PiS wins, minimum wage will significantly increase

This week

- **The parliamentary election took place on Sunday.** According to late poll by Ipsos, the election were won by PiS, which took 43.6% of the votes. Civic Coalition gained 27.4%, SLD 12.4%, PSL 9.1%, and Confederation 6.4%. In turn, according to the official result of the State Election Commission, taking into account the date of 71.89% of election commissions, PiS gained 45.8% of votes, Civil Platform – 25.46%, SLD – 11.90%, PSL – 8.96%, and Confederation – 6.71%. Based on the above results, we estimate that PiS has maintained the absolute majority in the Sejm (at least 230 seats). The election result indicates a high likelihood of a slight tightening of the fiscal policy in 2020 (in accordance with the adopted draft budget) and the announced by PiS sharp cumulative increase of minimum wage by 78% before the end of 2023. We expect that the increase of the minimum wage will be the most important element of the government economic policy. Our analyses show that higher minimum wage will increase the wage grid in manufacturing, construction, and services. Higher minimum wage will have a particularly strong impact in service micro enterprises (see below). In the short term, the minimum wage increase will boost consumption. In a longer term – if its pace is not reduced – it will limit investments. Its strongest negative impact on investments will occur in 2021, namely at the bottom of the cycle of EU funds utilization. The clear victory of PiS also means a high likelihood of increased tensions in the relations with the European Union, which may negatively impact the inflow of EU funds to Poland in the subsequent programming period (2021-2027). Thus, in sum, the preliminary election result is neutral for GDP dynamics in 2020 and poses a downside risk to our forecast of economic growth in 2021 (2.8%). In our view, the election result is neutral for PLN and bond yields.
- **Significant hard data on US economy and business survey results will be released this week.** We forecast that nominal retail sales rose by 0.3% MoM in September vs. a 0.4% increase in August, due to lower sales in the automotive branch. We forecast that industrial production dynamics decreased to -0.2% MoM in September vs. 0.6% decline in August, due to lower production growth in manufacturing (the effect of strike in General Motors). We expect that data on housing starts (1337k in September vs. 1364k in August) and building permits (1375k vs. 1425k) will point to the continuation of the deceleration in the US real estate market. Business survey results for manufacturing will also be released this week. The market expects that the NY Empire State Index dropped to 1.6 pts in October vs. 2.0 pts in September, while Philadelphia FED fell to 7.1 pts in October vs. 12.0 pts in September. We believe that the aggregate impact of data on the US economy on the financial market will be limited.
- **ZEW index reflecting the sentiment among analysts and institutional investors regarding the economic situation in Germany will be released on Tuesday**. We expect that the index decreased to -24.0 pts in October from -22.5 pts in September, due to a series of weaker data from the German economy (see below). Our forecast is close to the consensus; therefore, its materialization will be neutral for PLN and the prices of Polish bonds.
- **This week we will see some important data from China.** In accordance with data released today, the Chinese balance on trade increased to USD 39.65bn in September vs. USD 34.84bn in August, running above the market expectations (USD 34.0bn). At the same time, export dynamics dropped to -3.2% YoY in September vs. -1.0% in August, while import dynamics decreased to -8.5% YoY vs. -5.6%, running slightly below the market consensus (-3.0% and -5.0%, respectively). In our view, the data point to the continuing slowdown of internal demand in China and the increasingly strong negative impact of the trade war and deterioration in global trade on Chinese exports. Another portion of data from China will be released on Friday. We expect that the economic growth rate decreased to 6.0% in Q3 2019 vs. 6.2% in Q2 (1.4% QoQ vs. 1.6% in Q2). Other monthly data will point in total to a slight acceleration of the annual growth rate of economic activity in September. We forecast that industrial production increased by 4.7% YoY in September vs. 4.4% in August, retail sales rose by 7.8% YoY vs. 7.5% in

August, while urban investments dynamics have not changed in September compared to August and amounted to 5.5% YoY. In our view, the publication of data from China will be neutral for PLN and the prices of Polish bonds.

