# Poland is the most resilient to COVID-19 among regional peers

## This week

- **The most important event this week will be the ECB meeting scheduled for Thursday.** We expect the ECB to leave unchanged the parameters of the monetary policy in the Eurozone. Our baseline scenario assumes that the ECB will cut the deposit rate by 10bp in June 2020. We see a risk that the decision to ease the monetary policy may materialize sooner – this week (30% probability) or at the meeting in April (20%). The ECB has now much smaller room for maneuver than FED, and the interest rate, if any, would to a limited extent mitigate the negative impact of the coronavirus epidemic on the economic situation in the Eurozone. Much more likely now is the scenario of using fiscal policy to stimulate economic growth. The results of the latest macroeconomic projection will be presented during the conference. We expect that the economic growth and inflation profiles will be lowered compared to the December projection. The market is now pricing in an interest rate cut at the ECB meeting this week. Thus the materialization of our forecast would be positive for EURUSD and EURPLN and yields on Polish bonds. The recorded today sharp fall of global oil prices, conducive to lowering inflation in the Eurozone (see below), poses a substantial downside risk to our baseline scenario of ECB interest rates presented above.
- **On Friday we will see data on the February inflation in Poland.** New weights of the inflation basket categories will be published at the same time. We expect that the annual price dynamics have not changed in February compared to January and amounted to 4.4% YoY, due to higher core inflation and lower dynamics of food and fuel prices. Our forecast is in line with the market expectations; therefore, the inflation reading will be neutral for PLN and the prices of Polish debt.
- **Significant US data will be released this week.** We expect that the headline inflation dropped to 2.2% YoY in February vs. 2.5% in January, amid stabilization of core inflation (2.3%) and slower growth of energy and food prices. We will also see the results of US business surveys. We forecast that the preliminary University of Michigan Index (97.0 pts in March vs. 101.0 pts in February) will signal deterioration of households' sentiment, mainly due to the concerns about the spread of COVID-19. We believe that the aggregate impact of the US data on the financial markets will be limited.
- **The publication of the review of Poland's long term rating review by Moody's is scheduled for Friday.** In April 2019 Moody's affirmed Poland's rating at A2 with a stable outlook. In the rationale the agency pointed to solid foundations of the Polish economy (fast GDP growth ensuring catching up with the advanced countries), goods situation in public finance (despite the announced fiscal easing) and unfavourable changes in institutional strength (lower assessment of the rule of law and changes in the judiciary). In October 2019, the Agency informed that in its opinion, the economic policy of PiS and the continuation of the current direction of changes in the judiciary system was negative for Poland's credit rating. Moody's was also pointing out the ongoing conflict between Poland and the European Union and was saying that the government-planned sharp increase in the minimum wage might carry a risk to the competitiveness of the Polish economy in medium term, might result in higher inflation, and, ultimately, higher structural unemployment. We expect that the Agency will leave Poland's credit rating and its outlook unchanged this week but the tone of the report will be more negative than during the last rating. It is likely to draw attention to the circumvention of the expenditure rule by the Polish government (moving public expenditure outside of the central budget to finance e.g. the 13$^{th}$ old age pension). Moody's is likely to indicate that such action increases the risk of a marked deterioration in public finance in subsequent years which would be negative for the rating. The decision 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.

