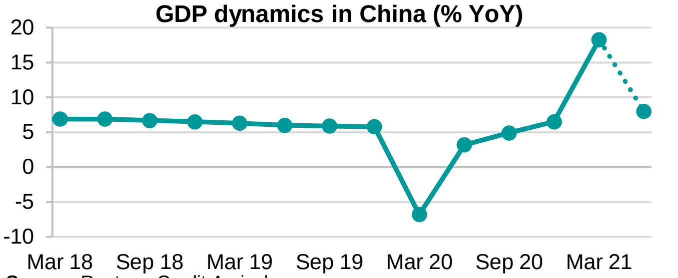
Will the Polish Deal push property prices up?

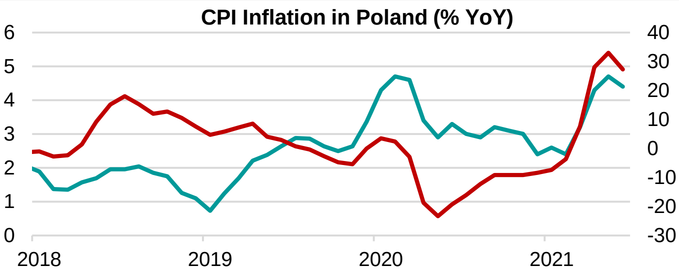
This week

- **The most important event this week will be the release of data on Q2 GDP growth in China planned for Thursday.** We expect GDP to have grown by 1.1% QoQ vs. 0.6% growth in Q1. YoY growth will slow down considerably due to the fading of low base effects related to the outbreak of the pandemic in 2020 (to 8.0% YoY in Q2 from 18.3% in Q1). The June data will reflect a deceleration of economic activity in China due to a slowdown in domestic demand and a gradual withdrawal of fiscal policy support. We forecast that industrial production growth dropped to 8.1% YoY in June from 8.8% in May; retail sales growth dropped to 11.5% YoY from 12.4%, and urban investments growth dropped to 12.0% YoY from 15.4%. On Tuesday, data on China's trade balance will be released. In accordance with the consensus, the trade balance fell to USD 44.2bn in June from USD 45.5bn in May with a simultaneous slowdown in exports and imports. We expect that the release of data from China will be neutral for financial markets.



Source: Reuters, Credit Agricole

- **On Wednesday and Thursday, the Fed Chairman J. Powell will present the Fed's semi-annual monetary policy report to Congress.** Investors will be watching closely J. Powell's comments on prospects for economic growth, inflation, and interest rates. We believe, however, that J. Powell's speech will not provide any new information vs. the Minutes published last week (see below). J. Powell's statements may result in increased volatility in financial markets.
- **Important data from the US will be released this week.** We expect nominal retail sales to have fallen by 0.3% MoM in June vs. a drop of 1.3% in May due to an increase in fuel prices. We expect industrial production growth to have dropped to 0.4% MoM in June from 0.8% in May, which will be in line with business survey results. In our opinion, CPI inflation rose to 5.1% YoY in June from 5.0% in May, driven by higher core inflation (4.1% vs. 3.8%). We expect that the preliminary University of Michigan index will show a marked improvement in consumer sentiment (88.0 pts in July vs. 85.5 pts in June). We believe that the publication of inflation data will be slightly negative for the PLN and the prices of Polish bonds, while the impact of other US economy data on financial markets will be limited.
- **Data on Poland's balance of payments for May will be released on Wednesday.** We expect the current account balance to have dropped to EUR 860m from EUR 1740m in April, driven primarily by a lower balance on trade in goods. We forecast that growth in exports fell from 69.9% YoY in April to 39.9% in May, while growth in imports dropped from 59.8% YoY to 49.1%. The sharp slowdown in exports and imports will be in line with the YoY slowdowns in industrial production and retail sales resulting from the fading of last year's low base effects related to the outbreak of the COVID-19 pandemic. In our opinion, data on the balance of payments will be neutral for the PLN and yields on Polish bonds.
- **Final data on inflation in Poland for June will be released on Thursday.** We believe there is some risk of an upward revision vs. the flash estimate of inflation (4.4%) and of actual inflation rate standing at 4.5% vs. 4.7% in May. We believe that in June CPI inflation was driven down by a slower increase in fuel prices



