What will be the effects of higher minimum wage?

This week

- **The most important event this week will be the Minutes of the September FOMC meeting scheduled to be released on Wednesday.** The markets will focus on the FOMC members' in-depth analyses regarding short- and medium-term outlook for the economic situation in the US (including mainly the expected profile of inflation). Of particular importance will be provisions concerning differences in the opinions of individual FED members on the level of interest rates in the future. The publication of the Minutes is not likely to provide any new information that would alter our scenario of the US monetary policy in the 2019-2020 period. We expect that FED will cut interest rates by 25 bp in October or December 2019, anticipating the adverse impact of further deterioration of the outlook for global GDP growth on the economic activity in the US. In turn, in 2020 we expect subsequent two cuts by 25 bp each, in reaction to the marked slowdown of GDP growth due to further deterioration of global sentiment and the escalation of the US-China trade war. We believe that the publication of the Minutes will be neutral for PLN and yields on Polish bonds.
- **Significant data from the US will be released this week.** We expect that headline inflation has not changed in September compared to August and amounted to 1.7% YoY with core inflation down to 2.3% YoY from 2.4% in August. Business survey results will also be released this week. We forecast that the preliminary University of Michigan Index dropped to 92.5 pts in October vs. 93.2 pts in September. In our view, the US readings will not be market moving.
- **Another important event will be Poland's long term rating reviews by Moody's and Standard & Poor's scheduled for Friday.** In April 2019, Moody's affirmed Poland's long-term credit rating at A2 with outlook stable. The Agency pointed in the rationale to strong foundations of the Polish economy (fast GDP growth ensuring catching up with the advanced countries), good situation in public finance (despite the announced relaxation of the fiscal policy) and adverse changes in the institutional sphere (lower assessment of the rule of law and changes in the judiciary). In turn, the S&P rating agency affirmed Poland's long-term credit rating in April at A- with outlook stable. As the justification of such credit rating, S&P pointed to balanced economic growth, high human capital, Poland's membership in the EU, moderate levels of private and public debt, good statistics of foreign debt and advanced capital market. We believe that both agencies will point out in their reports the improved situation in public finance. In our view, the rating agencies will signal at the same time the risk to the finance sector's stability, due to the implications of the ECJ's ruling on FX loans. Nevertheless, we expect the two agencies to leave Poland's rating and its outlook unchanged. The decisions will be released after the closing of the European markets, therefore the possible reaction of the foreign exchange and debt markets will materialize no sooner than next week.
- **The data on orders in German manufacturing were released this morning and decreased by 0.6% MoM in August vs. a 2.1% decrease in July, running slightly below the market expectations (-0.3%).** The decrease in total orders resulted from lower domestic orders (-2.6% MoM in August vs. 0.8% in July), while higher foreign orders (0.9% in August vs. -4.2% in July) had an opposite impact. Foreign orders recorded increase both in orders from the Eurozone countries and in orders from outside the single currency area. The data on orders in German manufacturing support our forecast assuming so-called technical recession in Germany (GDP down by 0.1% in Q2 and in Q3).

Last week

- **The ECJ's ruling on FX-indexed mortgage loans was announced last week.** As we had expected, the ruling turned out to be largely consistent with the May's opinion of the Advocate General while emphasizing different aspects. When hearing specific cases the national courts will decide whether a foreign currency loan may be converted back to PLN (at the exchange rate applicable on the day the loan was granted) but with interest based on LIBOR CHF. The court may decide that such modification would change the nature of the subject-matter of the loan agreement which will result in its nullification. The nullification of mortgage loans in full will be a complex operation, the details of which will be decided in settlements between banks and customers or through court proceedings. The ECJ's decision does not have any automatic implications for individual loan agreements. Each borrower questioning the provisions of loan agreements will have to claim their rights in individual court proceedings which will be a time-consuming process. In our view, the aforementioned change of emphasis in the ECJ's ruling is slightly positive for PLN.