- **Today we saw significant data from the German economy**. Industrial production increased by 3.0% MoM in January vs. a 2.2% decrease in December, running clearly above the market expectations (1.7%). Sector-wise an increase in production dynamics was recorded in all its categories: manufacturing, construction, and energy. Data on the German balance on trade have also been released today. It decreased to EUR 19.0bn in January vs. EUR 18.5bn in December. At the same time, export dynamics dropped to 0.0% MoM in January vs. 0.2% in December, while import dynamics rose to 0.5% vs. -0.3%. In our view, today's data should be treated with great caution as they do not reflect yet the negative impact of the coronavirus epidemic on the economic activity in Germany (see below). Hence they are neutral for the financial markets.
- **Data on the Chinese balance on trade were released during the weekend.** It dropped to USD 7.1bn between January and February vs. USD 41.5bn in the similar period of 2019. A decrease was also reported in the dynamics of exports (-17.2% YoY) and imports (-4.0% YoY). The data point to a strong negative impact of the coronavirus epidemic on the activity in China's foreign trade. At the same time, they signal that net exports will have a significant negative contribution to the dynamics of the Chinese GDP in Q1. Noteworthy in the data structure are relatively high dynamics of the imports of goods used in construction. They suggest that China is getting ready to launch infrastructural programs aimed at stimulating economic growth. Based on the information about the Chinese economy incoming in recent weeks, we now estimate that the economic growth rate in China will decrease to ca. 1.0% YoY in Q1 vs. 6.0% in Q4 2019.
- **A significant fall of global oil prices has been recorded today.** The prices of Brent oil are now at a level slightly above USD 30 per barrel. The sharp decrease results from the lack of OPEC agreement on limiting oil supplies amid lower demand resulting from the spread of the COVID-19 epidemic. In addition, Saudi Arabia announced an increase of production. If oil prices continue to be low for an extended period of time, it will be yet another, after the coronavirus epidemic, significant anti-inflationary factor. Thus we see a substantial downside risk to the presented by us scenarios for interest rates in Poland and in the world (see below).

## Last week

- **Last week, FED decreased the target range for federal funds by 50bp to [1.00%; 1.25%].** FED decision was an extraordinary action, taken outside the schedule of FOMC meetings. Last time such situation took place in October 2008, during the financial crisis. The unexpected interest rate cut in the US has led to a significant depreciation of USD vs. EUR. FED justified its decision by the need to counteract the negative effects of the spreading coronavirus epidemic on the US economy. At the same time, the statement repeated the declaration that the Federal Reserve would follow the situation and support the economy by "acting appropriately". We read it as a forecast of subsequent rate cuts. We believe that FED will cut the rates twice more by 50bp in total and the timing of the cuts will depend on the spread of the coronavirus epidemic. If it spreads fast, FED may ease the monetary policy as soon as at the March meeting. Otherwise, it will probably wait until April. Currently, the market is still pricing in the interest rate cuts by 100bp in total until the end of 2020 (50bp in March, 25bp in April, and subsequent 25bp in H2 2020).
- **Last week we saw significant data from the US. Non-farm payrolls rose by 273 in February vs. 225k in January, running significantly above the market expectations (175k) and our forecast (170k).** The highest increase in employment was recorded in education and health service (+54.0k), leisure and hospitality (+51.0k), and the government sector (+45.0k). On the other hand, employment decreased in retail trade (-7.0k), transport and warehousing (-4.0k), and in wholesale trade (-2.6k). Unemployment rate dropped to 3.5% in February vs. 3.6% in January, running in line with the market expectations and our forecast. Thus, the unemployment rate in

the US is staying significantly below the natural unemployment rate indicated by FOMC (4.1%). At the same time, the participation rate has not changed in February compared to January and amounted to 63.4%. The annual dynamics of average hourly earnings dropped to 3.0% in February vs. 3.1% in January, pointing 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 50.1 pts in February vs. 50.9 pts in January, running slightly below the market expectations (50.4 pts). Like in the case of the recently published similar indicators of sentiment in manufacturing for other economies, its value was stabilized in February by a sharp increase in the sub-index for suppliers' delivery times (the effect of the disruptions in global supply chains due to coronavirus), while the sub-indices for new orders, output, and inventories have decreased. Thus its value in February is overestimated and does not fully reflect the deterioration in the US manufacturing. On the other hand, the non-manufacturing ISM recorded an increase and rose to 57.2 pts in February vs. 55.5 pts in January, running above the market expectations. The index increase resulted from higher contributions of the sub-indices for new orders, employment, and suppliers' delivery times, while lower contribution of the business activity sub-index had opposite impact. Due to the spreading coronavirus epidemic, we have revised our forecast of GDP growth rate in the US. We now expect that the annualized US GDP growth rate will reach its local minimum in Q2 and will amount to 0.9% vs. 1.2% in Q1, and in Q3 and Q4 it will amount to 1.7% and 1.6%, respectively.