Source: GUS, Credit Agricole

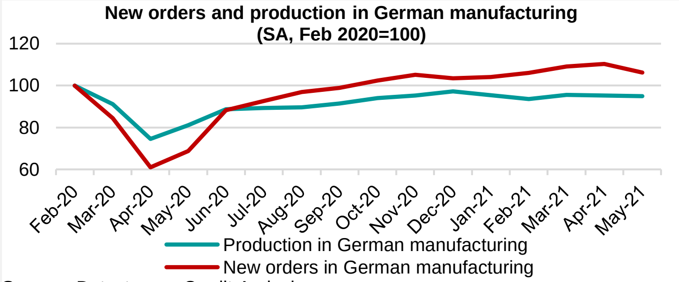
and lower core inflation. The publication of data on inflation will be neutral for the PLN and the prices of Polish bonds.

Last week

- **As we had expected, the MPC did not change interest rates at its meeting last week (the reference rate is 0.10%).** In accordance with its press release, the MPC expects economic activity to recover in the coming quarters, but the further development of the pandemic in Poland and abroad remains the main source of uncertainty about the scale and pace of recovery. In this context, the MPC noted that the spread of new variants of the virus had been driving up the uncertainty regarding the further course of the pandemic. Like in June, the present press release also emphasises a positive impact of economic policy measures taken, including the easing of the monetary policy, on economic activity, which in the MPC's opinion will also be supported by global economic recovery. The press release continues to include comments about the importance of PLN exchange rates for economic prospects and the NBP's readiness to intervene in the foreign exchange market. In accordance with the press release, the NBP is going to continue to purchase government securities and government-guaranteed debt securities in the secondary market as part of the structural open market operations (the value of bonds purchased so far is PLN 135.8bn). The press release was accompanied by July economic projections of the NBP. The projections indicate that inflation in Poland will stay well above the MPC's inflation target in the mid-term. Such a scenario is inconsistent with the MPC's assessment that the NBP's monetary policy stabilises inflation in line with the inflation target. This in turn means that a majority of MPC members acknowledge a material downward risk to the projected inflation path in the mid-term (see MACROpulse of 08/07/2021). Both the MPC' statement following its meeting and the July inflation projections show that the MPC intends to keep stable interest rates for quite some time despite elevated inflation expected in the coming quarters. The NBP President's press conference was held on Friday. A. Glapiński's comments were dovish in tone. One of his comments was that inflation running in the upper band for deviations from the inflation target "was not a macroeconomic problem". He also pointed out that he would not like the PLN to become stronger than it currently was. The NBP President said that interest rate hikes were conditional on forecasted inflation staying permanently above the upper band for deviations from the target (3.5%) combined with strong demand and a good labour market situation, and no material impact of the pandemic on business activity. The press release and the comments from the NBP President support our scenario that the MPC will not change interest rates until the end of 2022. We expect the reference rate to be raised for the first time, from 0.10% to 0.25%, in January 2023.
- **Last week, the Governing Council of the ECB approved its new monetary policy strategy.** The key point is a modification of the ECB's inflation target from 'below, but close to, 2%' to '2%' over the medium term. This target is symmetric, which means that negative and positive deviations of inflation from the target are equally undesirable. The Governing Council also confirmed that the Harmonised Index of Consumer Prices (HICP) remains the appropriate measure for assessing price stability, however, the Council recognises that the inclusion of the costs related to owner-occupied housing in the HICP would better represent inflation relevant to households. We estimate that such a change would currently translate into a rise of ca. 0.1 pp in headline inflation in the Eurozone. The impact of such a change on headline inflation over a longer term is hard to estimate. The Governing Council also noted that it had committed to an ambitious climate-related action plan. The Governing Council is committed not only to further incorporating climate change considerations into its monetary policy framework, but also to including climate change considerations in monetary policy operations in the areas of disclosure, risk assessment, corporate sector asset purchases, and collateral framework. We believe that the modification of

the inflation target, namely its increase, will foster the continuation of the ECB's loose monetary policy for quite some time, which is in line with our scenario that the quantitative easing programme will be continued at least until the end of 2024.

