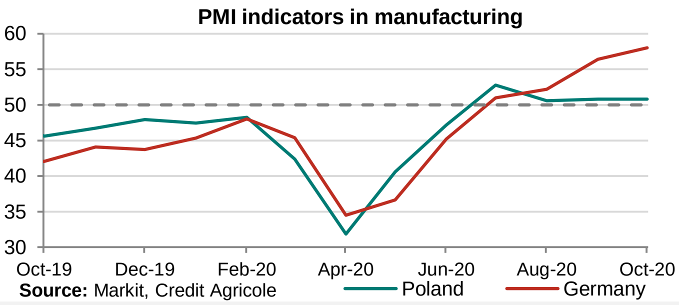
This week

- **The most important event this week will be the US elections scheduled for Tuesday**. The polls point to J. Biden's advantage over D. Trump in the presidential election. In addition, according to the polls, the Democratic Party is likely to take over control in the Congress. The materialization of the scenario signaled by the polls (so-called blue wave) would mean higher likelihood of the stimulus package being adopted soon which would contribute towards lowering the global risk aversion and would be positive for PLN. In the event of D. Trump's victory, the fiscal package will also be passed but will most probably be smaller than with the blue wave. If this is the case we also expect an increase in the risk appetite but at a smaller scale. We believe that the materialization of an alternative scenario where the election results are questioned and, consequently, the prospects for the easing of the US fiscal policy will be postponed, will be negative for market sentiment and PLN. The date of the announcement of final results is not known due to the necessity of counting ballots cast by mail. However the coming days will bring partial results which will support increased volatility in the markets.
- **The FOMC meeting is scheduled for Wednesday.** We expect that FED will leave the target range for the federal funds unchanged at [0.00%; 0.25%]. We believe that the conference after the meeting will take a dovish tone but will not bring any details concerning the possibility of further monetary easing by FOMC. We expect that decisions in this respect will be taken in December 2020 at the earliest. We believe that the conference will not provide any new information substantially changing the US monetary policy outlook. We maintain our scenario, in which interest rates in the US will remain at the current level for a longer period of time. We expect the conference after the meeting to be neutral for the financial markets.
- **The Wednesday's meeting of the Monetary Policy Council will not bring any significant changes in the monetary policy, we believe.** The reference rate will be left at the current level (0.10%). The statement after the meeting will be particularly important due to the publication of the preliminary results of the November macroeconomic projection. Particularly interesting will be to capture the expected impact of the currently observed second wave of the pandemic on the trajectory of growth and inflation. The economic growth profile is however likely to be revised upwards due to a stronger-than-expected recovery in Q3 2020. The inflation forecast is likely to be slightly raised in the short term but will continue to stay below the inflation target in the policy relevant horizon. In sum, the project will present the scenario of lower inflation in 2021 with the Polish economy slowly regaining equilibrium.
- **This week we will see some significant data from the US.** We expect non-farm payrolls to have increased by 550k in October vs. a 661k increase in September. We forecast that the unemployment rate dropped to 7% in October from 7.9% in September. Before the Friday's reading some additional information on the labour market will be provided by the ADP report on private sector employment (the market expects an increase by 526k in October vs. a 749k increase in September). On Thursday we will see the number of unemployment benefit claims. According to the consensus it will amount to 746k vs. 751k last week, confirming a downward trend for this indicator. The ISM index for manufacturing will be released today and according to our forecast will increase to 55.6 pts in October vs. 55.4 pts in September. The stabilization of the growth rate of the manufacturing activity has already been signaled earlier by the mixed impact of regional business sentiment indicators. We expect that the publication of the US data will be overshadowed by the US elections and FED decisions and will thus be neutral for the financial markets.
- **In recent days we have seen the business survey results for the Chinese manufacturing**. The CFLP PMI published during the weekend dropped to 51.4 pts in October vs. 51.5 pts in September, running slightly above the market expectations (51.3 pts). In turn, today we have seen the Caixin PMI which rose to 53.6 pts in October vs. 53.0 pts in September, running above the market expectations (53.0 pts). At the same time the index stood at the highest level since

January 2011. Especially noteworthy in the data structure is a sharp increase in the sub-index for total new orders, accompanied by a decrease in the sub-index for new export orders. This shows that internal demand is the main source of the recovery in Chinese manufacturing while the improvement observed in recent months in global trade is being increasingly limited by the second wave of the pandemic. The data from China are neutral for the financial markets, we believe.