- **As we expected, the Monetary Policy Council left interest rates unchanged at its meeting last week (the reference rate amounts to 1.50%)**. In the statement after the meeting, the Council repeated the view that the current level of interest rates was conducive to keeping the Polish economy on a sustainable growth path and maintaining macroeconomic stability. The Council also noted that the economic outlook remained favourable, and GDP growth, despite the expected decline, would continue at a relatively high level in the coming years. Like the month before, the Council stated that however, uncertainty about the scale and persistence of the slowdown abroad and its impact on domestic economic activity had increased. The Council also expects that inflation - after a temporary rise in 2020 Q1- will stay close to the target in the monetary policy transmission horizon (2.5% +/- 1 pp). During the conference the NBP Governor, A. Glapiński, presented the current, short-term macroeconomic forecasts. They predict economic growth at a level of 4.3% YoY and inflation amounting to 2.3% in 2019. At the beginning of 2020 the NBP expects a slowdown of economic growth and increase in inflation. The macroeconomic scenario painted by the NBP Governor is close to our forecasts (see MACROpulse of 2/10/2019). In addition, the NBP Governor pointed out that the MPC was "very far" from easing the monetary policy. He also added that the stimulation of the economy, if any, would be done using traditional tools (i.e. interest rate cuts) instead of unconventional instruments. At the same time, A. Glapiński repeated the view he voiced several months ago that the NBP rates might remain stable until the end of the MPC term. The statement after the meeting and A. Glapiński's remarks support our scenario, in which NBP interest rates will remain unchanged at least until the end of 2020.
- **Polish manufacturing PMI dropped to 47.8 pts in September vs 48.8 pts in August, running slightly below the market consensus (47.9 pts) and above our forecast (47.0 pts).** Thus, the index has now for eleven months in a row been running below the 50 pts threshold dividing expansion from contraction of activity. The decrease in PMI resulted from lower contributions of 2 out of its 5 sub-indices (for new orders and output), while higher contributions of sub-indices for suppliers' delivery times, employment and stocks of purchases had an opposite impact. Especially noteworthy in the index structure is a sharp decrease in the new orders sub-index, which stood at the lowest level since June 2009, namely since the times of the global financial crisis. The sub-index decrease resulted from both weaker foreign and domestic demand. In the case of foreign demand it is the effect of the strong deterioration of situation recorded in recent quarters in the Eurozone, in Germany in particular. In turn the weakening of domestic demand results from the slowdown of activity in domestic construction, which is conducive to lower output dynamics in branches of manufacturing supplying the construction. The deteriorating external and internal environment of Polish manufacturing is also reflected by increasing pessimism of the surveyed companies. The future output sub-index, though still standing above 50 pts, has decreased in September to the lowest level in history (see MACROpulse of 1/10/2019). The average value of PMI amounted to 48.0 pts in Q3 vs. 48.8 pts in Q2. The business survey results for Polish manufacturing, coupled with the observed in recent months decreasing resilience of Polish manufacturing to the slowdown in manufacturing in the Eurozone, support our forecast, in which the dynamics of the Polish GDP will decrease to

4.3% YoY in Q3 vs. 4.5% in Q2, and in the whole 2019 it will drop to 4.4% YoY vs. 5.1% in 2018.