- **Data on the Polish balance of payments in August was released today**. The current account deficit declined to EUR 606M vs. EUR 797M in July, mainly due to higher trade balance.
- **Data on the September inflation in Poland will be released on Tuesday.** We see a slight risk that the inflation rate will be revised upwards compared to the flash estimate (to 2.7% YoY vs. 2.9% in August). We believe that conducive to the decrease in inflation rate were lower dynamics of food and fuel prices. In turn, core inflation stood in our view at a level 2.2%-2.3% YoY in September vs. 2.2% in August. The publication of the data on inflation will be neutral for PLN and the prices of Polish bonds.
- **The September data on average wages and employment in the Polish corporate sector will be released on Thursday**. We forecast that employment dynamics rose to 2.7% YoY in September from 2.6% in August, due to last year's low base effect. In turn, the average wage dynamics rose in our view to 7.4% YoY in September vs. 6.8% in August, due to shifts in variable remuneration in mining. Though important for the forecast of private consumption dynamics in Q3, the release of data on corporate wages and employment will be neutral for PLN and the debt market, we believe.
- **Data on industrial production in Poland will be released on Friday.** We forecast that its dynamics rose to 4.3% YoY from -1.3% in August. Higher dynamics were the result of favourable calendar effects while further deterioration in Germany had an opposite impact. We believe that the materialization of our forecast that is lower from the market expectations (5.0% YoY) will be slightly negative for PLN and yields on Polish bonds.

Last week

- **The Minutes of the September's FOMC meeting were released last week.** Especially noteworthy in the discussion are FOMC members' are increasing concerns about the US economic outlook. According to the Minutes, FED econometric models point to a higher likelihood of recession taking place in the US economy in the medium term due to risks related to trade wars and external environment. FOMC members pointed out in their debates that although the labour market remained strong, there were signs that investments, production in manufacturing and exports had weakened. FOMC members also voiced concerns that there was only little room dividing the current level of interest rates from zero. At the same time the discussion revealed a division between FOMC members with regard to the shape of the FED monetary policy they preferred. Some of them believe that the monetary policy should be eased significantly to protect the Federal Reserve against interest rates staying in the future at a low level for an extended period of time. There is also a group of FED members who fear that an excessively accommodative monetary policy might deprive FED of tools to stimulate economic growth in the future. We maintain our scenario in which FED will cut interest rates by 25 bp in October or December. In turn, in 2020 we assume two more cut each by 25bp, in reaction to a marked slowdown of GDP growth due to the deterioration of global business climate and the escalation of US-China trade war (see MACROmap of 23/9/2019). The market is currently pricing in a 30bp cut until the end of 2019 and a cut by ca. 40bp until April 2020 (in relation to the current level).
- **Significant data from the German economy were released last week**. Industrial production increased by 0.3% MoM in August vs. a 0.4% decrease in July, running above the market expectations (-0.1%). The increase in its monthly dynamics resulted from higher dynamics of production in manufacturing while its decrease in energy and construction had an opposite impact. On the other hand orders in German manufacturing have decreased (-0.6% MoM in

August vs. -2.1% in July) running below the market expectations (-0.3%). Slower pace of the deceleration in orders resulted from higher dynamics of foreign orders while lower dynamics of domestic orders had an opposite impact. The increase in foreign orders dynamics resulted from higher dynamics of orders from outside the Eurozone, while the growth rate of orders from the single currency area has not changed compared to July. Last week we also saw data on the German foreign trade the balance on which dropped to EUR 18.1bn in August vs. 20.5bn in July, running below the market expectations (EUR 19.1bn). At the same time the dynamics of German exports decreased to -1.8% MoM in August vs. 0.8% in July, while import dynamics increased to 0.5% vs. -1.0%. The last week's data support our forecast assuming a decrease in the German GDP in Q3 by 0.1% QoQ, namely a so-called technical recession taking place in Germany.