- **Orders in German manufacturing increased by 5.5% MoM in January vs. a 2.1% decrease in December, running significantly above the market expectations (+1.4% MoM).** At the same time, this has been their highest monthly dynamics since July 2014. The increase in orders resulted from higher foreign orders, while domestic orders have decreased. In the case of foreign orders a sharp increase was recorded for both orders from non-Eurozone countries and from other countries of the single currency area. In the light of the spreading coronavirus epidemic which is breaking global supply chains, these data should be treated with great caution. In January the geographic range of the epidemic was still small, therefore its impact on orders was limited. The data for February are likely to indicate a sharp decrease in orders. This supports our forecast, in which the quarterly dynamics of the German GDP will not change in Q1 compared to Q4 and will amount to 0.0% and in Q2 they will decrease to -0.1%.
- **As we expected, the Monetary Policy Council left interest rates unchanged at the meeting last week (the reference rate amounts to 1.50%).** 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, while at the same time enabling to meet the inflation target in the medium term. Like the month before the Council expects that in the coming quarters, the annual inflation may remain above the upper bound for deviations from the inflation target due to supply-side and regulatory factors, i.e. ones remaining beyond the direct influence of domestic monetary policy. As the impact of these factors fades and GDP growth weakens, inflation will gradually decrease. The Council expects that in the monetary policy transmission horizon inflation will be close to the target. The inflation path in the 2020-2021 period, forecast in the March projection, has - compared to the November projection - been revised upwards. In turn the GDP trajectory was revised downwards compared to the path presented in November (see MACROpulse of 4/3/2020). During the conference, the NBP Governor indicated that "the panic related to the coronavirus epidemic carries some risk of a downturn". He also added that it was currently difficult to assess the scale of that risk. At the same time, he did not explicitly inform if the March projection had factored in the impact of the coronavirus epidemic. A. Glapiński repeated his opinion that interest rates would most probably remain stable until the end of the term. This opinion was shared by the MPC members present at the conference - G. Ancyparowicz and R. Sura. The NBP Governor emphasized that potential easing of monetary policy would have a limited impact on GDP growth in Poland. A. Glapiński also added that possible monetary easing by the ECB would not cause the MPC to follow suit.

The remarks of Council members support our scenario, in which NBP interest rates will remain unchanged at least until the end of 2021 despite a potentially negative impact of the coronavirus on the economic activity in Poland.

- **According to the flash estimate, inflation in the Eurozone dropped to 1.2% YoY in February vs. 1.4% in January, running in line with the market expectations equal to our forecast.** The decrease in inflation resulted from lower dynamics of energy prices (-0.3% YoY in February vs. 1.9% in January), while higher dynamics of the prices of industrial goods (0.5% vs. 0.3%) had opposite impact. We forecast that in subsequent months inflation in the Eurozone will be showing a downward trend to reach its local minimum at 0.7% in June. The decrease in inflation in H1 2020 will result from lower dynamics of energy prices. In H2 2020 we forecast a slight increase in inflation, which however will not exceed 1.0% before the end of 2020. The observed in recent days sharp fall of global oil prices poses a substantial downside risk to this forecast.

## Poland is the most resilient to COVID-19 among regional peers

**Last week we presented our "black scenario" concerning the impact of the spread of the coronavirus epidemic on the economic activity in Poland (see MACROmap of 2/3/2020). Below we analyze how the same developments would impact the macroeconomic situation of other countries of the region – the Czech Republic, Romania and Hungary. We again analyze the same four impact channels - lower demand directly from China, disruptions in supply chains due to the suspension of production in China, lower demand from Italy for exports due to the spread of COVID-19 epidemic in this country, and lower exports of intermediate goods to Germany due to weaker demand for final goods exported to China. We must emphasize that this is not our forecast of the most likely future development in the context of the coronavirus epidemic but only a "black" pessimistic scenario with a low probability of materialization. The estimates below of the impact on the GDP dynamics in the countries of the region are presented in terms of a shock materializing over a period of one year.**

### Lower exports directly to China

The direct exposure of the countries of the region to China is limited. The exports to China represent 1.3% of the total exports of goods from the Czech Republic, 1.1% of exports from Romania, and 1.9% of exports from Hungary. However, the economies of the Czech Republic and Hungary are more open than the economy of Romania and thus in those countries lower foreign demand has bigger impact on the economy. Assuming in the "black scenario" that the slowdown in China contributed to a complete suspension of the import of goods from the countries of the region for a period of one year, it would be conducive to a decline in the GDP dynamics by 1.1 pp in the Czech Republic, 1.5 pp in Hungary, and 0.4 pp in Romania, in whole-year terms.