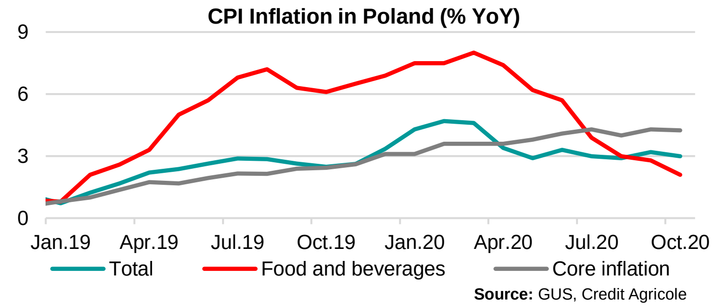
- **The Polish manufacturing PMI has been released today.** Its value has not changed in October compared to September and amounted to 50.8 pts. It thus stood slightly below the market expectations (51.1 pts) and our forecast (51.2 pts). The index stabilization resulted from lower contributions of the sub-indices for new orders and output and higher contributions of the sub-indices for employment, level of inventories, and suppliers' delivery times. Especially noteworthy is the recorded for the first time since June 2020 decrease in new orders (i.e. the sub-index stood below the 50 pts threshold). According to the report, the main reason for weaker inflow of new orders was the situation in domestic markets. Meanwhile export orders increased for fourth consecutive month and at the highest rate since January 2018. According to the report bigger number of non-completed orders resulted partly from stronger inflow of foreign orders. Many companies have also reported delays in the execution of orders because of the absence of employees self-isolating due to COVID-19 symptoms. To meet the current production needs, companies were recruiting new staff – the employment sub-index stood at the highest level since June 2018. Nonetheless the companies signaled lower optimism about future production than in September (see MACROpulse of 1/10/2020). The indicator of anticipated production in the horizon of 12 months stood in October at the lowest level since May 2020. Despite the deterioration in sentiment, according to the report the Polish entrepreneurs still expect an increase in exports and stabilization of the situation related to the pandemic. We believe that today's business survey results for Polish manufacturing are neutral for PLN and yields on Polish bonds.



Source: Markit, Credit Agricole

Last week

- **According to the flash estimate, the quarterly GDP dynamics in the Eurozone increased to 12.7% in Q3 vs. -11.8% in Q2 (-4.3% YoY in Q3 vs. -14.8 in Q2), running markedly above the market expectations (9.0%) and our forecast (10.0%).** Last week we also saw flash GDP estimates for several Eurozone economies, i.a. Germany (8.2% QoQ in Q3 vs. -9.8% in Q2), France (18.2% in Q3 vs. -13.7% in Q2), Spain (16.7% in Q3 vs. -17.8% in Q2), and Italy (16.1% in Q3 vs. -13.0% in Q2), all of which stood markedly above the market expectations (7.3 QoQ for Germany, 15.4% for France, 13.5% for Spain, and 11.2% for Italy). In addition, for France and Italy the GDP growth in Q3 was stronger from its decrease in Q2 which was a big surprise. Today's GDP data are a flash estimate and do not include its structure; therefore it is hard to say at this stage what has been the main source of the stronger-than-expected GDP growth in the Eurozone. Subsequent GDP estimate for the Eurozone in Q3, reflecting the growth rate in all the countries of the single currency area, will be released on 13 November and data on GDP structure will be released on 8 December. Despite the better than we expected data, due to the second wave of the pandemic, we see a downside risk to our forecast in which the GDP in the Eurozone will decrease by 7.5% YoY in 2020 vs. a 1.3% increase in 2019.