- **In accordance with flash estimate, CPI inflation in Poland dropped to 2.6% YoY in September vs. 2.9% in August, running below our forecast (2.7%) and market expectations (2.8%)**. GUS published partial data on inflation structure with information on the rate of inflation in the categories “food and non-alcoholic beverages”, “energy”, and “fuels”. The decrease in inflation resulted from lower dynamics of prices of food and non-alcoholic beverages (6.3% YoY in September vs. 7.2% in August), fuels (-2.7% YoY vs. -0.4%), and energy (-1.6% YoY vs. -1.4%), while inflation according to our estimates has not changed in September compared to August and amounted to 2.2%. We believe that the reason for the sharp decrease in the growth rate of the food prices between August and September were lower dynamics of the prices of vegetables due to last year high base effects. The final data on inflation will be released on 15 October. We believe that in the whole 2019 inflation in Poland will amount to 2.4% YoY vs. 1.6% in 2018.
- **According to the flash estimate, inflation in the Eurozone dropped to 0.9% YoY in September vs. 1.0% in August, running in line with our forecast and the market expectations (1.0%).** Conducive to decrease in inflation were lower dynamics of food and energy prices while higher growth rate of the prices of services had an opposite impact. We expect that in subsequent months inflation in the Eurozone will show a downward trend and in October will reach its local minimum at 0.7% YoY. It will then slightly increase but will not exceed 1.3% YoY in the entire horizon of our forecast (i.e. until the end of 2020). In addition we forecast that in the entire forecast horizon core inflation will not exceed 1.4% YoY.
- **Significant data from the US were released last week.** Non-farm payrolls in the US rose by 136k in September vs. a 168k increase in August (revised upwards from 130k), running slightly below the market expectations (increase by 145k) and below our forecast (increase by 150k). The highest increase in employment was recorded in education and health service (+40.0k), business services (+34.0k), and the public sector (+22.0k). On the other hand, the sharpest decrease in employment was recorded in retail trade (-11.4k) and manufacturing (-2.0k). Unemployment rate dropped to 3.5% in September vs. 3.7% in August, hitting the 50-year low. At the same time it remains significantly below the natural unemployment rate indicated by FOMC (4.2%, see MACROmap of 23/9/2019). Its decline resulted from increase in employment with a simultaneous decrease in the number of the unemployed. The participation rate has not changed in September compared to August and amounted to 63.2%. The annual dynamics of average hourly earnings dropped to 2.9% in September vs. 3.2% in August, hitting the lowest level since July 2018. This points to continuing low wage pressure in the US economy. The results of business surveys in the US were also released last week. The ISM index for manufacturing decreased to 47.8 pts in September vs. 49.1 pts in August, running significantly below the market expectations (50.4 pts) and our forecast (50.1 pts). Thus the index has for second month running stayed below the 50 pts threshold dividing expansion from contraction of activity. At the same time it stood at the lowest level since June 2009, namely since the last financial crisis. The index decrease resulted from lower contributions of four of its five sub-indices (for inventories, output, employment, and suppliers’ delivery times) while a slight increase in the new orders sub-index had an opposite impact. Nonetheless, both the index for total new orders and new export orders remains significantly below the 50 pts threshold, pointing to the risk of further deceleration in the US manufacturing in subsequent months. The non-manufacturing ISM also recorded a decrease and dropped to 52.6 pts in September vs. 56.4 pts in August, running significantly below the market consensus (55.8 pts) and our forecast (55.4 pts). The index decrease resulted from lower contributions of three of its four sub-indices (for new orders, business activity, employment), while slight increase in the suppliers’ delivery times sub-index had an opposite impact. The data signal that the significant deterioration observed in recent months in the US manufacturing has an increasingly negative impact on the activity in services. The publication of lower-than-expected ISM indices resulted in USD

depreciation vs. EUR and lower yields on US bonds. The last week's data from the US pose a downside risk to our forecast, in which the annualized US GDP growth rate will not change in Q3 compared to Q2 and will amount to 2.0%.

- **China Caixin manufacturing PMI rose to 50.4 pts in August vs. 49.9 pts in July, running significantly above the market expectations (49.8 pts) and our forecast (49.7 pts)** At the same time, the index has for the first time since May 2019 stood above the 50 pts threshold dividing expansion from contraction of activity. The index increase resulted from higher contributions of three of its five sub-indices (for employment, output, and suppliers' delivery times), while lower contributions of the sub-index for new orders and inventories had an opposite impact. Especially noteworthy in the data structure is the continuing for two months now increase in total orders with a simultaneous decrease in export orders. In our view, it is the effect of the government measures aimed at stimulating internal demand. We maintain our forecast for economic growth in China (6.4% in 2019 and 6.0% in 2020). However, the achievement of such GDP growth will be related to the necessity of increasing the scale of the stimulation of growth by the Chinese government. We believe that to this end, actions will be taken to increase lending (stopping the process of deleveraging banks, reduction of interest rates) and depreciate CNY in line with the deterioration of the Chinese trade balance. The fiscal policy will also have to be more expansionary.

