

## This week

- **The most important event this week will be the reading of the October business survey results for major European economies scheduled for Thursday.** We expect that PMI Composite for the Eurozone dropped to 50.0 pts in October vs. 50.1 pts in September. The index decrease resulted from the stabilization of business sentiment in Germany and its slight deterioration in France. At the same time we expect that PMI for German manufacturing will increase to 42.2 pts in October vs. 41.7 pts in September. Ifo Index, reflecting the sentiment among German managers representing the manufacturing, construction, trade and services sectors, will be released on Friday. We expect it to increase to 94.8 pts in October vs. 94.6 pts in September. The business survey results will be particularly relevant for the assessment of the prospects for the slowdown of activity observed in recent quarters within the single currency area and tendencies in global trade. They will also be important for assessing the negative impact of the downturn in Germany on the situation in Polish manufacturing. Our forecasts of business survey results for major European economies are close to the consensus; therefore, their publication is likely to be neutral for PLN and the prices of Polish bonds.
- **Another important event this week will be the ECB meeting scheduled for Thursday.** We expect that after the significant monetary policy easing in September, the ECB will maintain the status quo this week. During the conference, like the month before, M. Draghi will most probably call upon the Eurozone countries to ease their fiscal policy in the conditions of deteriorating economic outlook. At the same time it will be the last meeting chaired by M. Draghi – his term as the ECB Governor ends in October. At the beginning of November this position will be taken by Ch. Lagarde, who was so far chairing the IMF. We expect that the tone of the conference after the meeting will be neutral for the financial markets.
- **Important data from the US will be released this week.** We forecast that the preliminary orders for durable goods decreased by 0.9% MoM in September vs. a 0.2% increase in August, due to a lower number of orders in the transport sector. We expect that further decrease of activity in the US real estate market will be confirmed by data on new home sales (709k in September vs. 713k in August) and existing home sales (5.42M vs. 5.49M in August). The final University of Michigan Index (96.5 pts in October vs. 93.2 pts in September and 96.0 pts in the flash estimate) will confirm good consumer sentiment. We believe that the aggregate impact of US data on PLN and Polish bond yields will be limited.
- **Data on retail sales in Poland was released today.** The nominal dynamics declined to 5.3% YoY in September vs. 6.0% in August, despite low base effects from the year before in the category “motor vehicles, motorcycles, parts”, favourable difference in the number of working days, and continuing very good consumer sentiment. For more details regarding the release please see the today’s MACROPulse.
- **Data on construction-assembly production in Poland will be released on Tuesday.** We forecast that the production dynamics rose to 6.5% YoY in September vs. 2.7% in August. Conducive to its higher dynamics were favourable calendar effects. Our forecast is close to the market expectations (6.6%); therefore, its materialization will be neutral for PLN and yields on Polish bonds, we believe.

## Last week

- **Last week the British Parliament decided to postpone the vote on approving the Brexit deal negotiated by B. Johnson with the EU.** The vote was postponed until B. Johnson submits for a vote a set of legislation whose lack could later block the technical implementation of Brexit. Consequently, B. Johnson was forced by the British Parliament to send a letter to the European Union asking for another extension of Brexit, this time until 31 January 2020. At the same time,

in a separate letter he emphasized that he was doing that against his will and that he would do his best to have Brexit implemented as planned, i.e. on 31 October. In our view, it shows that realistic are all of the so far scenarios, from the Great Britain leaving the EU with a deal as early as on 31 October to a hard Brexit. Nonetheless, we believe that the most likely scenario is Brexit under the deal negotiated by B. Johnson. According to the text of the agreement, Northern Ireland would remain a part of the customs union of the United Kingdom. Thus it would be subject to all the trade agreements signed by the UK in the past. At the same time, the deal assumes no hard border between Northern Ireland and the Republic of Ireland and moving the border to the Irish Sea. In practice, it means that customs checks using EU tariffs would take place in ports and at airports in Northern Ireland. Nevertheless, in the case of goods coming from the Great Britain and sent to Northern Ireland, the customs duty would later be repaid to companies. At the same time, the deal provides for a two-year transitional period extendable by another two years. During its life the status quo in economic relations between the UK and the EU would be maintained but the UK would not participate in the works of the EU institutions. During the transitional period, the UK and the EU would be supposed to negotiate an agreement on free trade. The decision of the British parliament to postpone the vote on approving B. Johnson's deal, slightly increasing the likelihood of a no-deal Brexit, is slightly negative for GBP vs. EUR and EUR vs. USD.