- **In accordance with the flash estimate, CPI inflation in Poland dropped to 3.0% YoY in October vs. 3.2% in September, running in line with our forecast and below the market expectations (3.2%).** GUS published partial data on the inflation structure, including 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 the prices of food and non-alcoholic beverages (2.3% in October vs. 2.8% in September) and lower core inflation, which, according to our estimates, dropped to 4.2% YoY in October vs. 4.3% in September. Higher dynamics of energy prices (4.8% vs. 4.6%) had opposite impact while the dynamics of fuel prices have not changed in October compared to September and amounted to -9.2% YoY. In the coming months we expect a decrease in inflation due to high base effects. The last week's data support our forecast in which inflation in 2020 will, on a yearly average, stand at 3.4% YoY and will decrease to 2.2% in 2021.
- **According to the flash estimate, inflation in the Eurozone has not changed in October compared to September and amounted to -0.3% YoY, running in line with our forecast equal to the market consensus.** The stabilization of inflation resulted from higher dynamics of the prices of industrial goods and lower dynamics of the prices of services. Core inflation has not changed in October compared to September and amounted to -0.2% YoY, reaching the lowest level on record. We maintain our scenario, in which there will be deflation in the Eurozone at least until the end of 2020. At the same time we believe that due to the disinflation trends observed within the single currency area and resulting from the economic crisis, core inflation will exceed the level of +0.6% YoY no sooner than in Q3 2021. Consequently, we forecast that in the whole 2020 headline inflation in the Eurozone will decrease to 0.2% YoY vs. 1.2% in 2019 and will increase to 0.7% YoY in 2021. The expected low inflation in the Eurozone in 2021 will be conducive to lower rate of inflation in Poland next year (see MACROmap of 26/10/2020).
- **The ECB meeting was held last week**. As we expected, the monetary policy parameters have been left unchanged (the deposit rate amounts to -0.5%). The ECB repeated that it was going to continue the Pandemic Emergency Purchase Programme (PEPP) while maintaining its target scale (EUR 1350bn) and horizon (at least until June 2021). The ECB repeated the declaration that the repaid capital deriving from the maturing securities purchased under PEPP would be reinvested at least until the end of 2022. The ECB repeated the declaration that repayments of the principal deriving from the maturing securities purchase under PEPP would be reinvested at least until the end of 2022. The ECB will also continue the Asset Purchase Programme (APP) amounting to EUR 20bn a month and purchases under the temporary envelope (EUR 120bn) until the end of 2020, with APP ending, according to the ECB declaration, shortly before the beginning of the cycle of interest rate hikes. During the press conference after the meeting the ECB President Ch Lagarde declared that in December, after seeing the macroeconomic projections, the Governing Council would adjust the monetary policy parameters so as to support the economic recovery in the Eurozone and prevent the negative impact of the second wave of the pandemic on inflation. We expect that at the December meeting the ECB will increase the scale of its asset purchase programmes (PEPP or its basic quantitative easing programme) by more than EUR500bn and will ease the terms of TLTRO (targeted longer-term refinancing operations).
- **Significant data from the US economy were released last week.** In accordance with the first estimate, the annualized US GDP growth rate amounted to 33.1% in Q3 vs. -31.4% in Q2, running above the market expectations (31.0%). The surge of the growth rate resulted from

higher contribution of private consumption (25.27 pp in q3 vs. -24.01 pp in Q2), investments (4.96 pp vs. -5.27 pp), and inventories (6.62 pp vs. -3.50 pp). Lower contributions of net exports (-3.09 pp vs. 0.62 pp) and government expenditure (-0.68 pp vs. 0.77 pp) had opposite impact. Thus, the main source of the economic growth in Q3 was private consumption while in Q2 it was the main reason for its collapse. Last week we also saw the data on durable goods orders which increased by 1.9% MoM in September vs. a 0.4% increase in August, running above the market expectations (0.5%). Excluding means of transport, the monthly dynamics of durable goods orders dropped to 0.8% in September vs. 1.0% in August. The volume of durable goods orders continues to be by ca.0.4% lower from February, namely the last month without strong impact of the pandemic on orders. In turn the volume of orders for non-military capital gods, excluding aircrafts, was in September higher by 2.4% from February, which points to the prospect for recovery in US investments in the coming months. Last week we also saw data from the labour market. The number of unemployment benefit claims dropped to 751k vs. 791k two weeks ago, running below the market expectations (775k). Noteworthy is also a further sharp decrease in the number of continued claims (from 8.5M to 7.8M) which results largely from the loss of right to the benefit by long-term unemployed persons. Thus, the data confirm that the improvement in the US labour market is very slow and the market itself is still far from the equilibrium. A slight decline was recorded in September in new home sales (959k vs. 994k). However, considering the data from two weeks ago on new building permits, housing starts, and existing home sales, the data do not alter our view that we are observing a strong recovery in the US real estate market (see MACROmap of 26/10/2020). Last week we also saw the results of consumer sentiment surveys. The Conference Board Index dropped to 100.9 pts in September vs. 101.3 pts, running below the market expectations (102.0 pts). The index decrease resulted from lower value of its sub-index for expectations while higher sub-index for the assessment of the current situation had opposite impact. On the other hand, the final University of Michigan Index recorded an increase and rose to 81.8 pts in October vs. 80.4 pts in September and 81.2 pts in the flash estimate. Unlike the Conference Board Index, an increase was recorded in October for the sub-index for expectations while the sub-index for the assessment of the current situation has decreased. The last week's data do not alter our scenario, in which the US GDP will decrease by 4.5% in the whole 2020 vs. a 3.7% increase in 2019 and will increase by 3.7% in 2021. Further course of the COVID-19 pandemic in the US and the scale and time profile of the subsequent stimulus package are the main risks to the sustainability of the economic recovery of in the US.