- **CPI inflation in the US has not changed compared to August and amounted to 1.7% YoY (0.0% MoM in September vs. 0.1% in August) running below the market expectations (1.8%).** The stabilization of inflation resulted from lower dynamics of energy prices and higher dynamics of food prices. Core inflation has not changed in September compared to August and amounted to 2.4%, hitting the highest level since September 2008. Last week we also saw the preliminary University of Michigan Index, which rose to 96.0 pts in October vs. 93.2 pts in September, running above the market consensus (92.0 pts). The index increase resulted from the increase in its sub-indices for both the assessment of the current situation and expectations. We forecast that the annualized US GDP growth rate will not change in Q3 compared to Q2 and will amount to 2.0%.
- **Another round of US-China talks took place last week**. D. Trump decided to postpone the announced earlier for 15 October increase of import tariffs on Chinese goods worth USD 250bn by 5 ppt. to 30%. In return, China undertook to increase the import of US agricultural raw materials, soya and pork in particular, to USD 40-50bn per year, namely to double its volume compared to the level before the trade war. In addition China declared to sign with the US an agreement on protection of intellectual property and on CNY profile, in which China will undertake not to conduct a foreign exchange rate policy aimed at depreciating local currency with a view to improve the competitiveness of Chinese exports, and to make the currency interventions more transparent. In this context the US Secretary of State S. Mnuchin said that the United States were prepared to resign from designating China as "currency manipulator". It is worth noting that the partial agreement reached last week means only a temporary suspension of further escalation of the trade war between these countries and does not mean that its scale will be reduced. Nonetheless, it is negative for USD and positive for the emerging currencies. In our baseline scenario we maintain that the progress recorded last week in US-China talks is temporary and subsequent months will bring further escalation of the trade war.
- **The publication of Poland's long-term credit rating review by S&P and Moody's was scheduled for last Friday**. However, the Moody's did not review Poland's rating and did not publish a credit report. Thus Poland's rating stayed at the current level (A2 with outlook stable). In turn, as we expected, S&P affirmed Poland's long-term credit rating at A- with outlook stable. As the justification of such credit rating, S&P pointed to sustainable 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. According to the report, the rating could be upgraded if economic growth continues at a fast rate (higher than that of main trade partners) without increasing foreign debt (i.e. without increase in current account deficit) and if nominal value of public debt decreases due to maintaining budget surplus. The rating could also be higher if the launch of the Employee Equity Schemes (EES) contributes to increase in private savings. At the same time the agency pointed out a possible significant deterioration of the situation in public finance or a faster than expected wage growth (contributing to lower competitiveness) as factors conducive to Poland's lower credit rating. The Agency stated that the government-proposed changes in fiscal policy were pro-cyclical and contributed to higher

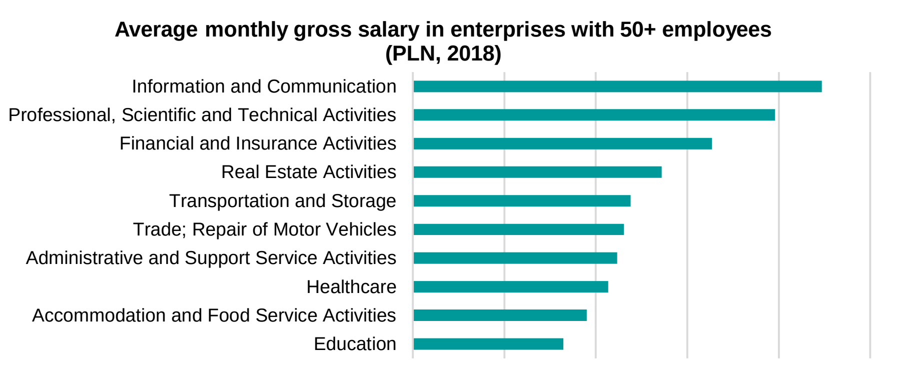
public finance deficit. S&P forecasts that GG deficit in relation to GDP will stand at 2.5% in the 2020-2021 period vs. 1.5% in 2019 and will decrease to 2.4% in 2022. The agency pointed out in the report that the government announced increase of minimum wage should not substantially deteriorate Poland's competitiveness. In addition, according to S&P, the ECJ's ruling on CHF loans will be conducive to lower profitability of commercial banks and lower lending but will not reduce the stability of the banking sector in Poland. We believe that the agency will need several quarters to assess the impact of the EES. Consequently, we expect S&P not to change Poland's rating in the horizon of several quarters. In our view, the affirmation of Poland's rating by the agency is neural for PLN and bond yields.

PiS wins, minimum wage will significantly increase

Below we are presenting a subsequent part of our analysis of the effects of the PiS-announced increase of the minimum wage in the coming years (see MACROmap of 7/10/2019). This time we are presenting the topic from the point of view of the impact on the profile of average wages in the services sector.

To estimate the impact of the increase of minimum wage on the level of average pay in the Polish sector of services, we have used a similar econometric model as in the last MACROmap. The dynamics of nominal wages in this model depends on four factors – the growth rate of work productivity (long-term impact), unemployment rate (a short-term factor, related to business cycle phase), food price dynamics (a variable reflecting inflation expectations and the related wage growth pressure), and minimum wage dynamics. We have taken net incomes divided by the number of the employed as the proxy of work productivity. Each of the variables was entered to the model in the form of a 6-month moving average. We have made the analysis separately for remuneration in 10 different service branches (see the chart below) in companies employing at least 50 persons. The size of the analyzed entities was enforced by the availability of data – some information on smaller companies is not available quarterly (e.g. net income).