- **Important data from Germany was released last week.** Industrial production fell by 0.3% MoM in May just like in April (upward revision from -1.0%), running well below market expectations (+0.5%). Thus, industrial production in Germany in May was 5.0% lower than in February 2020, i.e. before the outbreak of the pandemic. On MoM terms industrial production fell in energy and manufacturing, while growth was recorded in construction. The breakdown of production by the type of use of goods produced shows a drop in capital goods only, while growth is seen in the production of intermediate and consumer goods. Last week, data on orders in manufacturing was released showing a drop of 3.7% MoM in May vs. growth of 1.2% in April, which is well below market expectations (1.3%) and represents the sharpest MoM drop since April 2020. The drop in orders was caused by a sharp drop in foreign orders, while domestic orders grew slightly. Drops in foreign orders were seen both for orders from the Eurozone and for orders from outside the Eurozone, with the drop in orders from outside the Eurozone being much sharper (-10.3% MoM vs. -1.3% for Eurozone orders). Last week also saw the publication of data on the trade surplus in Germany, which fell to EUR 12.6bn in May from EUR 15.6bn in April, running well below market expectations (EUR 15.9bn). The drop was driven by growth in imports (3.4% MoM in May vs. -1.4% in April), which was stronger than in exports (0.3% vs. 0.2%). The data shows that recovery in industrial production in Germany is hampered by severe supply constraints. Facing shortages of materials, businesses have problems with processing current orders (see MACROmap of 28/06/2021) and in consequence most likely limit new orders. At the same time, their customers whose orders have not been delivered may be reluctant to place new ones. The ZEW index, reflecting sentiment among analysts and institutional investors regarding the economic situation in Germany, was also published last week. The index dropped to 63.3 pts in July from 79.8 pts in June, running well below market expectations (75.5 pts). However, it should be noted that despite a deterioration in sentiment in July , the index is still high compared with past data. We forecast that German GDP will grow by 4.0% in 2021 vs. a drop of 4.8% in 2020.



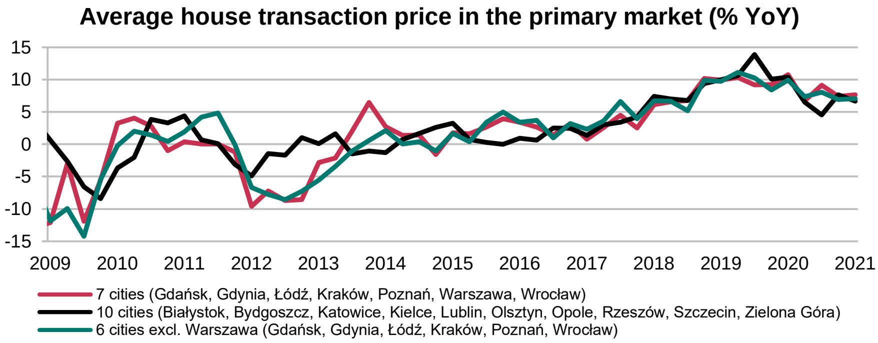
Source: Datastream, Credit Agricole

- **Last week, some important data on the US economy was released.** The number of new jobless claims rose to 373k from 371k two weeks ago (upward revision from 364k), running above market expectations (350k). At the same time, the number of continued claims fell to 3.3m from 3.5m. The data thus indicates that despite continued improvement in the US labour market, it is still far from its equilibrium. Last week, the ISM services index was published, too, which dropped to 60.1 pts in June from 64.0 pts in May, running well below market expectations (63.5 pts). The drop in the index was accounted for by drops in all four sub-indices (business activity, employment, new orders, and delivery times). Moreover, the employment component dropped below the 50-point threshold that separates growth from contraction. What is also worth noting about the data is a further increase in the backlogs component, which hit a new record high. Thus, the data shows that the US services sector is highly overheated. Last week's data on the US economy do not change our scenario that annualised GDP growth will hit its local maximum of 10.2% in Q2 this year and will be on a downward trend from Q3 onwards. Thus, US GDP will grow by 6.5% in 2021, compared with a drop of 3.5% in 2020, and will grow by 4.0% in 2022.
- **Minutes from the June FOMC meeting were published last week.** According to the Minutes, while FOMC members generally agree that the macroeconomic situation in the US has improved since the April meeting, downside risks to the economic growth outlook still prevail in their view.

The Minutes confirmed that FOMC members began discussing plans to reduce the pace of the Fed's asset purchases. Some FOMC members believe that the conditions that justify limiting the scale of asset purchases may be met sooner than previously expected. Other members expressed the view that the Fed should be patient in deciding whether to reduce the scale of its quantitative easing programme. Some participants in the discussion justified this on the grounds that recent data provided mixed signals from the US economy. We maintain our assessment that the Federal Reserve will start reducing the scale of asset purchases in early 2022. In our baseline scenario, we expect interest rate to remain stable at the current level at least until the end of 2023.