- **Ifo Index reflecting the sentiment among German managers representing the manufacturing, construction, trade and services, decreased by 92.7 pts in October vs. 93.2 pts in September, running slightly below the market expectations (93.0 pts).** The index decrease resulted from its lower sub-index for expectations while higher sub-index for the assessment of the current situation had opposite impact. Sector-wise, deterioration of sentiment was recorded in services, construction, and trade while the situation in manufacturing has improved. We forecast that the German GDP will decrease by 5.4% in 2020 vs. a 0.6% increase in 2019 and will increase by 5.0% in 2021. Thus the German GDP will attain its pre-pandemic level no sooner than in 2022. The second wave of the pandemic observed in Europe poses a downside risk to our forecast.

What will be the impact of the second wave of the pandemic on CEE-3 economies?

	Real GDP (% YoY)			CPI (% YoY)		
	2019	2020	2021	2019	2020	2021
Czech Rep.	2,5	**-7,5**	**4,0**	2,8	**2,9**	**2,0**
Hungary	4,9	**-4,5**	**3,9**	3,4	**3,0**	**2,9**
Romania	4,1	**-5,3**	**4,2**	3,8	**2,8**	**2,7**

Source: Reuters, Credit Agricole

Below we present in brief our macroeconomic scenario for 2020-2021 for the countries of the Central and Eastern Europe – the Czech Republic, Hungary and Romania (hereinafter: CEE-3).

We have now seen only a flash GDP estimate for Q3 in the Czech Republic (-5.8% YoY vs. -10.9% in Q2). It has proved to be better from the market expectations (-6.9%) and from the forecast of the Czech National Bank (-10.0%). The data for Q3 for the remaining CEE-3 economies will be published in subsequent weeks. Crucial for our medium-term forecasts are however not the data on the activity in Q3 but the expectations concerning the course of the second wave of the pandemic and the restrictions imposed by the governments of these countries. It will be these expectations which will decide about the scale of the GDP decrease in Q4 2020.

Like in Poland, the currently observed scale of infections in CEE-3 is surprising. The second wave of the pandemic takes the least favourable course in the Czech Republic. That is why the restrictions imposed by the government in this country are also the toughest – full lockdown has been introduced. There is curfew, most shops are closed as well as hairdressers, cinemas, gyms, swimming pools. The teaching in schools is done remotely and restaurants serve only take-away meals. Such significant scale of the restrictions will contribute towards a collapse of consumption and investments. Smaller restrictions – similar as in Poland – are binding in Romania. In turn in Hungary the administrative restrictions are relatively the smallest. Cultural institutions, public places are open, schools function in stationary mode, family gatherings can be organized for less than 200 persons. On the other hand, banned are mass events for more than 500 people and restaurants, cafes and bars are open until 23:00 hrs. The differentiation of the scale of the restrictions (see the table below) that are likely to remain in place until the end of Q1 2021 is reflected in the GDP dynamics forecasted by us in 2020: -7.5% in the Czech Republic, -5.3% in Romania, and -4.5% in Hungary.

We believe that, like in Poland, the second wave of the pandemic in an intensive form will continue in CEE-3 economies until the turn of Q1 and Q2 2021. Looking further ahead, given the impact of the low base effect, the economic growth rate will be clearly positive. We expect a significant increase in the dynamics of corporate investments in H2 2021 due to the necessity of the renewal of assets and low base effects. The economic growth will also be supported by exports amid the expected by us recovery in global trade. In H2 2021 an important factor supporting GDP growth will be the implementation of the investment projects under the EU recovery fund (see MACROmap of 19/10/2020). We forecast that the average yearly economic growth rate in 2021 will amount to 4.0% YoY in the Czech Republic, to 4.2% in Romania, and to 3.9% in Hungary.

Restrictions in CEE-3 countries		
Czech Republic	**Hungary**	**Romania**
• Curfew between 21:00 and 5:00 hrs • Most shops are closed (except for shops with food and essential articles, pharmacies, petrol stations) • No trade on Sundays • Hairdressing salons, shopping malls, gyms, swimming pools, cinemas, sports estabslishments, etc. are closed • Wearing masks is obligatory • Restaurants – only for take-away • Shops and restaurants close at 20:00 hrs • Teaching is in remote mode	• Citizens of other countries are not allowed into the territory of Hungary (with some exceptions) • Masks on public transport and inside buildings • Restaurants, cafes, bars and hotels are open until 23: 00 hrs • Cultural institutions, public places are open • Schools in stationary mode • Ban on mass events over 500 people • Family gatherings allowed for less than 200 people	• State of alarm extended until 15 November • Restaurants, cafes, cinemas, theatres, bars, discos and casinos closed in Buccarest • Teaching in remote mode • Wearing masks is obligatory • No weddings, christenings and other familiy events • Sports events with no spectators • Local authorities may impose tougher restrictions in some areas