- **Significant data on the US economy were released last week.** The monthly dynamics of industrial production dropped to -0.4% in September vs. 0.8% in August (-0.1% YoY in September vs. 0.4% in August – first MoM decrease since November 2016). Conducive to their decrease were lower dynamics of production in manufacturing and in mining, while higher growth rate of production in utilities had an opposite impact. Conducive to lower production dynamics in manufacturing was the strike in General Motors, in turn, the production growth rate in mining was limited by the falling global oil prices. At the same time, capacity utilization decreased to 77.5% in September vs. 77.9% in August. Last week we also saw data on retail sales which decreased by 0.3% MoM in September vs. a 0.6% increase in August, what was the first decrease in MoM terms since February 2019. Excluding cars, retail sales dropped to -0.1% in September vs. 0.2% in August. Data on building permits (1387k in September vs. 1425k in August) and housing starts (1256k vs. 1386) were also released last week and pointed to a decrease of activity in the US real estate market, after its temporary increase in August. Last week we also saw regional, mixed results of business surveys for US manufacturing. The NY Empire State rose to 4.0 pts in October vs. 2.0 pts in September, while Philadelphia FED decreased to 5.6 in October pts vs. 12.0 pts in September. 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%. The publication of weaker-than-expected data on the US economy supported the USD depreciation vs. EUR last week.
- **CPI inflation in Poland decreased in September to 2.6% YoY vs. 2.9% in August, running in line with the GUS flash estimate.** The decrease in inflation in September resulted from lower dynamics of prices of food and non-alcoholic beverages, fuels and energy (see MACROPulse of 15/10/2019). Higher core inflation, which rose to 2.4% YoY in September vs. 2.2% in August, had an opposite impact. It is worth noting that core inflation has been showing an upward trend from the beginning of 2019, indicating a gradually increasing inflationary pressure in the Polish economy. We expect that inflation will be showing an upward trend in subsequent months and will amount to 3.2% YoY in Q1 2020 reaching its local maximum. The main factor conducive to increase in inflation will be the forecasted by us higher core inflation while lower dynamics of fuel prices will have an opposite impact. At the beginning of 2020 the forecasted by us higher dynamics of energy prices will additionally contribute towards the increase in inflation while the slowing growth rate of food prices will have an opposite impact.
- **The current account deficit in Poland decreased to EUR 606M in August vs. EUR 797M in July.** The improvement in the current account balance was due to higher balances on primary

income and trade (higher from July by EUR 386M and EUR 290M, respectively), while lower balance on services and secondary income (down by EUR 367M and EUR118, respectively, compared to August) had an opposite impact. Export dynamics dropped to 0.2% YoY in August vs. 7.7% in July, and imports dynamics dropped to -2.5% YoY vs. 8.4%, largely due to the statistical effect in the form of an unfavourable difference in the number of working days. We forecast that the cumulative current account balance for the last 4 quarters in relation to GDP will increase to 0.0% in Q13 vs. -0.1% in Q2.