With the use of the econometric model we have managed to estimate the impact of the minimum wage increase on average remuneration only for four branches of the services sector. In the remaining six categories the coefficient next to the minimum wage dynamics proved to be statistically negligent or was negative. According to the results of the modeling, an increase of minimum wage by 10% is conducive to increase of nominal average pay in the category "transport and warehouse management" by 0.8%, in "accommodation and food service activities" by 2.2%, and in "administrative and support service activities" by 1.9%. This impact factors in a delayed reaction of the wage grid in individual branches.

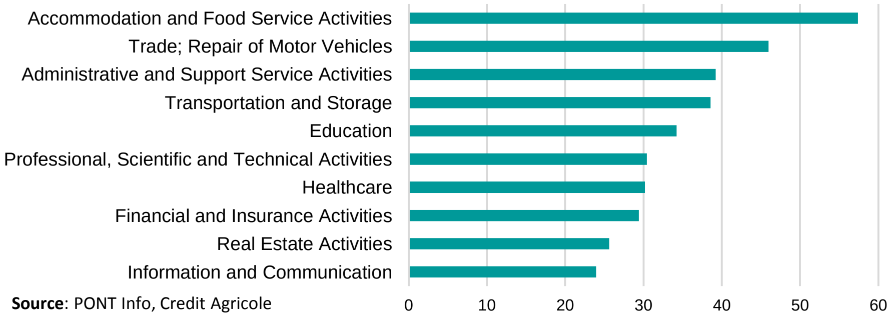


Source: PONT Info, Credit Agricole

The fact that there is no statistically significant impact of minimum wage on the level of remuneration or that the direction of relationship contradicts the economics theory in the remaining branches is easy to justify. They are categories with the highest average earnings ("information and communications", "financial and insurance activities", "real estate activities", "professional, scientific and technical activities"). Therefore, the percentage of employees whose remuneration does not exceed minimum wage is most probably lower there than in the other categories. They are also branches with a significant involvement of the public sector (education and health care), where the volatility of remuneration is low.

It should be pointed out again that the presented above estimates of the impact (or its lack) of the minimum wage on the average remuneration applies only to companies employing at least 50 persons. They are usually companies showing higher productivity and consequently offering higher pay which is conducive to a lower percentage of persons receiving minimum wage compared to companies employing less people. That is why we have analyzed separately the situation in companies employing less than 10 persons (so-called microenterprises). The percentage of persons earning minimum wage is much higher in these entities than in the entire population (e.g. 57% vs. 38% for "accommodation and food service", or 45% vs. 22% for "trade and repair of motor vechicles"). Thus, the impact of the minimum wage increase in micro enterprises will be stronger than in larger companies.

Share of employed in micro-enterprises, whose salary doesn't exeed the minimum wage (%, 2017)