### Disruptions in supply chains between China and the countries of the region

Like in Poland, much more important from the direct impact of lower demand from China on the export of goods from the countries of the region is the impact through so-called supply chains. We have again assumed that in the "black scenario" the production in the branches of manufacturing where at least 10% of intermediate consumption comes from the imports from China would be completely suspended. In all the three countries these branches include "manufacture of computer, electronic and optical equipment", in the Czech Republic and Hungary they also include "manufacture of electrical equipment", and in Romania "manufacture of machinery and equipment". The afore-mentioned branches are jointly responsible for 14.6% of total industrial production in the Czech Republic, 16.6% in

Hungary, and 8.0% in Romania. We believe that the impact of the suspension of production in these categories on GDP growth will be proportional to their share in creating the added value. That is why we assume that the disturbances in the supply chain between China and the countries of the region will be conducive to lowering the GDP dynamics (per year) by 3.6 pp in the Czech republic, 3.1 pp in Hungary, and 1.5 pp in Romania.

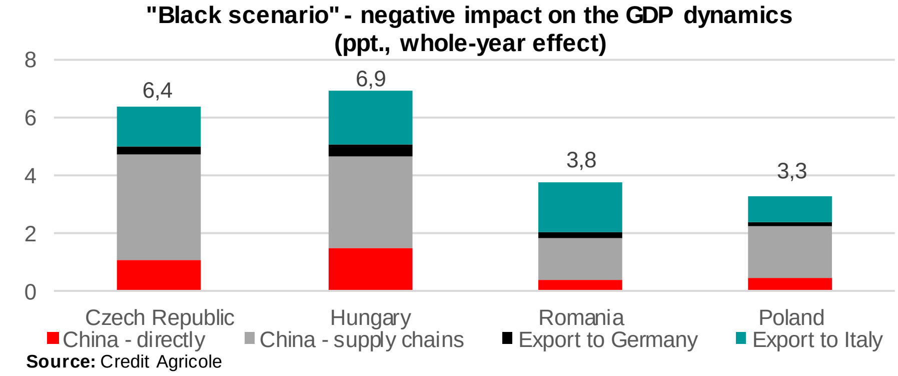
- **Lower exports from the countries of the region to Germany**

Our "black scenario" assumes that car exports from Germany to China will be completely suspended, decreasing the demand of the automotive branch in Germany for the semi-products from the countries of the region by ca. 10% (proportionally to China's weight in the exports of the German automotive branch). For the needs of the automotive branch, Germany is importing intermediate goods from the Czech Republic and from Hungary worth USD 7bn per year (from each country separately) and ca. USD 5bn from Romania. Lower exports of intermediate goods to Germany would mean a decline in total exports from the Czech Republic by 0.4% in the whole year and a decrease in the GDP dynamics in this country by 0.3 pp. For Hungary, these indicators would be lower by 0.6% and 0.4 pp, respectively, and for Romania by 0.7% and 0.2 pp.

- **Lower exports from the countries of the region to Italy**

Our "black scenario" assumes that the spreading epidemic will lead to practically a complete suspension of the export of goods from the countries of the region to northern Italy, responsible for generating ca. 50% of the Italian GDP. That is why we are making the assumption that the export of goods (of all types except investment goods) from the countries of the region to Italy will be reduced by fifty percent. This will be conducive to reducing total export of goods from the Czech Republic by 1.7% per year and to lowering GDP dynamics in this country by 1.4 pp. For Hungary, these indicators would be lower by 2.4% and 1.9 pp, respectively, and for Romania by 5.1% and 1.7 pp.