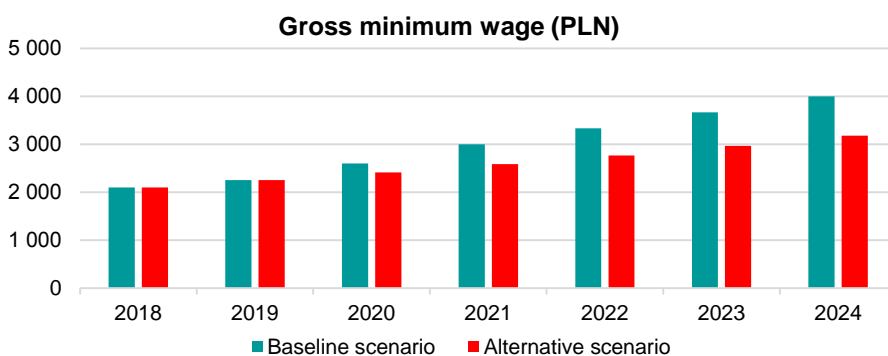
- ✔ **Nominal wage dynamics in the Polish sector of enterprises decreased to 6.6% YoY in September vs. 6.8% in August.** The annual wage dynamics in September decreased compared to August despite the statistical effect in the form of a favourable difference in the number of working days. In our view, one of the reasons for lower nominal wage dynamics in September was the shift of the payment of bonuses in some branches. In our opinion, other factors with a growing negative impact on nominal wage dynamics are the decreasing capacity utilization and the increasingly conservative wage policy of companies preparing for the institutional changes in the Polish labour market (see MACROPulse of 17/10/2019). The employment growth rate in the enterprise sector has not changed in September compared to August and amounted to 2.6%. In MoM terms, employment decreased by 3.6k in September vs. a 7.6k decrease in August. The continuing decrease in employment in recent months shows that the importance of restructuring as a factor impacting on the demand for labour is growing. We estimate that the real wage fund growth rate (the employment times the average salary) in enterprises dropped to 6.7% in Q3 vs. 7.1% in Q2. Nevertheless we maintain our forecast assuming a slight increase in private consumption dynamics to 4.6% YoY in Q3 vs. 4.4% in Q2, due to the payment of social benefits and strong labour market.
- ✔ **The dynamics of industrial production rose to 5.6% YoY in September vs. a -1.3% in August.** The increase in the annual dynamics of industrial production in September compared to August resulted from the statistical effect in the form of a favourable difference in the number of working days. The production dynamics in September were also supported by the last year's low base effect. Branches which recorded the highest annual production dynamics in September included mainly segments with a large percentage of export sales in revenues (see MACROPulse of 18/10/2019). Nonetheless, in the light of business survey results, we believe that it is only a temporary phenomenon supported by the aforementioned statistical effects. At the same time, the structure of data shows that the slowdown in domestic construction has an increasingly negative impact on activity in the Polish industry. The data on industrial production in Poland do not alter our forecast of GDP growth in Q3 (4.3% YoY) and in the whole 2019 (4.4%).
- ✔ **Significant data from China were released last week.** The economic growth rate in China decreased to 6.0% YoY in Q3 vs. 6.2% in Q2 (1.5% QoQ in Q3 vs. 1.6% in Q1). Thus, the annual and quarterly GDP dynamics stood below (6.1% YoY) and in line with the market expectations, respectively. It is worth noting that the annual GDP growth rate hit the lowest level in 27 years. Conducive to lower GDP dynamics were lower contributions of inventories, while higher contributions of consumption and investments had an opposite impact. On the other hand, monthly data on industrial production (5.8% in September vs. 5.0% in August, with expectations at 4.4%) proved higher from the market consensus, while retail sales (7.8% in September vs. 7.5% in August), and urban investments (5.4% YoY in September vs. 5.5% in August) were in line with the market consensus. We maintain our forecast of 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.

**ZEW index reflecting the sentiment among analysts and institutional investors regarding the economic situation in Germany dropped to -22.8 pts in October vs. -22.5 pts in September, running significantly above the market expectations (-27.0 pts).** According to the press release, the slight deterioration of sentiment resulted from the survey participants' continuing concerns about the economic outlook for Germany. At the same time they view with great caution the results of the latest US-China summit where a temporary agreement was reached between these countries (see MACROmap of 14/10/2019). We the German GDP is highly likely to decrease by 0.1% QoQ in Q3, namely so called technical recession will occur (German GDP decreased by 0.1% QoQ in Q2).

## Higher minimum wage will hamper employment growth

Below we present a subsequent part of our analysis concerning the effects of the PiS announced sharp increase in the minimum wage in the coming years (see MACROmap of 7/10/2019). This time we will focus on the impact of the planned increases on employment in the enterprise sector (companies employing more than 9 persons).