Source: Credit Agricole

In recent months inflation stood above the central banks' targets in all the CEE-3 countries. The smallest deviation was recorded in Romania, the biggest in the Czech Republc. The intensification of the inflation pressure resulted i.a. from supply-side shocks, companies transferring the costs resulting from the need to meet the safety requirements to consumers, as well as rises in the prices of goods and services with a view to maintaining profitability given lower turnovers. Higher inflation (especially core inflation) is likely to continue in the CEE-3 countries until the end of 2020. We believe that in the horizon of several quarters inflation will decrease, supported by high base effects and low wage pressure. We expect that in 2021 inflation targets will be attained in all the CEE-3 countries.

We expect that due to the second wave of the pandemic, the Czech National Bank (CNB) will decide to further ease the monetary policy. In our view, interest rates will be reduced by 20 bps to 0.05% in Q4 2020 and will stay at this level at least until the end of 2021. Due to inflation currently running above the CNB target and the hawkish remarks of some central bank representatives, we see an upside risk to this scenario. In the forecast horizon we expect a slight appreciation of CZK vs. EUR. We forecast that EURCZK will stand at 26.80 at the end of 2020 and 26.20 at the end of 2021.

We expect that also in Romania the monetary policy will be eased soon in reaction to the decrease of the GDP during the second wave of the pandemic. Limited room for maneuver in fiscal policy easing, relatively still high level of interest rates, and inflation running close to the target support such scenario. We expect that the National Bank of Romania will decide to cut interest rates by 25 bps in Q4 2020 down to 1.00%. At the same time, due to foreign currency interventions of the central bank, we believe that EURRON will remain stable ranging between 4.85 and 4.88 until the end of 2021.

In the case of the Hungarian National Bank (MNB), an important factor determining changes in the monetary policy is now the profile of EURHUF exchange rate, due to its impact on inflation. The Vice Governor of the central bank has said recently that further cuts of the main interest rate should be ruled out. At the same time, in reaction to the depreciation of HUF, the MNB raised in September the rate of one-week deposit at the central bank from 0.60% to 0.75%. We expect that in accordance with the declaration of the central bank the main interest rate will remain at the current level (0.6%) until the end of 2021. However, we see a risk that the MNB may decide to raise the rate of the one-week deposit again in the coming weeks if EURHUF does not decrease after the US presidential election. We forecast that EURHUF will amount to 357 at the end of 2002 and to 345 at the end of 2021.

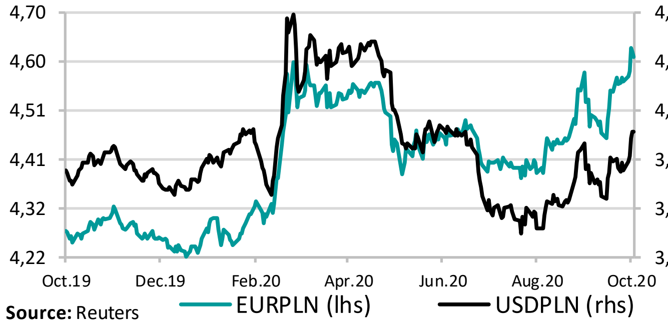
We believe that in the coming months the CEE-3 currencies will be supported by the launch of the fiscal package in the US, monetary policy easing by the ECB, and the recovery of economic growth in 2021 being priced in more by the markets. However we see an upside risk to our forecasts of EURCZK, EURRON and EURHUF at the end of 2020 and Q1 2021. We believe that possible materialization of an alternative scenario in which the results of the presidential election are questioned and, consequently, the prospects for fiscal policy easing in the US are postponed, will be negative for market sentiment and CEE-3 rates. However this is not our baseline scenario; therefore, for the time being we maintain our FX forecasts presented in the table below.