In the event of the materialization of our "black scenario" for the four impact channels described above, the GDP dynamics in the Czech Republic can be expected to decrease by ca. 6.4 pp, in Hungary by 6.9 pp, and in Romania by 3.8 pp in terms of a shock materializing over a period of one year. Like in the case of Poland it is hard to expect that such shock would last for the whole year – the epidemic is likely to be brought under control earlier, shortening the period of the negative impact of COVID-19 on the economic activity in those countries to ca. six months. In addition, there are other factors alleviating the negative impact of the "black scenario" on the economic activity of the countries of the region, e.g. a simultaneous decline in the imports of the countries of the region (see MACROmap of 2/3/2020). Thus, the aforementioned impact should be reduced by half. In addition, it should be emphasized that our scenario assumes no strong response of the monetary and fiscal policy in the countries of the region that would mitigate the negative impact of the shock. We must emphasize once again that this is not our baseline scenario for future development and only a pessimistic scenario with a low probability of materialization.

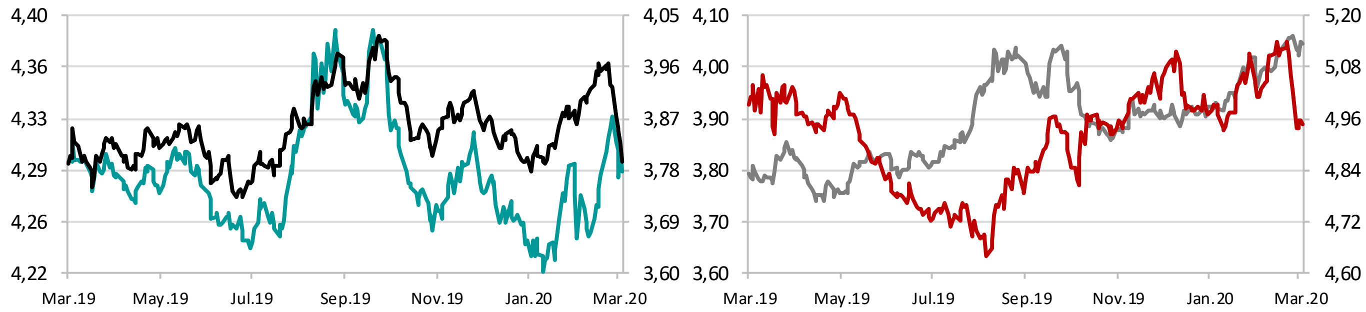


**Source:** Credit Agricole

It can be noticed that Poland is showing the lowest sensitivity to the coronavirus epidemic, as measured within the frame of our scenario. This results from several factors. Firstly, Poland's economy is less open than the economies of Hungary and the Czech Republic, which means that a potential decline in the exports of those countries has a proportionally bigger negative impact on the economic growth rate. Secondly, the branches threatened by disturbed supply chains are in Poland relatively less important for the whole industrial production and creating added value than in the Czech Republic and Hungary. Thirdly, Italy is a more important trade partner for Romania than for Poland.

## Foreign exchange market remains impacted by coronavirus

**FX rates**



**Source:** Reuters

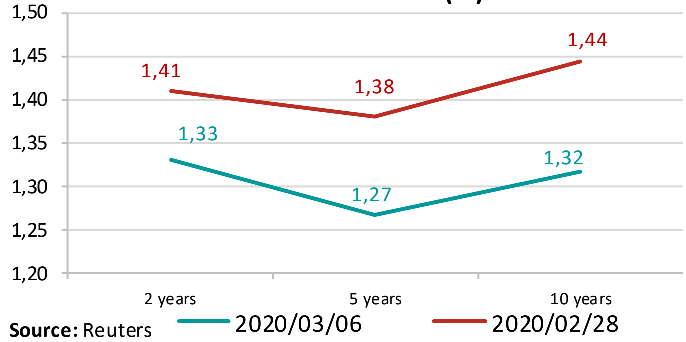
**Last week, the EURPLN exchange rate dropped to 4.2912 (strengthening of PLN by 0.9%).** Last week, like in previous weeks, the situation on the foreign exchange market remained impacted by the investors' sentiment shaped by media reports about the coronavirus epidemic. The beginning of the week saw a slight correction and the strengthening of PLN, due to the realization of profits by some investors. Further into the week, EURPLN resumed the upward trend, following other emerging currencies, but did not increased to the levels at which it closed on Friday two weeks ago.