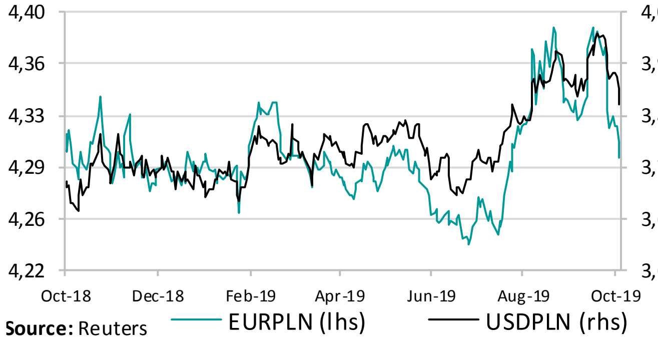
Source: PONT Info, Credit Agricole

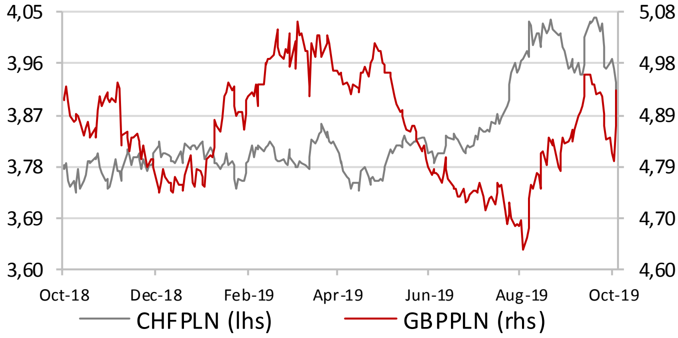
In the short term it will be at least equal to the share of employees with minimum wage in these sectors times the sale of minimum wage increase. For instance, minimum wage increase by 10% will result in an increase of average pay in "accommodation and food services" by 5.7%, "trade; repair of motor vehicles" by 4.6%, in "administrative and support service activities" and "transportation and storage" by 3.9%, in "education" by 3.4%, in "financial and insurance activities" and "health service" by 3.0%, in "finance and insurance" by 2.9%, "real estate activities" by 2.6%, and in "information and culture" by 2.4%. However, based on the results of the modeling in construction and manufacturing (see MACROmap of 7/10/2019), it can be expected that in the medium term the impact of minimum wage increases on the average wage dynamics (factoring in the delayed reaction of the entire wage grid) will be higher than it would result from the percentage of persons earning minimum wage in individual service branches. That is because international competition is lower in services than in manufacturing, which enables a higher increase in average pay compensated by rises in prices of final products.

The above analysis indicates that the increase of minimum wage will contribute to an increase of average remuneration mainly in microenterprises, whereas in larger companies these effects will be limited to branches which now offer a relatively low pay (against the backdrop of other categories). Considering the results of yesterday's election, the government announcements pose an upside risk to our forecast of average pay in the national economy and consumption (see the chart below). 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 and limitation of corporate investments growth in the coming years. Amid the deterioration of global economic outlook, the tendencies outlined above are neutral for GDP growth rate in 2020 (3.5%) and pose a downside risk to our forecast of economic growth in 2021 (2.8%).

Parliamentary election result is neutral for PLN

FX rates





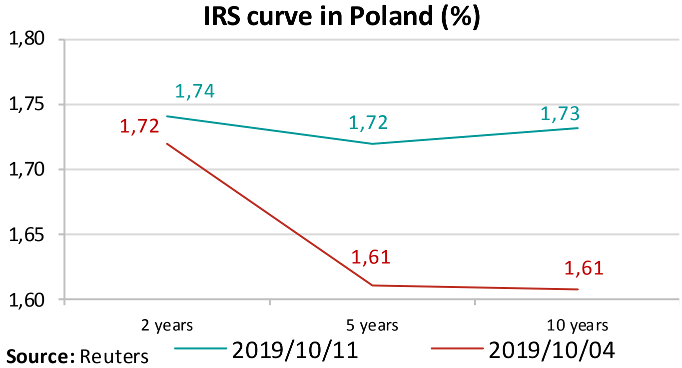
Source: Reuters

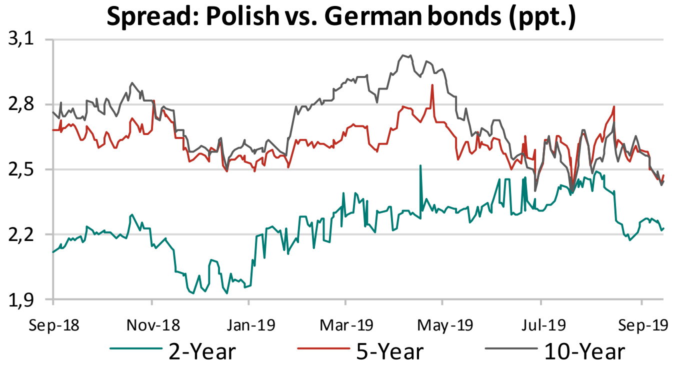
Last week, the EURPLN exchange rate dropped to 4.2982 (PLN strengthening by 0.5%). Throughout last week EURPLN was showing a weak downward trend supported by lower global risk aversion reflected by VIX Index decrease. Bigger appetite for risk assets resulted from growing expectations of a de-escalation of the US-China trade war. A relatively low, against the backdrop of previous weeks, volatility of PLN was supported by scarce macroeconomic calendar.

Due to the nature of last week's decrease of EURPLN exchange rate which resulted from lower global risk aversion, the PLN also strengthened against USD and CHF. On the other hand, PLN depreciated vs. GBP as the fall of EURGBP was greater than that of EURPLN, due to the decreasing in the investors' opinion likelihood of a no-deal Brexit.