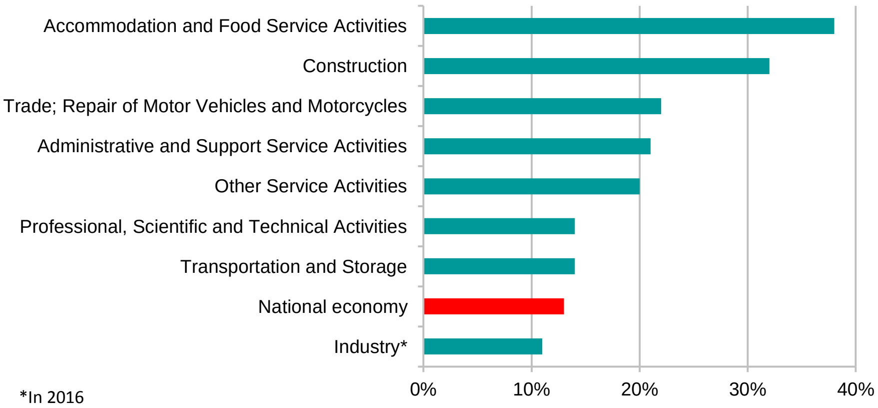
What will be the effects of higher minimum wage?

Several weeks ago PiS announced that the gross minimum wage would be raised to PLN 3000 at the end of 2020 and to PLN 4000 at the end of 2023. It means its sharp increase by 78% from the current level amounting to PLN 2250 in the horizon of 5 years (see the table below). This policy will have some serious implications i.a. for the level of total wages, employment, and the level of prices. The analysis below is the first one in a cycle of reports on the impact of the planned increase of the minimum wage on the average level of wages. Subsequent reports will be presented in the coming MACROmaps.

The minimum wage affects the average level of wages in the national economy through three channels. The first one is purely arithmetical – some employees receive higher salaries, which, due to their constituting a non-negligible percentage of the whole population, increases the average level of wages in the economy. Secondly, the increase of minimum pay is conducive to higher salaries of not only the people who earn less that this amount but also of other employees. According to theoretical studies, employees are unhappy about a decrease in their pay in relation to less skilled employees, which may lead to their lower productivity. To avoid such scenario, employers raise their wages in order to maintain adequate relation between remuneration of different positions on the salary scale. Thirdly, to maintain the profitability of their businesses the entrepreneurs raise the prices of their products in reaction to higher minimum wage. At the scale of the whole economy, this leads to higher inflation, which intensifies the wage demands of households wishing to maintain the purchasing power of their incomes (so-called second round effects).

Some empirical studies signal that higher minimum wage contributes to the increase in the salaries of employees earning not more than the median monthly salary in the economy, other point to the occurrence of such effects even for salaries amounting to four times the minimum wage. However, the conclusions from the empirical studies are consistent in that the scale of the transmission of higher minimum wage on salaries is decreasing with the level of the employee's pay. Consequently, an increase in the minimum wage leads to the compression of wage distribution around lower values and to lower earning inequality.

Share of employed, whose salary doesn't exceed the minimum wage (2017)



*In 2016
Source: GUS

According to GUS data, in 2017 minimum wage was earned by 13% of those employed in the national economy. This percentage has stayed at a constant level since 2012. We have used an econometric model to estimate the impact of higher minimum wage on the level of average wage in Poland. In this model the dynamics of nominal wage depend on four factors – the rate of increase in workforce productivity (long-term impact), unemployment rate (short-term factor, related to the phase of the business cycle), dynamics of food prices (a variable reflecting inflation expectations and the resulting pressure on wage increase), and minimum wage dynamics. We have made this analysis separately for wages in manufacturing and for construction in companies employing at least 10 persons.

Impact on salaries of 10% increase of minimum wage					
	Immediate	3-month	6-month	9-month	12-month
In manufacturing	0,97%	0,97%	1,03%	1,13%	1,26%
In construction	2,17%	2,37%	2,90%	3,59%	4,39%

Source: Credit Agricole

In accordance with the results of the econometric modeling, a 10% increase in the minimum wage is conducive to the increase of nominal average pay in manufacturing by 0.97% and by 2.17% in construction. This is an immediate effect (including mainly the aforementioned "arithmetical impact"), without the delayed reaction of the entire salary grid. To estimate the full impact of the increase in minimum pay on the average level of salaries (taking into account the indicated three channels), we have estimated alternative econometric models, in which all the variables were replaced by their 3-, 6-, 9-, and 12-monthly moving averages. Thus we have managed to capture the labour market reaction with different delay. It is worth emphasizing that the estimations of the scale of the impact of higher minimum wage are increasing with the extension of the time horizon of the transmission analysis. For estimations based on 12-month movable averages, a 10% increase in minimum wage results in a pay increase in manufacturing (in companies employing at least 10 persons) by 1.26% and by 4.39% in construction.