Last week saw a sharp weakening of USD vs. EUR. Consequently, EURUSD exceeded 1.13 reaching the highest value in more than 7 months. The depreciation of USD was supported by the FED decision to ease the monetary policy and investors' expectations of further interest rate cuts in that country (see above). In turn, the room for interest rate cuts in the Eurozone is much smaller than in the US, which largely explains the EUR appreciation vs. USD observed last week.

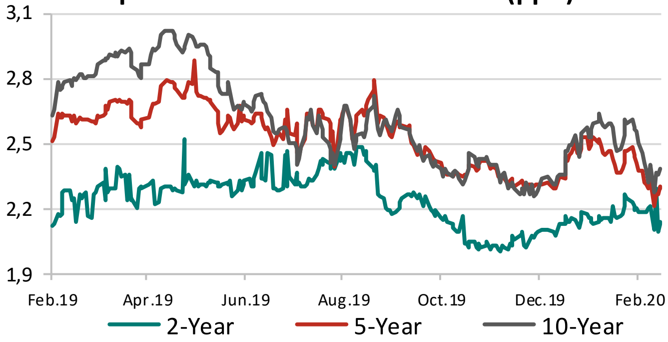
We expect that like in the previous weeks the foreign exchange market will continue to be impacted by media reports on the coronavirus epidemic. We believe that the data from the German economy released today are neutral for PLN. On the other hand, PLN weakening may be supported by the ECB meeting scheduled for Thursday, which is likely to maintain the status quo in the monetary policy. In our view, domestic data on inflation and data from the US (inflation and preliminary University of Michigan Index) will not be market moving. The Friday's review of Poland's rating by Moody's will be released after the closing of the European markets; therefore, its impact on PLN will materialize no sooner than next week.

## IRS rates increasingly low

IRS curve in Poland (%)




Spread: Polish vs. German bonds (ppt.)




**Source:** Reuters

**Last week, 2-year IRS rates decreased to 1.33 (down by 8 bp), 5-year rates to 1.27 (down by 11 bp), and 10-year rates to 1.32 (down by 12bp).** Last week saw a further sharp decrease in IRS rates across the curve, following the core markets. It was the effect of growing concerns about the global economic outlook and big selloff in global markets due to the spreading COVID-19 epidemic. The macroeconomic data released last week had no substantial impact on the curve.

This week, like in the previous weeks, the debt market will focus on media reports on COVID-19 epidemic. Today's data on the German economy are neutral for IRS rates. An increase in IRS rates may be supported by the ECB meeting, which is likely to maintain the existing monetary policy parameters. In our view, domestic data on inflation and data from the US (inflation and preliminary University of Michigan Index) will not have any substantial impact on the curve. The Friday's review of Poland's rating by Moody's will be released after the closing of the European markets; therefore, its impact on IRS rates will materialize no sooner than next week.