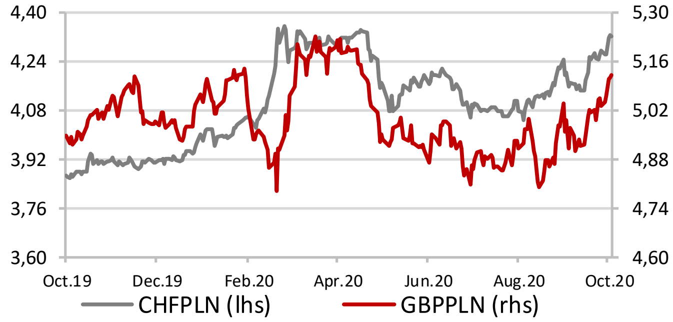
	Central banks' base rates (%)							
	Mar.20	Jun.20	Sep.20	Dec.20	Mar.21	Jun.21	Sep.21	Dec.21
Czech Rep.	1,00	0,25	0,25	**0,05**	**0,05**	**0,05**	**0,05**	**0,05**
Hungary	0,90	0,75	0,60	**0,60**	**0,60**	**0,60**	**0,60**	**0,60**
Romania	2,00	1,75	1,50	**1,25**	**1,25**	**1,25**	**1,25**	**1,25**
	FX rates							
	Mar.20	Jun.20	Sep.20	Dec.20	Mar.21	Jun.21	Sep.21	Dec.21
EURCZK	27,29	26,65	27,05	**26,80**	**26,60**	**26,40**	**26,30**	**26,20**
EURHUF	359	354	363	**357**	**354**	**351**	**348**	**345**
EURRON	4,83	4,84	4,87	**4,88**	**4,88**	**4,85**	**4,85**	**4,85**

Source: Reuters, Credit Agricole

EURPLN at the highest since April 2009

FX rates





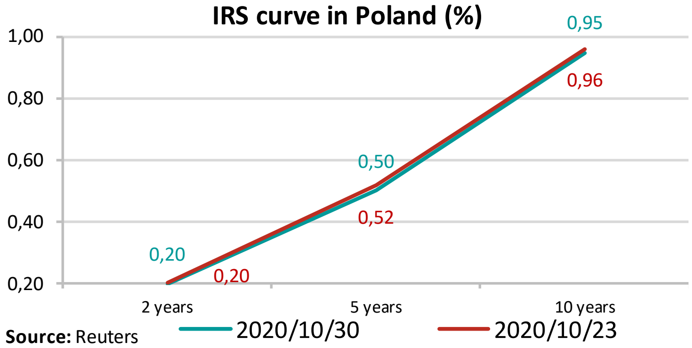
Source: Reuters

Last week, the EURPLN exchange rate rose to 4.6137 (weakening of PLN by 1.1%). Throughout last week EURPLN was showing an upward trend. Conducive to weaker PLN was the growing number of new coronavirus infections which reached record levels last week. Consequently, investors started pricing in the introduction of subsequent restrictions in Poland, what has substantially deteriorated the sentiment in the domestic FX market. In effect, EURPLN amounted to 4.6447 on Thursday, reaching the highest level since April 2009. The publication of numerous data from the global economy did not have any significant impact on PLN.

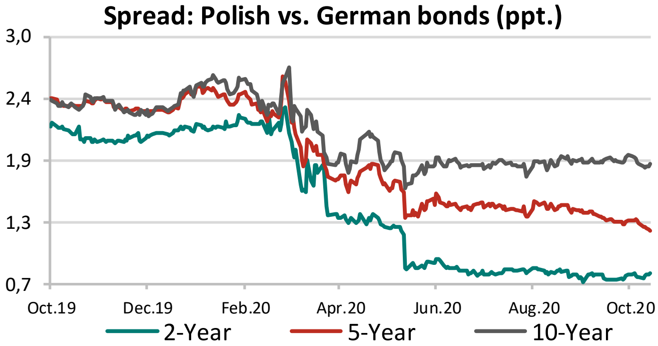
Last week also saw the depreciation of EUR vs. USD. The decrease in EURUSD exchange rate was supported by data pointing to a fast increase in infections in Europe, which intensified investors' concerns about the prospect for economic growth in the Eurozone. The appreciation of USD was also supported by higher risk aversion due to the stalemate in talks on new fiscal package in the US and substantially lower likelihood of a compromise being reached before the US presidential election.

In our view, the results of business surveys for Polish and Chinese manufacturing that have been released this morning are neutral for PLN. This week, like in the previous weeks, PLN will remain impacted by global sentiment related to the coronavirus pandemic. Crucial for the FX market will be the presidential election in the US which may support increased volatility of PLN. We believe that FOMC meeting and data from the US (non-farm payrolls, unemployment benefit claims, and ISM Index for manufacturing) will be overshadowed by the presidential election and will not have any substantial impact on PLN. In our view, the MPC meeting will also be neutral for the market.

US presidential election crucial for IRS rates



Source: Reuters



Last week, 2-year IRS rates amounted to 0.20 (no change), 5-year rates dropped to 0.50 (down by 2bps), and 10-year rates to 0.95 (down by 1bp). Last week IRS rates were relatively stable against the backdrop of recent weeks. Lower volatility was supported by lower activity of investors in anticipation of the presidential election in the US as well as possible toughening of the administrative restriction in Poland due to a growing number of coronavirus infections. On Wednesday, BGK sold PLN 2.7bn of bonds in aid of the anti-COVID-19 fund with demand amounting to PLN 5.1bn.