In accordance with the economics theory, entrepreneurs who wish to maximize their profits, offer their employees wages equal to their productivity. Therefore, if the minimum wage exceeds the productivity of some employees, their employment will become unprofitable, leading to the reduction of the number of jobs. This problem affects mainly the employees with low productivity – they are usually young people or people with low skills. Empirical studies confirm a negative impact – of varying intensity – of higher minimum wage on employment in Poland. Particularly negative consequences are observed in poorer regions (where the minimum wage is relatively high compared to the average pay) and among young people. At the level of the whole country, the increase in minimum wage is also conducive to a decrease in employment which, however, is not always statistically relevant. Such results are also consistent with the OECD recommendations for the Polish labour market. The organization recommends to stop increasing minimum wage in relation to average remuneration and to consider using different minimum wage in different regions.

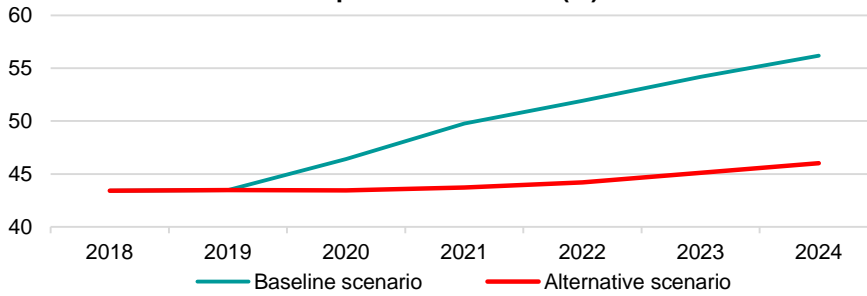


Source: Credit Agricole

To estimate the impact of the minimum wage increase on the employment dynamics in the corporate sector we have used two scenarios. In the first (baseline) scenario the minimum wage would achieve levels consistent with PiS announcements. In the second (alternative) scenario we assumed that the minimum wage would increase in 2020-2024 period at

the pace of 7.1% (i.e. the same as in 2019). Thus, in the baseline scenario the minimum wage will achieve the level of PLN 4000 at the beginning of 2024 and in the alternative scenario of PLN 3177 (see the chart).

**Simplified Kaitz index (%)\***

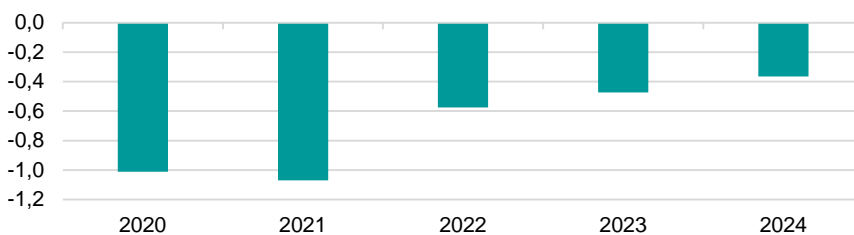


\*ratio of the nominal minimum wage to average wage in enterprise sector  
 Source: Credit Agricole

In empirical studies, the impact of changes in minimum wage is captured with the use of so-called Kaitz index, determined as the relation of nominal minimum wage to average remuneration, multiplied by the percentage of employees receiving minimum wage. Kaitz index is a frequently used variable because it allows to capture a lot of information about the scale of the