Will the Polish Deal push property prices up?

In the MACROmap of 8/2/2021 we presented our forecast for housing prices in the mid-term perspective. At that time, we outlined a scenario of continued price increases on the housing market, the pace of which, however, would gradually decrease. Using data that has emerged since then, we verify our expectations and present our updated scenario below.



Source: NBP, Credit Agricole

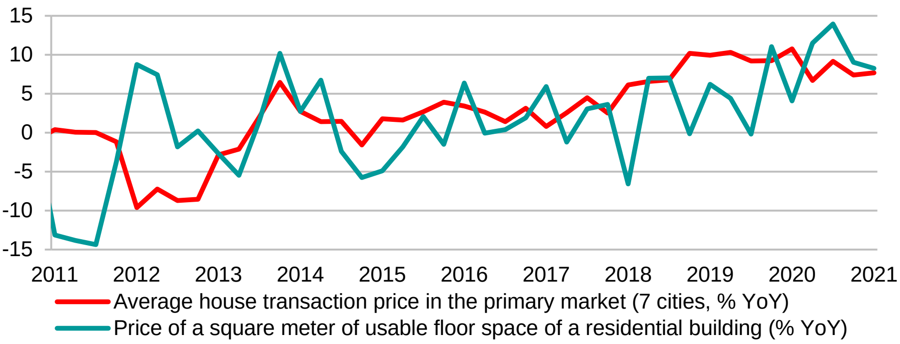
According to NBP data, the growth rate of transaction prices in the primary market for the seven largest Polish cities (see chart) was 7.4% YoY in Q4 and 7.7% in Q1 2021. Thus our scenario outlined in the MACROmap of 8/2/2021 has materialised. At the time, we forecast that the aforementioned price growth rate would reach 7.8% in Q4 last year and would temporarily increase to 7.9% by the end of 2021, before gradually declining from 2022 onwards.

In our analysis, we use data from the NBP (NBP) on house transaction prices in the primary market, averaged over the seven largest Polish cities (Gdansk, Gdynia, Lodz, Cracow, Poznan, Warsaw, and Wroclaw). In order to prepare the forecast, we have used an econometric model in which the annual dynamics of dwelling prices depends on three variables:

- **Unemployment rate according to LFS,** which in the model represents the impact of changes in the households' housing demand on the profile of dwelling prices. The unemployment rate permits to simultaneously grasp many factors which determine the housing demand from the perspective of the situation in the labour market (changes in salaries, creditworthiness, concerns about loss of work, etc.). This variable has been used in the model with a one quarter lead, which means that it is the expectations concerning changes in the labour market (and thus the households' financial standing) that are very important in the context of the decision to buy a flat.
- **Value of cash purchases of dwellings**, which represents the impact of so-called investment demand (long-term investment of capital) on dwelling prices. We have used here the annual dynamics of the NBP-estimated cash demand for the purchase of developer dwellings in the aforementioned seven cities.
- **Households' expectations of the rise in dwelling prices.** We use the results of 'The ING Financial Barometer' survey as the measure of such expectations. In 2014-2018, 34-38% of survey

participants shared the opinion, that the prices of dwellings never fall. In the 2018-2019 period the percentage of those who gave a yes answer stood at ca. 50%. In 2020, on the other hand, there was a decline in this percentage to 46%. This variable reflects not only the Poles' propensity to buy a flat fearing further rise in prices but it is also supposed to reflect changes in the speculative demand (purchase of dwellings by short-term investors).