In our view, the results of business surveys for Polish manufacturing that have been released this morning are neutral for IRS rates. This week, like in the previous weeks, IRS rates will remain impacted by global sentiment related to the coronavirus pandemic. Crucial for the investors will be the presidential election in the US. The date of the publication of the final results is not known due to the necessity of counting the ballots cast by mail. Nonetheless, partial results will support increased volatility of IRS rates. The FOMC meeting and data from the US (non-farm payrolls, unemployment benefit claims, and ISM Index for manufacturing) will be overshadowed by the presidential election. We believe that the MPC meeting will not have any significant impact on the curve.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	Oct.19	Nov.19	Dec.19	Jan.20	Feb.20	Mar.20	Apr.20	May.20	Jun.20	Jul.20	Aug.20	Sep.20	Oct.20	Nov.20
NBP reference rate (%)	1,50	1,50	1,50	1,50	1,50	1,00	0,50	0,10	0,10	0,10	0,10	0,10	0,10	**0,10**
EURPLN*	4,26	4,31	4,26	4,30	4,33	4,55	4,54	4,44	4,44	4,41	4,40	4,53	4,60	**4,51**
USDPLN*	3,82	3,91	3,79	3,87	3,92	4,13	4,15	4,00	3,95	3,74	3,68	3,86	3,95	**3,89**
CHFPLN*	3,87	3,91	3,92	4,02	4,06	4,29	4,30	4,16	4,17	4,10	4,07	4,21	4,32	**4,20**
CPI inflation (% YoY)	2,5	2,6	3,4	4,3	4,7	4,6	3,4	2,9	3,3	3,0	2,9	3,2	**3,0**	
Core inflation (% YoY)	2,4	2,6	3,1	3,1	3,6	3,6	3,6	3,8	4,1	4,3	4,0	4,3	**4,3**	
Industrial production (% YoY)	3,7	1,5	3,8	1,1	4,8	-2,4	-24,6	-16,8	0,5	1,1	1,5	5,9	**0,5**	
PPI inflation (% YoY)	-0,3	-0,1	1,0	0,9	0,2	-0,3	-1,4	-1,7	-0,8	-0,6	-1,3	-1,6	**-0,9**	
Retail sales (% YoY)	5,4	5,9	7,5	5,7	9,6	-7,0	-22,6	-8,6	-1,9	2,7	0,4	2,7	**-3,9**	
Corporate sector wages (% YoY)	5,9	5,3	6,2	7,1	7,7	6,3	1,9	1,2	3,6	3,8	4,1	5,6	**4,8**	
Employment (% YoY)	2,5	2,6	2,6	1,1	1,1	0,3	-2,1	-3,2	-3,3	-2,3	-1,5	-1,2	**-1,0**	
Unemployment rate* (%)	5,0	5,1	5,2	5,5	5,5	5,4	5,8	6,0	6,1	6,1	6,1	6,1	**6,1**	
Current account (M EUR)	243	1182	73	2756	1100	805	772	2028	3811	1012	947	**2030**		
Exports (% YoY EUR)	5,5	2,5	10,8	4,9	8,0	-6,6	-29,3	-19,6	2,6	1,7	0,8	**6,2**		
Imports (% YoY EUR)	2,1	-1,8	0,7	3,9	0,9	-3,9	-28,4	-28,2	-10,3	-4,4	-5,1	**0,2**		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland												
Indicator		2020				2021				2019	2020	2021
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)		**1,9**	**-8,4**	**-1,0**	**-4,5**	**-1,2**	**6,3**	**4,6**	**4,7**	**4,5**	**-3,1**	**3,6**
Private consumption (% YoY)		**1,2**	**-10,8**	**1,0**	**-3,6**	**0,0**	**7,1**	**4,3**	**3,0**	**4,0**	**-3,0**	**3,5**
Gross fixed capital formation (% YoY)		**0,9**	**-10,7**	**-14,9**	**-17,0**	**-9,9**	**4,8**	**7,5**	**8,8**	**7,2**	**-12,2**	**4,0**
Export - constant prices (% YoY)		**2,0**	**-14,5**	**1,3**	**1,0**	**2,0**	**8,0**	**5,3**	**5,4**	**5,1**	**-2,5**	**5,1**
Import - constant prices (% YoY)		**0,4**	**-18,0**	**-4,7**	**-1,0**	**1,0**	**9,0**	**4,1**	**3,6**	**3,3**	**-5,8**	**4,2**
GDP growth contributions	**Private consumption (pp)**	**0,8**	**-6,2**	**0,6**	**-1,8**	**0,0**	**3,9**	**2,6**	**1,5**	**2,3**	**-1,7**	**2,0**
	Investments (pp)	**0,1**	**-1,8**	**-2,6**	**-4,3**	**-1,3**	**0,8**	**1,1**	**1,9**	**1,3**	**-2,2**	**0,7**
	Net exports (pp)	**0,9**	**1,1**	**3,1**	**1,0**	**0,6**	**0,2**	**1,0**	**1,2**	**1,1**	**1,6**	**0,8**
Current account (% of GDP)* **		**1,1**	**2,3**	**3,0**	**2,9**	**2,0**	**1,5**	**1,7**	**2,3**	**0,5**	**2,9**	**2,3**
Unemployment rate (%)**		**5,4**	**6,1**	**6,1**	**7,1**	**7,1**	**6,0**	**5,5**	**6,1**	**5,2**	**7,1**	**6,1**
Non-agricultural employment (% YoY)		**0,7**	**-1,8**	**-2,2**	**-2,4**	**-1,5**	**1,3**	**1,6**	**2,0**	**0,3**	**-1,4**	**0,9**
Wages in national economy (% YoY)		**7,7**	**3,8**	**3,3**	**3,5**	**2,8**	**3,3**	**3,0**	**3,1**	**7,2**	**4,6**	**3,1**
CPI Inflation (% YoY)*		**4,5**	**3,2**	**3,0**	**2,7**	**1,6**	**2,3**	**2,3**	**2,6**	**2,3**	**3,4**	**2,2**
Wibor 3M (%)**		**1,17**	**0,26**	**0,22**	**0,22**	**0,22**	**0,22**	**0,22**	**0,22**	**1,71**	**0,22**	**0,22**
NBP reference rate (%)**		**1,00**	**0,10**	**0,10**	**0,10**	**0,10**	**0,10**	**0,10**	**0,10**	**1,50**	**0,10**	**0,10**
EURPLN**		**4,55**	**4,44**	**4,53**	**4,43**	**4,40**	**4,39**	**4,37**	**4,35**	**4,26**	**4,43**	**4,35**
USDPLN**		**4,13**	**3,95**	**3,86**	**3,75**	**3,70**	**3,69**	**3,64**	**3,63**	**3,79**	**3,75**	**3,63**