minimum wage's impact on the labour market using only one value. Our analysis uses a simplified version of the index – nominal minimum wage divided by average monthly remuneration in the corporate sector. This simplification is dictated by the lack of information about the precise percentage of employees with minimum wage in the examined by us group of enterprises. However, this simplification should not distort the results of our analysis because this percentage at the scale of the national economy has been stable in recent years. We assume that the growth rate of average remuneration in the sector of enterprises will show a weak downward trend in the horizon of our forecast in both scenarios – in the baseline scenario a decrease from 8.3% in 2020 to 5.3% in 2024. In the alternative scenario it will be lower by ca. 1 percentage point in 2020-2021 period and by no more than 0.5 pp in 2022-2024 period from the baseline scenario, due to a slower increase in minimum wage. We have assumed that the elasticity of average remuneration in the corporate sector in relation to minimum wage amounts to 13% (i.e. a 10% increase in minimum wage increases the average remuneration by 1.3%). The percentage of people paid the minimum rate is likely lower in the corporate sector employing at least 9 persons than in the national economy (13%), because such employees are concentrated in microenterprises. On the other hand, such overestimation of the percentage enables us to factor in elasticity also the positive impact of higher minimum wage on the entire wage grid instead of being limited only to the arithmetic effect (see MACROmap of 7/10/2019). Considering the wage tendencies outlined above, in the baseline scenario, Kaitz index increases from 43.5% in 2019 to 56.2% in 2024. In turn, in the alternative scenario, the scale of its increase is smaller – it takes on the value of 46.0% in 2024.

**Impact of an increase in minimum wage on employment dynamics in enterprises sector (ppt.)\***



\* difference between baseline and alternative scenario  
 Source: Credit Agricole

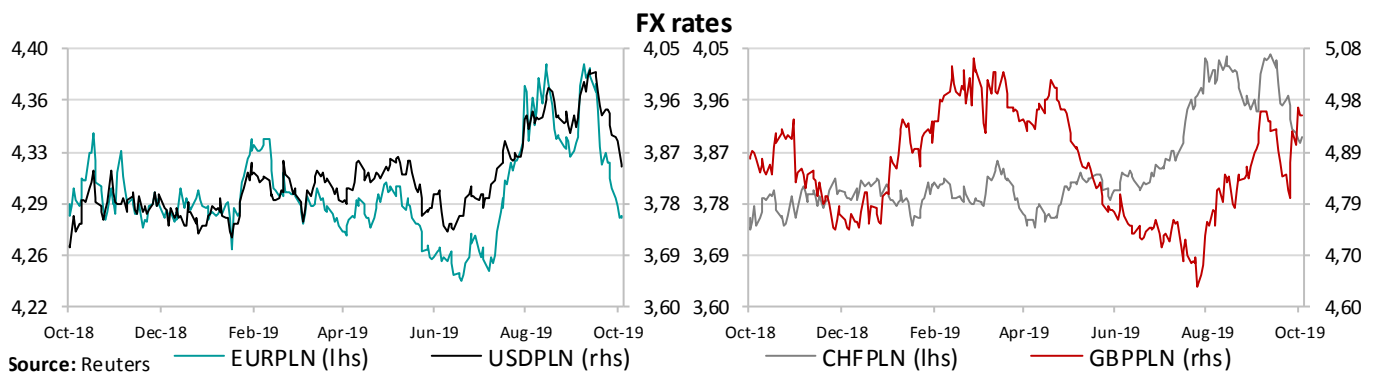
To estimate the impact of the minimum wage increase on the employment dynamics in the enterprises sector we have used an econometric model. The dynamics of nominal wages in this model depends on four factors – the real growth rate of remuneration in the enterprises sector, GDP dynamics (representing the demand for labour), investment rate (a variable

reflecting the substitution of labour by capital) and annual change in the simplified Kaitz index. According to the results of the econometric modelling, an increase in the annual simplified Kaitz index growth by 1 percentage point (i.e. its faster growth) is conducive to a decrease in the annual dynamics of employment in the enterprises sector by 0.3 pp. All the explanatory variables included in the model are lagged. It should be pointed out that, depending on the choice of lags for the respective variables, the estimation of the parameter next to the Kaitz index always remains negative, but in many cases becomes statistically irrelevant. Such outcome – pointing to a difficult to be precisely captured impact of higher minimum wage on employment – is consistent with the referred to above results of empirical

studies. Considering the assumed by us profile of Kaitx index in our simulations, it can be estimated that in 2020-2021 period the employment growth rate in the baseline scenario will be lower by 1.0-1.1 pp from the alternative scenario. In subsequent years, the negative impact of a sharp increase in minimum wage on the employment dynamics will be increasingly weaker and will amount to 0.4 pp in 2024 (see the chart).