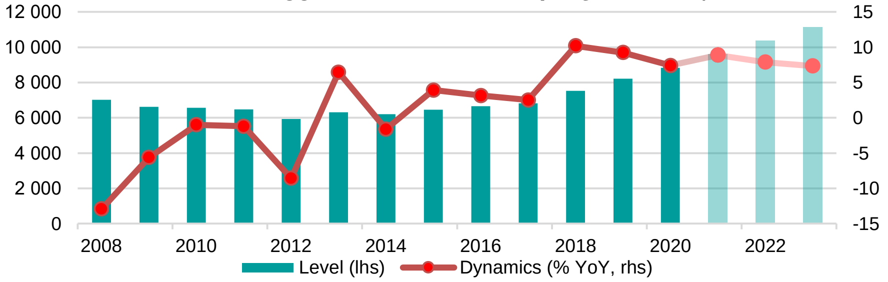
In order to update the forecast of dwelling prices we had to make several assumptions concerning the evolution of the explanatory variables in the coming years. It should be noted that at the beginning of this year the unemployment rate according to the LFS increased significantly due to a change in the survey methodology and thus became inconsistent with its previous values. In our forecast, we ignore the above-mentioned 'artificial' increase in the unemployment rate and, maintaining the continuity of the time series, we assume that it will gradually decrease in the coming years to a level of around 3%. This tendency will result i.a. from the acceleration of economic growth that we expect, which is related to the cycle the absorption of EU funds. In the context of cash demand, after a temporary decline in Q2 and Q3 2020 (by 8.0% YoY) due to increased uncertainty regarding the further course of the pandemic and its impact on the labour market situation and demand for rental housing, in Q4 2020 and in Q1 2021 we observed it rebounding by 26.7% YoY and 16.9%, respectively. We believe that cash demand for housing will grow at an average annual rate of 10% this year and stabilise at this level in the following years. A limiting factor for cash purchases in Q4 this year will be our expectation of a fourth wave of pandemics and the associated heightened uncertainty. Interest rates will remain low in the coming years, which will encourage investment in dwellings as an alternative to low-interest-bearing bank deposits. In turn, as the economic recovery continues, investments in other asset classes, such as shares, will also gain in importance. A structural factor limiting the cash demand for housing in the medium term will be the depleting stock of savings to finance such purchases. According to a survey commissioned by the KRD Economic Information Bureau in November 2020, only 7.1% of households declare to have savings above PLN 50,000. Moreover, according to a 2016 NBP survey, even among the richest households (the last decile in terms of net wealth), the median financial assets at the time were PLN 47.1k, and the number of households with financial assets above this median can be estimated at around 711k. To adopt the assumption of continued high cash demand for housing will be consistent with the assumption that the proportion of Poles expecting that 'house prices never fall' will remain elevated. Our forecast assumes that the percentage of survey participants who agree with this thesis will decrease slightly to 45% in the horizon of 2023 and will remain well above the 2014-2017 average.



Source: NBP, GUS, Credit Agricole

In addition to the variables directly included in the model, attention should be paid to a number of factors resulting from the introduction of the Polish Deal, which will support housing price growth. Firstly, a programme to guarantee down payment through Bank Gospodarstwa Krajowego (BGK) when young people buy a flat on credit is planned to be introduced in Q4 2021. Such a change will have the effect of increasing the demand for housing and thus its prices. Secondly, within the framework of the Polish Deal, the Strategic Investment Programme will be implemented, consisting in increasing the scale of public investments through non-returnable co-financing of investments implemented by local government units. The programme will be implemented through investment promises granted by BGK. The first edition of the pilot call for proposals was launched in July this year. We expect that the implementation of this programme will contribute to an increase in the prices of construction materials and the cost of labour in housing construction in the coming years. A rapid increase in the cost of housing construction has already been observed in recent years. According to the GUS, the so-called price of 1m^2 of usable floor space of a residential building put into use increased by 8.3% YoY in Q1 vs. 9.6% on average in 2020. The indicator illustrates the average outlays for the whole country incurred by investors for the construction of new residential buildings (other than one-dwelling buildings and residences for communities inl. hotels, guest houses) per 1m^2 of the usable floor space of a building. The value of the outlay consists of overall costs incurred till the moment of the completion of a building. Taking into account the trends outlined above, we expect it to rise further in the coming quarters, which will drive up transaction prices in the primary market.

Average house price in the primary market in the 7 biggest cities in Poland (in Q4, PLN/m²)*