We believe that these estimates (of both the immediate and long-term effect) are consistent with intuition. In the short-term they are slightly lower than it would result directly from the percentage of employees earning minimum wage in these sectors (weight times change in minimum wage). For instance, an increase in the minimum wage by 10% with the percentage of construction employees paid at such rate amounting to 32%, should result in an increase of the average pay in this sector by 3.2%. In our view, it results from the fact that most employees earning minimum wage work in microbusinesses, namely in the group of companies not covered by our analysis (at least 10 persons). In the long term, these estimates are higher from the said percentages, which means that we have managed to correctly capture also the positive impact of minimum wage rises on the salary grid. In this analysis we are not examining the impact of minimum wage increase on salaries in the services sector due to significant differences in the percentages of persons earning minimum rates in respective branches (see the chart), which requires a separate analysis. The results of such study will be presented in the next MACROmap.

Assumed level of minimum wage in the coming years*							
	2018	2019	2020	2021	2022	2023	2024
Minimum wage (PLN gross, January)	2100,00	2250,00	2600,00	3000,00	3333,00	3666,00	4000,00
Change (% YoY)		7,1	15,6	15,4	11,1	10,0	9,1

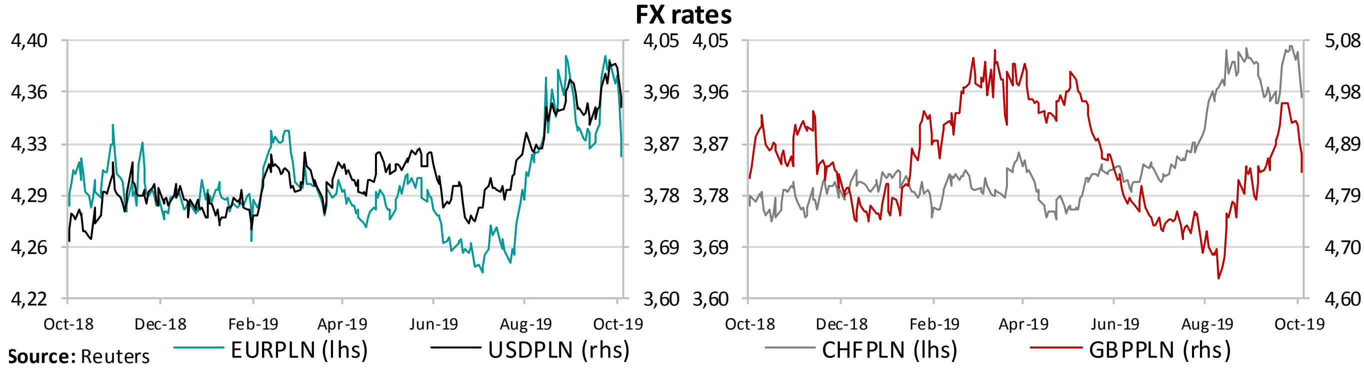
* assuming that the level of PLN 3000 will be reached in January 2021 and PLN 4000 will be reached in January 2024

Source: Credit Agricole

The table presents the assumed by us minimum wage profile in the coming years. It is worth noting that in this scenario, after the planned significant increase of the minimum wage at the beginning of 2020 (by 15.6% YoY), from 2021 to 2024 the minimum wage in relative terms will be increasing at a slowing rate. This means that it will limit the growth rate of the average total nominal wage. However, the absolute minimum wage growth will contribute to salary grid increase. Combined with a significant increase of the cost of labour due to the launch of the Employee Equity Schemes and the liquidation of so-called 30-fold, it will be conducive to a decrease in employment in the coming years. Amid the expected by us slower GDP growth in Poland due to the deterioration of global economic outlook (including in Poland's major trade partners) and the cycle in investments co-financed by EU funds, the tendencies outlined above pose an upside risk to our forecast of the unemployment rate in the coming years (5.5% at the end of 2020 and 2021).