Based on our simulation, it can be concluded that, due to the announced by PiS sharp increase in minimum wage in subsequent years, the level of employment in the enterprises sector in 2024 will be lower by 3.5% (ca. 200k employees fewer) from the alternative scenario, in which the minimum wage would increase at the same rate as in 2019. It should be pointed out that our estimate is subject to uncertainty. On the one hand, the negative impact on employment may be stronger than we assume due to a fast – against the historical backdrop – pace of increases in the minimum wage. On the other hand, the reaction of enterprises to the minimum wage increase does not have to be limited only to the reduction of employment. Companies have also other means of compensating higher costs of labour, which limit the negative impact of minimum wage growth. We will discuss these issues at greater length in the next MACROmap. In the next report we will also present our estimates concerning the impact of higher minimum wage on employment in Poland, this time from the perspective of lower number of jobs needed to maintain the price competitiveness of the Polish economy.

## Confusion around Brexit negative for PLN



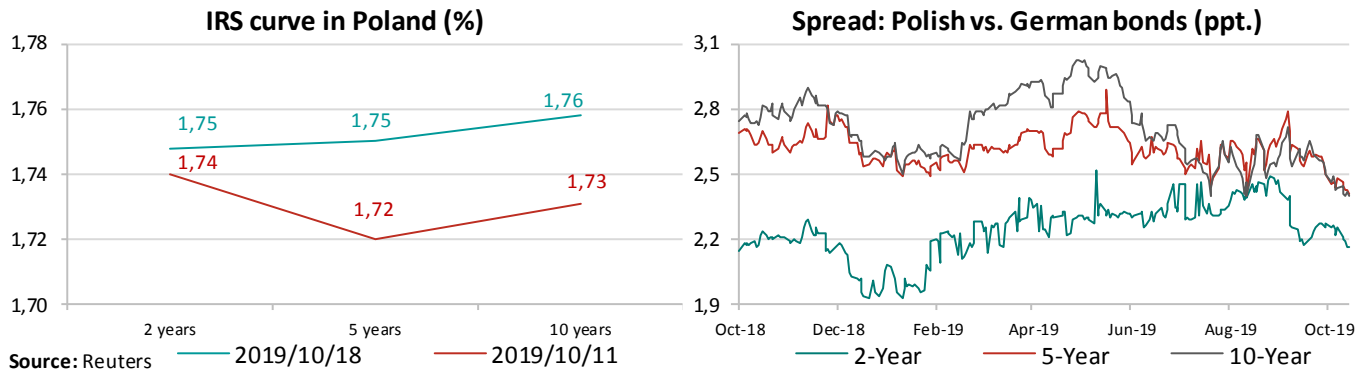
**Last week, the EURPLN exchange rate dropped to 4.2814 (PLN strengthening by 0.5%).** Monday through Thursday, PLN was appreciating, supported by lower global risk aversion reflected by lower VIX index. The improvement of investors’ sentiment was supported by the achievement of a partial agreement between the US and China (see MACROPulse of 14/10/2019). On Thursday, PLN appreciation resulted also from the announced on Thursday agreement between the UK and the EU on Brexit. On Friday, EURPLN showed low volatility against the backdrop of previous days and the publications of data about the Chinese GDP and domestic industrial production were not market moving.

Due to the nature of the last week’s EURPLN decrease which resulted from lower global risk aversion, PLN appreciated also vs. USD and CHF. PLN appreciation vs. USD was particularly visible due to a simultaneous increase in EURUSD, supported by the publication of a series of weaker-than-expected data from the US economy (see above). On the other hand, PLN depreciated vs. GBP, due to a further decrease in EURGBP, following the agreement announced between the EU and the UK on Brexit.