# Forecasts of the monthly macroeconomic indicators

**Main monthly macroeconomic indicators in Poland**

| Indicator | Feb.19 | Mar.19 | Apr.19 | May.19 | Jun.19 | Jul.19 | Aug.19 | Sep.19 | Oct.19 | Nov.19 | Dec.19 | Jan.20 | Feb.20 | Mar.20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 | 4,30 | 4,28 | 4,28 | 4,24 | 4,29 | 4,38 | 4,37 | 4,26 | 4,31 | 4,26 | 4,30 | 4,33 | **4,29** |
| USDPLN* | 3,79 | 3,84 | 3,82 | 3,83 | 3,73 | 3,87 | 3,98 | 4,01 | 3,82 | 3,91 | 3,79 | 3,87 | 3,92 | **3,90** |
| CHFPLN* | 3,79 | 3,85 | 3,75 | 3,83 | 3,82 | 3,90 | 4,02 | 4,02 | 3,87 | 3,91 | 3,92 | 4,02 | 4,06 | **3,97** |
| CPI inflation (% YoY) | 1,2 | 1,7 | 2,2 | 2,4 | 2,6 | 2,9 | 2,9 | 2,6 | 2,5 | 2,6 | 3,4 | 4,4 | **4,4** | |
| Core inflation (% YoY) | 1,0 | 1,4 | 1,7 | 1,7 | 1,9 | 2,2 | 2,2 | 2,4 | 2,4 | 2,6 | 3,1 | **3,3** | **3,4** | |
| Industrial production (% YoY) | 6,9 | 5,5 | 9,2 | 7,6 | -2,6 | 5,8 | -1,5 | 5,5 | 3,7 | 1,5 | 3,8 | 1,1 | **1,8** | |
| PPI inflation (% YoY) | 2,9 | 2,5 | 2,6 | 1,4 | 0,5 | 0,5 | 0,9 | 0,8 | -0,3 | -0,1 | 1,0 | 0,8 | **0,3** | |
| Retail sales (% YoY) | 6,5 | 3,1 | 13,6 | 7,3 | 5,3 | 7,4 | 6,0 | 5,3 | 5,4 | 5,9 | 7,5 | 5,7 | **7,0** | |
| Corporate sector wages (% YoY) | 7,6 | 5,7 | 7,1 | 7,7 | 5,3 | 7,4 | 6,8 | 6,6 | 5,9 | 5,3 | 6,2 | 7,1 | **7,0** | |
| Employment (% YoY) | 2,9 | 3,0 | 2,9 | 2,7 | 2,8 | 2,7 | 2,6 | 2,6 | 2,5 | 2,6 | 2,6 | 1,1 | **1,0** | |
| Unemployment rate* (%) | 6,1 | 5,9 | 5,6 | 5,4 | 5,3 | 5,2 | 5,2 | 5,1 | 5,0 | 5,1 | 5,2 | 5,5 | **5,5** | |
| Current account (M EUR) | -630 | 217 | 542 | 430 | -114 | -915 | -246 | 962 | 573 | 1564 | 990 | **3128** | | |
| Exports (% YoY EUR) | 10,5 | 7,8 | 9,6 | 11,5 | -2,6 | 5,9 | -1,8 | 13,5 | 3,8 | -0,2 | 10,6 | **5,2** | | |
| Imports (% YoY EUR) | 8,4 | 2,8 | 8,0 | 11,1 | -5,4 | 6,9 | -3,4 | 6,4 | -0,2 | -4,1 | 0,8 | **2,3** | | |