Publication of FOMC minutes crucial for EURPLN

FX rates



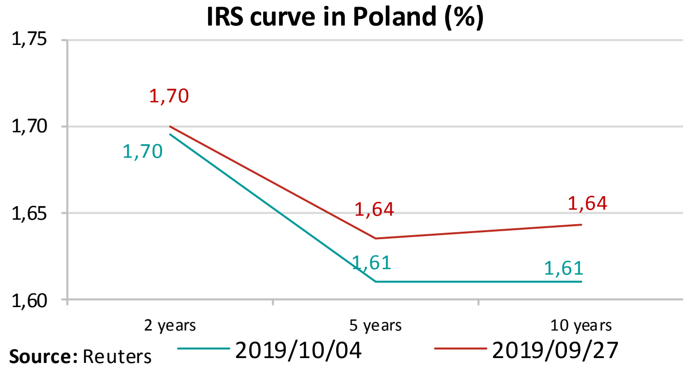
Source: Reuters

Last week, the EURPLN exchange rate dropped to 4.3193 (PLN strengthening by 1.4%). On Monday and Tuesday, EURPLN was relatively stable. The close-to-market-expectations business survey results for Polish manufacturing had no significant impact on PLN. Wednesday saw a slight strengthening of PLN and other currencies of the region, supported by higher demand for risk assets. On Thursday, EURPLN continued to decline, supported by the ECJ's ruling on FX-indexed mortgage loans (it turned out to be less unfavourable for banks than the May's opinion of the Advocate General). Nonetheless, right after the publication of the ruling, PLN was highly volatile due to the market players' difficulties in its interpretation. The Friday's data from the US labour market had a limited impact on PLN.

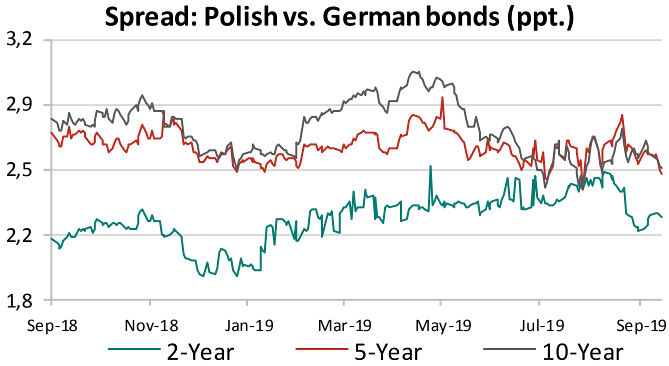
Due to the nature of last week's appreciation of PLN resulting from higher demand for risk assets, PLN appreciated also vs. other major currencies: USD (by 1.5%), CHF (by 2.3%), and GBP (by 1.3%). Noteworthy is also the last week's USD deprecation vs EUR, supported by the publication of weaker-than-expected business survey results.

The data on orders in German manufacturing released this morning are neutral for PLN, we believe. Crucial for PLN this week will be the scheduled for Wednesday publication of the Minutes of the September FOMC meeting. However we believe that it will have a limited impact on PLN. In our view, the publication of US data (inflation and preliminary University of Michigan Index) will also be neutral for PLN. The Friday's reviews of Poland's rating by Moody's and S&P will be released after the closing of the European markets, therefore their impact on PLN will materialize no sooner than next week.

ECJ's ruling has led to lower IRS rates



Source: Reuters



Last week, 2-year IRS rates have not changed compared to the level from two weeks ago and amounted to 1.70, 5-year and 10-year rates decreased to 1.61 (both down by 3bp). Monday through Thursday, an increase in IRS was observed across the curve, supported by increased uncertainty in the market due to the publication of the ECJ's ruling on FX-indexed mortgage loans. The ruling proved less unvaourable for banks than the May's opinion of the Advocate General, which supported IRS rates decline. Nonetheless, right after the publication of the ruling, due to the difficulties in its interpretation, the market was highly volatile. IRS rates decline was also supported by lower yields in core markets, due to the publication of visibly-lower-than-expected business survey results in the US.