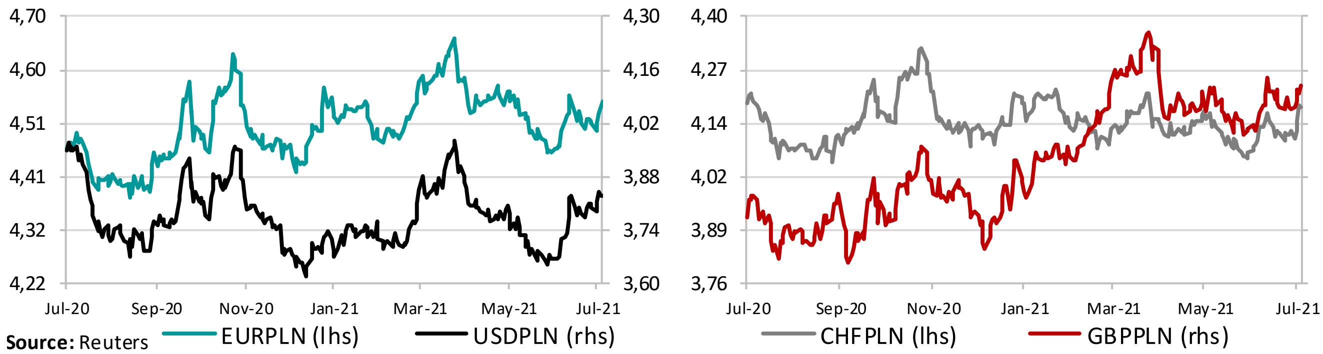


Source: NBP, Credit Agricole *forecast beyond 2020

In accordance with the above assumptions, we forecast that the growth rate of dwelling prices in the primary market will temporarily increase to 8.9% YoY in Q4 2021 and in subsequent years will be showing a downward trend to reach a level of 7.3% in 2023. This means that the average transaction price in the seven aforementioned cities will increase from PLN 9.2k in Q1 to PLN 11.1k at the end of 2023 (see chart). Compared to our previous forecast, the path of house price growth has been revised upwards by around 0.7 pp in 2021-2023, reflecting stronger household expectations for price growth. It should be pointed out that this forecast is conditional and depends on the materialization of the scenario outlined above for the explanatory variables. The expected further albeit slower rise in dwelling prices will be supported in the medium term not only by sustained demand but also by a limited supply of new dwellings due to developers' difficulties in acquiring new land for investments. The further course of the pandemic in the coming quarters remains a factor of uncertainty for our forecast. In addition, the aforementioned factors related to the introduction of the Polish Deal, driving up costs in the construction industry, pose an upside risk to our forecast.

US inflation data in the spotlight

FX rates



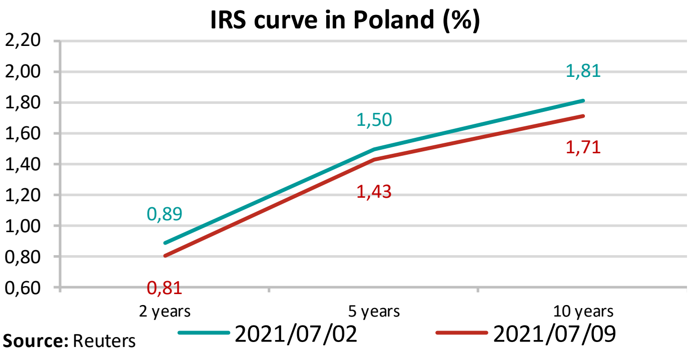
Source: Reuters

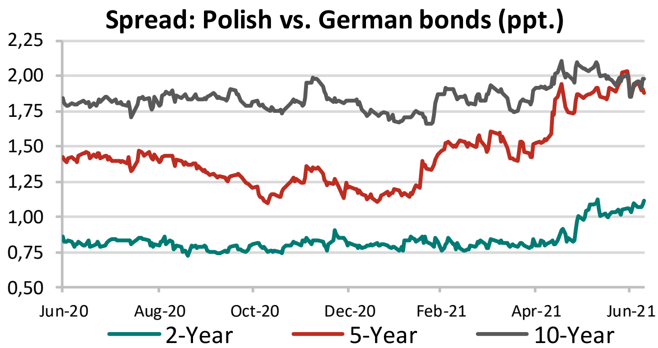
Last week, the EURPLN rate increased to 4.5464 (the PLN weakened by 0.9%). Last week the PLN weakened against the EUR. A similar trend was also observed in the case of the HUF against the EUR. The factor which contributed to the depreciation of currencies in the region was the European Commission's decision to withhold funds from the Recovery Fund for Hungary, which may have heightened the fears of some market participants that the risk of withholding funds also exists in the case of Poland. The increase in global risk aversion, which was reflected in the increase in the VIX index, also had an impact on the weakening of the region's currencies. The MPC meeting had no significant impact on the market. Further weakening of the PLN was recorded on Friday.