*end of period

# Forecasts of the quarterly macroeconomic indicators

**Main macroeconomic indicators in Poland**

| Indicator | 2019 | | | | 2020 | | | | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | |
| Gross Domestic Product (% YoY) | 4,8 | 4,6 | 3,9 | 3,1 | 3,0 | 2,9 | 2,7 | 2,4 | 4,1 | 2,7 | 3,3 |
| Private consumption (% YoY) | 3,9 | 4,4 | 3,9 | 3,3 | 3,4 | 3,3 | 3,1 | 3,0 | 3,9 | 3,2 | 2,8 |
| Gross fixed capital formation (% YoY) | 12,2 | 9,1 | 4,7 | 4,9 | 3,9 | 2,2 | 0,8 | -1,8 | 6,9 | 0,7 | 3,5 |
| Export - constant prices (% YoY) | 7,3 | 3,2 | 5,0 | 1,4 | 3,5 | 3,6 | 4,2 | 4,4 | 4,2 | 3,9 | 5,0 |
| Import - constant prices (% YoY) | 6,0 | 3,1 | 3,9 | -0,7 | 3,8 | 3,4 | 2,9 | 2,3 | 3,0 | 3,1 | 4,0 |
| GDP growth contributions: Private consumption (pp) | 2,5 | 2,5 | 2,2 | 1,6 | 2,1 | 1,9 | 1,8 | 1,5 | 2,2 | 1,8 | 1,6 |
| GDP growth contributions: Investments (pp) | 1,5 | 1,5 | 0,8 | 1,2 | 0,5 | 0,4 | 0,1 | -0,5 | 1,3 | 0,1 | 0,6 |
| GDP growth contributions: Net exports (pp) | 1,0 | 0,2 | 0,8 | 1,1 | 0,0 | 0,3 | 0,8 | 1,2 | 0,8 | 0,6 | 0,8 |
| Current account (% of GDP)*** | -0,6 | -0,4 | 0,2 | 1,1 | 0,4 | 0,3 | 0,2 | 0,1 | 1,1 | 0,1 | -0,2 |
| Unemployment rate (%)** | 5,9 | 5,3 | 5,1 | 5,2 | 5,5 | 5,0 | 5,0 | 5,3 | 5,2 | 5,3 | 5,5 |
| Non-agricultural employment (% YoY) | 0,0 | 0,2 | 0,5 | 0,7 | -0,1 | -0,1 | -0,2 | -0,3 | 0,3 | -0,2 | -0,5 |
| Wages in national economy (% YoY) | 7,1 | 7,0 | 7,7 | 6,9 | 7,5 | 7,6 | 7,4 | 7,0 | 7,2 | 7,4 | 6,0 |
| CPI Inflation (% YoY)* | 1,2 | 2,4 | 2,8 | 2,8 | 4,2 | 3,4 | 2,8 | 2,5 | 2,3 | 3,2 | 1,6 |
| Wibor 3M (%)** | 1,72 | 1,72 | 1,72 | 1,71 | 1,71 | 1,71 | 1,71 | 1,71 | 1,71 | 1,71 | 1,71 |
| 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 | 4,26 | 4,29 | 4,29 | 4,29 | 4,29 | 4,26 | 4,29 | 4,25 |
| USDPLN** | 3,84 | 3,73 | 4,01 | 3,79 | 3,90 | 3,83 | 3,76 | 3,80 | 3,79 | 3,80 | 3,83 |

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

## Calendar

| TIME | COUNTRY | INDICATOR | PERIOD | PREV. VALUE | FORECAST* | |
|---|---|---|---|---|---|---|
| | | | | | CA | CONSENSUS** |
| | | **Monday 03/09/2020** | | | | |
| 8:00 | Germany | Industrial production (% MoM) | Jan | -3,5 | | 1,7 |
| 8:00 | Germany | Trade balance (bn EUR) | Jan | 19,2 | | |
| 10:30 | Eurozone | Sentix Index (pts) | Mar | 5,2 | | -11,1 |
| | | **Tuesday 03/10/2020** | | | | |
| 2:30 | China | PPI (% YoY) | Feb | 0,1 | -2,3 | -0,3 |
| 2:30 | China | CPI (% YoY) | Feb | 5,4 | 5,1 | 5,2 |
| 11:00 | Eurozone | Final GDP (% YoY) | Q4 | 0,9 | | 0,9 |
| 11:00 | Eurozone | Revised GDP (% QoQ) | Q4 | 0,1 | 0,1 | 0,1 |
| 11:00 | Eurozone | Employment (% YoY) | Q4 | 1,0 | | |
| | | **Wednesday 03/11/2020** | | | | |
| 13:30 | USA | CPI (% MoM) | Feb | 0,1 | 0,0 | 0,0 |
| 13:30 | USA | Core CPI (% MoM) | Feb | 0,2 | 0,2 | 0,2 |
| | | **Thursday 03/12/2020** | | | | |
| 11:00 | Eurozone | Industrial production (% MoM) | Jan | -2,1 | | 1,2 |
| 13:45 | Eurozone | EBC rate decision (%) | Mar | 0,00 | 0,00 | 0,00 |
| | | **Friday 03/13/2020** | | | | |
| **10:00** | **Poland** | **CPI (% YoY)** | **Feb** | **4,4** | **4,4** | |
| 15:00 | USA | Initial U. of Michigan Sentiment Index (pts) | Mar | 101,0 | 97,0 | 97,0 |

*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

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