0</b> |
| 15:45                       | USA           | Flash Manufacturing PMI (pts)              | Sep        | 50,3           |             | 50,3        |
| <b>Tuesday 09/24/2019</b>   |               |  |            |                |             |             |
| <b>10:00</b>                | <b>Poland</b> | <b>Registered unemployment rate (%)</b>    | <b>Aug</b> | <b>5,2</b>     | <b>5,2</b>  | <b>5,2</b>  |
| 10:00                       | Germany       | Ifo business climate (pts)                 | Sep        | 94,3           | 94,1        | 94,5        |
| 15:00                       | USA           | Case-Shiller Index (% MoM)                 | Jul        | 0,0            |             |             |
| 16:00                       | USA           | Richmond Fed Index                         | Sep        | 1,0            |             |             |
| 16:00                       | USA           | Consumer Confidence Index                  | Sep        | 135,1          | 133,0       | 133,8       |
| <b>Wednesday 09/25/2019</b> |               |  |            |                |             |             |
| 16:00                       | USA           | New home sales (k)                         | Aug        | 635            |             | 660         |
| <b>Thursday 09/26/2019</b>  |               |  |            |                |             |             |
| 10:00                       | Eurozone      | M3 money supply (% MoM)                    | Aug        | 5,2            |             | 5,0         |
| <b>14:00</b>                | <b>Poland</b> | <b>MPC Minutes</b>                         | <b>Sep</b> |                |             |             |
| 14:30                       | USA           | Initial jobless claims (k)                 | w/e        | 208            |             | 212         |
| 14:30                       | USA           | Final GDP (% YoY)                          | Q2         | 2,0            | 2,1         | 2,0         |
| <b>Friday 09/27/2019</b>    |               |  |            |                |             |             |
| 11:00                       | Eurozone      | Business Climate Indicator (pts)           | Sep        | 0,11           |             | 0,11        |
| 14:30                       | USA           | Durable goods orders (% MoM)               | Aug        | 2,0            | -0,5        | -1,2        |
| 14:30                       | USA           | Real private consumption (% MoM)           | Aug        | 0,4            |             |             |
| 16:00                       | USA           | Final U. of Michigan Sentiment Index (pts) | Sep        | 92,0           | 93,0        | 92,0        |

\*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

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