In our view, the results of the parliamentary election, like the released on Friday evening Poland's rating review by S&P, are neutral for PLN (see above). The partial agreement reached last Friday between the US and China is slightly positive for PLN. Crucial for PLN this week will be the publication of domestic data on industrial production. If our lower-from-expectations forecast materializes, the data may be slightly negative for PLN. Other data from the Polish economy (corporate employment and average wages, and final inflation) will not have any significant impact on PLN, we believe. Data from the US (industrial production, retail sales, housing starts, new building permits), China (GDP, retail sales, industrial production, urban investments) and Germany (ZEW index) will also be neutral for PLN.

Market focuses on domestic data on industrial production





Source: Reuters

Last week, 2-year IRS rates increased to 1.74 (up by 2bp), 5-year rates to 1.72 (up by 11bp), and 10-year rates to 1.73 (up by 12bp). In the first part of the week IRS rates were stable. Thursday and Friday saw an increase in IRS rates across the curve, following the core markets. Higher yields on US and German bonds resulted from higher investors' expectations of a de-escalation of the US-China trade war. The Friday's review of Poland's rating by S&P was announced after the closing of the European markets and therefore had no impact on IRS rates.

In our view, the results of the parliamentary election and the released on Friday evening Poland's rating review by S&P, are neutral for the curve (see above). We believe that the partial agreement reached last Friday between the US and China will support an increase in yields on core markets, likely to be followed by domestic IRS rates. This week the market will focus on the publication of data on industrial production in Poland, which may contribute to a slight decrease in IRS rates. We believe that other domestic data (corporate employment and average wages, and final inflation) will not have any significant impact on the curve. Data from the US (industrial production, retail sales, number of housing starts, new building permits), China (GDP, retail sales, industrial production, urban investments) and Germany (ZEW index) will also be neutral for PLN.

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	**-2,0**		
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	**-4,1**		

*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
GDP growth contributions: Investments (pp)	1,6	1,5	1,5	1,7	0,7	1,0	0,8	1,1	1,6	1,6	0,9
GDP growth contributions: 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	FORECAST* CONSENSUS**
		Monday 10/14/2019				
14:00	**Poland**	**Current account (M EUR)**	**Aug**	**-814**	**-641**	**-568**
	China	Trade balance (bn USD)	Sep	34,8		33,3
		Tuesday 10/15/2019				
3:30	China	PPI (% YoY)	Sep	-0,8	-1,4	-1,2
3:30	China	CPI (% YoY)	Sep	2,8	3,1	2,9
10:00	**Poland**	**CPI (% YoY)**	**Oct**	**2,6**	**2,7**	**2,8**
11:00	Germany	ZEW Economic Sentiment (pts)	Oct	-22,5	-24,0	-27,0
14:30	USA	NY Fed Manufacturing Index (pts)	Oct	2,0		0,8
		Wednesday 10/16/2019				
11:00	Eurozone	HICP (% YoY)	Sep	0,9	0,9	0,9
14:00	**Poland**	**Core inflation (% YoY)**	**Sep**	**2,2**	**2,3**	**2,3**
14:30	USA	Retail sales (% MoM)	Sep	0,4	0,3	0,3
		Thursday 10/17/2019				
10:00	**Poland**	**Employment (% YoY)**	**Sep**	**2,6**	**2,7**	**2,6**
10:00	**Poland**	**Corporate sector wages (% YoY)**	**Sep**	**6,8**	**7,4**	**7,1**
14:00	**Poland**	**MPC Minutes**	**Oct**			
14:30	USA	Housing starts (k MoM)	Sep	1364	1337	1303
14:30	USA	Building permits (k)	Sep	1425	1375	1355
14:30	USA	Philadelphia Fed Index (pts)	Oct	12,0		8,0
15:15	USA	Industrial production (% MoM)	Sep	0,6	-0,2	-0,1
		Friday 10/18/2019				
4:00	China	GDP (% YoY)	Q3	6,2	6,0	6,1
4:00	China	Retail sales (% YoY)	Sep	7,5	7,8	7,8
4:00	China	Industrial production (% YoY)	Sep	4,4	4,7	5,0
4:00	China	Urban investments (% YoY)	Sep	5,5	5,5	5,4
10:00	**Poland**	**Industrial production (% YoY)**	**Sep**	**-1,3**	**4,3**	**5,0**
10:00	**Poland**	**PPI (% YoY)**	**Sep**	**0,7**	**0,6**	**0,5**

*The forecasts of macroeconomic indicators for Poland were prepared by Credit Agricole Bank Polska S.A. The forecasts of foreign indicators were prepared by Crédit Agricole Corporate and Investment Bank
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