The Saturday’s decision of the British Parliament to postpone the Brexit vote, signalling a slight increase in the likelihood of a no-deal Brexit, is slightly negative for PLN vs. EUR. At the same time, all information coming in the upcoming days on Brexit will be conducive to increased volatility in the foreign exchange market. Crucial for PLN this week will be the publications of business survey results for major European

economies (PMIs and Ifo index for Germany). Our forecasts are close to the market consensus; therefore, if they materialize, the data will not have any substantial impact on PLN. The ECB meeting and the publication of data from Poland (construction-assembly production) and from the US (existing home sales, preliminary durable goods orders, new home sales, final university of Michigan Index) will also be neutral for PLN.

**Market focused on business survey results in the Eurozone**



**Last week, 2-year IRS rates increased to 1.75 (up by 1bp), 5-year rates to 1.75 (up by 3bp), and 10-year rate to 1.76 (up by 3bp).** Throughout last week, we observed an increase in IRS rates, following the core markets. This was a continuation of the trend started two weeks ago after the achievement of a partial agreement between the US and China. On Thursday, conducive to higher IRS rates was also the announcement of an agreement between the EU and the UK on Brexit. The publication of numerous domestic data had no substantial impact on the curve.

The Saturday's decision of the British Parliament to postpone the Brexit vote may support a slight decrease of IRS rates. At the same time, possible new information on Brexit may be conducive to increased volatility of IRS rates. This week the market will focus on business survey results for major European economies (PMIs and Ifo index for Germany). However, we do not expect these readings to have a substantial impact on the curve. ECB meeting and the publication of data from Poland ( construction-assembly production) and from the US (existing home sales, preliminary durable goods orders, new home sales, final university of Michigan Index) will also be neutral for IRS rates.

## 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	<b>4,30</b>
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	<b>3,91</b>
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	<b>3,94</b>
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	2,6	
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	2,4	
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	5,6	
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	0,9	
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	<b>8,2</b>	
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	6,6	
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	2,6	
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	<b>5,1</b>	
Current account (M EUR)	-794	-447	113	-1528	2529	-630	217	357	379	-310	-797	-606		
Exports (% YoY EUR)	0,1	14,7	9,3	-0,5	5,9	10,5	7,8	9,4	11,6	-3,1	7,7	0,2		
Imports (% YoY EUR)	4,9	19,3	10,3	0,2	2,1	8,4	2,8	7,7	10,1	-4,7	8,4	-2,5		

\*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	4,3	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**
<b>Monday 10/21/2019</b>						
10:00	Poland	Retail sales (% YoY)	Sep	6,0	8,2	8,0
<b>Tuesday 10/22/2019</b>						
10:00	Poland	Construction-assembly production (% YoY)	Sep	2,7	6,5	6,6
14:00	Poland	M3 money supply (% YoY)	Sep	9,9	9,7	9,8
16:00	USA	Existing home sales (M MoM)	Sep	5,49	5,42	5,45
16:00	USA	Richmond Fed Index	Oct	-9,0		
<b>Wednesday 10/23/2019</b>						
10:00	Poland	Registered unemployment rate (%)	Sep	5,2	5,1	5,1
16:00	Eurozone	Consumer Confidence Index (pts)	Oct	-6,5		-6,7
<b>Thursday 10/24/2019</b>						
10:30	Germany	Flash Manufacturing PMI (pts)	Oct	41,7	42,2	42,0
11:00	Eurozone	Flash Services PMI (pts)	Oct	51,6	51,3	51,9
11:00	Eurozone	Flash Manufacturing PMI (pts)	Oct	45,7	46,0	46,0
11:00	Eurozone	Flash Composite PMI (pts)	Oct	50,1	50,0	50,4
13:45	Eurozone	EBC rate decision (%)	Oct	0,00	0,00	0,00
14:30	USA	Initial jobless claims (k)	w/e	214		215
14:30	USA	Durable goods orders (% MoM)	Sep	0,2	-0,9	-0,8
15:45	USA	Flash Manufacturing PMI (pts)	Oct	51,1		50,5
16:00	USA	New home sales (k)	Sep	713		701
<b>Friday 10/25/2019</b>						
10:00	Germany	Ifo business climate (pts)	Oct	94,6	94,8	94,5
16:00	USA	Final U. of Michigan Sentiment Index (pts)	Oct	96,0	96,5	96,0

\*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