This week the Polish debt market will focus on the publication of the Minutes of the September FOMC meeting. However we believe that it will not provide any new significant information about the outlook for the US monetary policy and consequently its impact on the IRS curve will be limited. In our view, the publication of data on the US economy (inflation and preliminary University of Michigan Index) will also be neutral for the curve. The Friday's reviews of Poland's rating by Moody's and S&P will be released after the closing of the European markets, therefore their impact on IRS rates will materialize no sooner than next week.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland

Indicator	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	Oct-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*	4,28	4,34	4,29	4,29	4,26	4,30	4,30	4,28	4,28	4,24	4,29	4,38	4,37	**4,40**
USDPLN*	3,69	3,84	3,79	3,74	3,72	3,79	3,84	3,82	3,83	3,73	3,87	3,98	4,01	**4,00**
CHFPLN*	3,75	3,80	3,79	3,81	3,74	3,79	3,85	3,75	3,83	3,82	3,90	4,02	4,02	**4,03**
CPI inflation (% YoY)	1,9	1,8	1,3	1,1	0,7	1,2	1,7	2,2	2,4	2,6	2,9	2,9	**2,7**	
Core inflation (% YoY)	0,8	0,9	0,7	0,6	0,8	1,0	1,4	1,7	1,7	1,9	2,2	2,2	**2,3**	
Industrial production (% YoY)	2,7	7,4	4,6	2,8	6,0	6,9	5,5	9,2	7,6	-2,6	5,8	-1,3	**4,3**	
PPI inflation (% YoY)	3,0	3,2	2,8	2,1	2,2	2,9	2,5	2,6	1,4	0,5	0,5	0,7	**0,6**	
Retail sales (% YoY)	5,6	9,7	8,2	4,7	6,6	6,5	3,1	13,6	7,3	5,3	7,4	6,0	**8,2**	
Corporate sector wages (% YoY)	6,7	7,6	7,7	6,1	7,5	7,6	5,7	7,1	7,7	5,3	7,4	6,8	**7,4**	
Employment (% YoY)	3,2	3,2	3,0	2,8	2,9	2,9	3,0	2,9	2,7	2,8	2,7	2,6	**2,7**	
Unemployment rate* (%)	5,7	5,7	5,7	5,8	6,1	6,1	5,9	5,6	5,4	5,3	5,2	5,2	**5,1**	
Current account (M EUR)	-794	-447	113	-1528	2529	-630	217	357	379	-310	-814	**-641**		
Exports (% YoY EUR)	0,1	14,7	9,3	-0,5	5,9	10,5	7,8	9,4	11,6	-3,1	7,5	**-1,0**		
Imports (% YoY EUR)	4,9	19,3	10,3	0,2	2,1	8,4	2,8	7,7	10,1	-4,7	8,3	**-3,1**		

*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	4,3	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	8,9	8,5	4,7
Export - constant prices (% YoY)		5,9	3,9	5,5	4,9	4,2	4,1	4,2	4,4	7,0	5,1	4,2
Import - constant prices (% YoY)		5,0	4,3	5,9	5,0	7,0	5,9	5,2	4,8	7,6	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	2,5	2,5	2,0
	Investments (pp)	1,6	1,5	1,5	1,7	0,7	1,0	0,8	1,1	1,6	1,6	0,9
	Net exports (pp)	0,7	0,0	0,0	0,1	-1,3	-0,7	-0,4	-0,1	0,0	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	5,1	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	2,8	2,9	3,2	2,4	1,7	1,7	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	4,37	4,32	4,32	4,32	4,29	4,27	4,29	4,32	4,27
USDPLN**		3,84	3,73	4,01	3,86	3,86	3,79	3,67	3,56	3,74	3,86	3,56

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
		Monday 10/07/2019				
8:00	Germany	New industrial orders (% MoM)	Aug	-2,7		-0,4
10:30	Eurozone	Sentix Index (pts)	Oct	-11,1		
		Tuesday 10/08/2019				
8:00	Germany	Industrial production (% MoM)	Aug	-0,6		-0,3
		Wednesday 10/09/2019				
16:00	USA	Wholesale inventories (% MoM)	Aug	0,4		0,4
16:00	USA	Wholesale sales (% MoM)	Aug	0,3		
20:00	USA	FOMC Minutes	Sep			
		Thursday 10/10/2019				
8:00	Germany	Trade balance (bn EUR)	Aug	20,2		
14:30	USA	Initial jobless claims (k)	w/e	213		215
14:30	USA	CPI (% MoM)	Sep	0,1	0,0	0,1
14:30	USA	Core CPI (% MoM)	Sep	0,3	0,1	0,2
		Friday 10/11/2019				
16:00	USA	Initial U. of Michigan Sentiment Index (pts)	Oct	93,2	92,5	90,6

*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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