* quarterly average

** end of period

***cumulative for the last 4 quarters

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST* CA	FORECAST* CONSENSUS**
		Monday 11/02/2020				
2:45	China	Caixin Manufacturing PMI (pts)	Oct	50,2	53,5	53,0
9:00	**Poland**	**Manufacturing PMI (pts)**	**Oct**	**50,8**	**51,2**	**51,1**
9:55	Germany	Final Manufacturing PMI (pts)	Oct	58,0	58,0	58,0
10:00	Eurozone	Final Manufacturing PMI (pts)	Oct	54,4	54,4	54,4
15:45	USA	Flash Manufacturing PMI (pts)	Oct	53,3		
16:00	USA	ISM Manufacturing PMI (pts)	Oct	55,4	55,6	55,8
		Tuesday 11/03/2020				
16:00	USA	Factory orders (% MoM)	Sep	0,7	0,7	1,0
		Wednesday 11/04/2020				
10:00	Eurozone	Services PMI (pts)	Oct	46,2	46,2	46,2
10:00	Eurozone	Final Composite PMI (pts)	Oct	49,4	49,4	49,4
11:00	Eurozone	PPI (% YoY)	Sep	-2,5		-2,4
14:15	USA	ADP employment report (k)	Oct	749		650
16:00	USA	ISM Non-Manufacturing Index (pts)	Oct	57,8	58,0	57,5
	Poland	**NBP rate decision (%)**	**Nov**	**0,10**	**0,10**	**0,10**
		Thursday 11/05/2020				
8:00	Germany	New industrial orders (% MoM)	Sep	4,5		2,0
11:00	Eurozone	Retail sales (% MoM)	Sep	4,4		-1,1
13:00	UK	BOE rate decision (%)	Nov	0,10	0,10	0,10
13:30	USA	Initial jobless claims (k)	w/e	751		746
20:00	USA	FOMC meeting (%)	Nov	0,25	0,25	0,25
		Friday 11/06/2020				
8:00	Germany	Industrial production (% MoM)	Sep	-0,2		2,8
14:00	**Poland**	**MPC Minutes**	**Sep**			
14:30	USA	Unemployment rate (%)	Oct	7,9	7,7	7,6
14:30	USA	Non-farm payrolls (k MoM)	Oct	661	550	600
16:00	USA	Wholesale inventories (% MoM)	Sep	-0,1		-0,1
16:00	USA	Wholesale sales (% MoM)	Sep	1,4		

*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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