Last week the EURUSD exchange rate was characterised by relatively low volatility and the publication of the Minutes of the June FOMC meeting had a limited impact on the market. In turn, the EURCHF exchange rate declined last week. To some extent, it resulted from the increase in global risk aversion, which favoured capital outflows to the so-called safe havens. As a result of the fall of EURCHF and the rise of EURPLN, the CHFPLN exchange rate temporarily exceeded the level of 4.20, reaching its highest value since March this year.

This week, the speech of FED Chair J. Powell before Congress will be crucial for the PLN. We believe that it may lead to increased volatility for the Polish currency. The publication of inflation data in the US will be slightly negative for the PLN in our opinion. Data from China (GDP, trade balance, industrial production, retail sales, urban investment) will not have a significant impact on the market in our opinion. We believe that Polish data (inflation, balance of payments) and other US data (retail sales, industrial production, preliminary University of Michigan index) will also be neutral for the PLN.

Fed Chair's speech may increase IRS volatility





Source: Reuters

Last week the 2-year IRS rates decreased to 0.81 (down by 8bp), 5-year rates to 1.43 (down by 7bp), and 10-year rates to 1.71 (down by 10bp). Throughout last week, we saw IRS rates fall across the curve following core markets. The lowering of yields on core markets is supported by investors' lowering expectations for the consolidation of higher inflation in the global economy and, consequently, faster monetary policy tightening by the major central banks. The publication of the FOMC Minutes, the statement following Thursday's MPC meeting, as well as Friday's speech by the President of the NBP did not have a significant impact on the curve.

This week, Fed Chairman J. Powell's speech before Congress will be in the spotlight; it may foster heightened volatility of IRS rates. Publications of numerous data from China (GDP, trade balance, industrial production, retail sales, urban investments) will most likely be neutral for the curve. In our opinion IRS rates will not be significantly affected by data from Poland (inflation, balance of payments) and most US data (retail sales, industrial production, preliminary University of Michigan index), either. The publication of US inflation data may boost IRS rates.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland

Indicator	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21
NBP reference rate (%)	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10
EURPLN*	4,44	4,41	4,40	4,53	4,60	4,47	4,55	4,52	4,52	4,63	4,56	4,48	4,52	**4,52**
USDPLN*	3,95	3,74	3,68	3,86	3,95	3,75	3,73	3,72	3,74	3,95	3,79	3,66	3,81	**3,80**
CHFPLN*	4,17	4,10	4,07	4,21	4,32	4,13	4,21	4,18	4,11	4,18	4,15	4,07	4,12	**4,12**
CPI inflation (% YoY)	3,3	3,0	2,9	3,2	3,1	3,0	2,4	2,6	2,4	3,2	4,3	4,7	**4,5**	
Core inflation (% YoY)	4,1	4,3	4,0	4,3	4,2	4,3	3,7	3,9	3,7	3,9	3,9	4,0	**3,4**	
Industrial production (% YoY)	0,5	1,1	1,5	5,7	1,0	5,4	11,1	0,7	2,5	18,6	44,2	29,7	**21,1**	
PPI inflation (% YoY)	-0,8	-0,6	-1,3	-1,4	-0,4	-0,2	0,1	1,0	2,2	4,2	5,5	6,5	**7,0**	
Retail sales (% YoY)	-1,9	2,7	0,4	2,7	-2,1	-5,3	-0,8	-6,0	-2,7	17,1	25,7	19,1	**9,5**	
Corporate sector wages (% YoY)	3,6	3,8	4,1	5,6	4,7	4,9	6,6	4,8	4,5	8,0	9,9	10,1	**9,6**	
Employment (% YoY)	-3,3	-2,3	-1,5	-1,2	-1,0	-1,2	-1,0	-2,0	-1,7	-1,3	0,9	2,7	**2,7**	
Unemployment rate* (%)	6,1	6,1	6,1	6,1	6,1	6,1	6,2	6,5	6,5	6,4	6,3	6,1	**5,9**	
Current account (M EUR)	3333	650	1273	1330	2307	1956	477	3341	1585	938	1740	**860**		
Exports (% YoY EUR)	4,3	2,2	2,4	6,6	3,7	10,0	14,6	-0,9	5,9	27,7	69,2	**39,9**		
Imports (% YoY EUR)	-7,4	-3,6	-4,0	2,1	-4,2	4,1	12,4	-4,0	6,2	24,6	59,8	**49,1**		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland

Indicator	2020				2021				2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	2,0	-8,3	-1,7	-2,7	-0,9	12,0	4,9	5,5	-2,7	5,3	4,9
Private consumption (% YoY)	1,2	-10,8	0,4	-3,2	0,2	12,3	3,8	3,5	-3,0	4,7	4,5
Gross fixed capital formation (% YoY)	1,7	-9,8	-8,2	-15,4	1,3	7,7	6,1	11,8	-9,6	7,6	8,4
Export - constant prices (% YoY)	2,7	-13,7	2,3	7,6	5,7	14,9	8,5	9,3	-0,2	9,4	8,3
Import - constant prices (% YoY)	0,8	-16,6	-0,3	8,2	10,0	9,6	6,7	8,0	-1,9	8,5	8,9
GDP growth contributions: Private consumption (pp)	0,7	-6,2	0,2	-1,7	0,1	6,8	2,2	1,7	-1,7	2,6	2,5
GDP growth contributions: Investments (pp)	0,2	-1,6	-1,4	-3,9	0,2	1,2	1,0	2,5	-1,8	1,3	1,4
GDP growth contributions: Net exports (pp)	1,1	0,8	1,4	0,1	-1,9	3,5	1,5	1,3	0,8	1,1	0,0
Current account (% of GDP)***	1,1	2,2	2,9	3,5	3,7	3,5	3,2	3,1	3,5	3,1	2,5
Unemployment rate (%)**	5,4	6,1	6,1	6,2	6,4	5,9	5,7	5,6	6,2	5,6	5,1
Non-agricultural employment (% YoY)	0,7	-1,8	-0,7	0,0	0,0	1,8	0,9	0,7	-0,5	0,9	0,4
Wages in national economy (% YoY)	7,7	3,8	4,8	5,0	6,6	7,0	6,5	6,3	5,3	6,6	5,8
CPI Inflation (% YoY)*	4,5	3,2	3,0	2,8	2,7	4,5	4,5	4,5	3,4	4,1	3,0
Wibor 3M (%)**	1,17	0,26	0,22	0,21	0,21	0,21	0,21	0,21	0,21	0,21	0,44
NBP reference rate (%)**	1,00	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10
EURPLN**	4,55	4,44	4,53	4,55	4,63	4,52	4,45	4,45	4,55	4,45	4,30
USDPLN**	4,13	3,95	3,86	3,73	3,95	3,81	3,71	3,71	3,73	3,71	3,47

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
		Tuesday 07/13/2021				
14:30	USA	CPI (% MoM)	Jun	0,6	0,7	0,5
14:30	USA	Core CPI (% MoM)	Jun	0,7	0,5	0,5
	China	Trade balance (bn USD)	Jun	45,5		44,2
		Wednesday 07/14/2021				
11:00	Eurozone	Industrial production (% MoM)	May	0,8		-0,1
14:00	**Poland**	**Current account (M EUR)**	**May**	**1740**	**860**	**1505**
		Thursday 07/15/2021				
4:00	China	GDP (% YoY)	Q2	18,3	8,0	8,1
4:00	China	Industrial production (% YoY)	Jun	8,8	8,1	7,9
4:00	China	Retail sales (% YoY)	Jun	12,4	11,5	11,0
4:00	China	Urban investments (% YoY)	Jun	15,4	12,0	12,5
10:00	**Poland**	**CPI (% YoY)**	**Jun**	**4,4**	**4,5**	**4,5**
14:30	USA	Initial jobless claims (k)	w/e	373		
14:30	USA	NY Fed Manufacturing Index (pts)	Jul	17,4		18,0
14:30	USA	Philadelphia Fed Index (pts)	Jul	30,7		28,3
15:15	USA	Industrial production (% MoM)	Jun	0,8	0,4	0,7
15:15	USA	Capacity utilization (%)	Jun	75,2		75,6
		Friday 07/16/2021				
11:00	Eurozone	HICP (% YoY)	Jun	1,9	1,9	1,9
14:00	**Poland**	**Core inflation (% YoY)**	**Jun**	**4,0**	**3,8**	**3,4**
14:30	USA	Retail sales (% MoM)	Jun	-1,3	-0,3	-0,6
16:00	USA	Initial U. of Michigan Sentiment Index (pts)	Jul	85,5	88,0	87,0
16:00	USA	Business inventories (% MoM)	May	-0,2		0,3

*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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