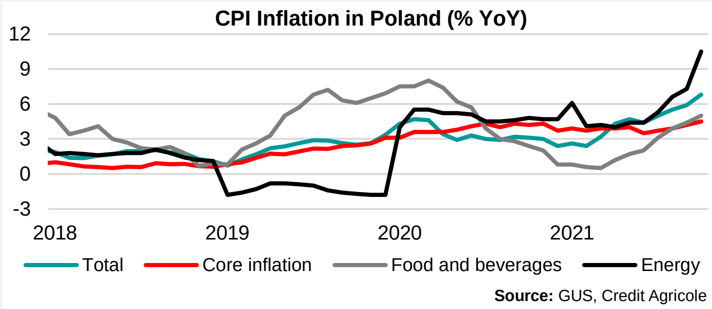
Zloty in the grip of politics

This week

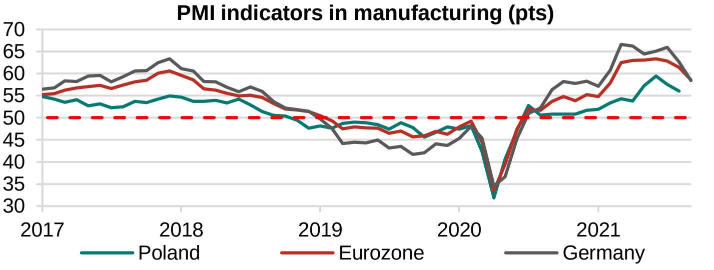


- **The key event this week will be the publication of Poland's inflation figures, planned for Tuesday. We expect inflation to have risen from 6.8% YoY in October to 7.3% YoY in November.** We believe that all four inflation components (core inflation and the prices of food, fuels and energy) contributed to the inflation rise in November. Our forecast is consistent with the consensus, and thus its materialization will be neutral for the PLN and yields on Polish bonds.
- **Some important data from the US will be released this week.** Labour market figures are planned to be published on Friday. We expect that non-farm payrolls rose by 600k in November vs. 531k in October, while unemployment fell from 4.6% in October to 4.4% in November. Before the Friday publication, some additional data on labour market will be provided in the ADP report on private sector employment (the market expects a 480k growth in November vs. an increase by 571k in October). This week will also see the results of sentiment surveys. We expect the Conference Board index to show a slight deterioration in households' sentiments (113.0 pts in November vs. 113.8 pts in October), the households remaining under a negative impact of high inflation and pandemic-related concerns. The ISM index for the manufacturing sector will be published this Wednesday. We expect it to have increased from 60.8 pts in October to 61.0 pts in November, consistently with the results of regional sentiment surveys. We believe that the publication of employment data may lead to an increase in the global appetite for risk after the significant decline observed last week following the information of the new coronavirus variant having been identified and the suspension of flights between certain African countries and numerous countries in Africa, Europe and North America. Therefore, the publication of data from the US will be slightly negative for the PLN and the prices of Polish bonds.
- **Flash HICP inflation estimate for the Eurozone will be published on Tuesday.** We expect the annual growth in prices to have picked up to 4.6% YoY in November from 4.1% in October, driven by higher core inflation and faster rises in energy prices. Preliminary HICP inflation estimate for Germany, which will be published this Monday, will provide some additional information about inflation in the Eurozone. We expect it to have risen from 4.6% YoY in October to 5.9% YoY in November. Our Eurozone and Germany inflation forecasts are above the market expectations (4.4% and 5.3% respectively), and thus their materialization may translate into a weakening of the PLN and a rise in yields on Polish bonds.
- **Business survey results for China's manufacturing will be released this week.** We expect the CFLP PMI to have risen from 49.2 pts in October to 49.7 pts in November. In turn, the market expects the Caixin PMI to have fallen from 50.6 pts in October to 50.5 pts in November. The downturn in China is driven by power shortages, a growing number of new COVID-19 cases and continuing global supply chain disruptions. We believe that data from China will be neutral for financial markets.
- **Poland's final GDP estimate for Q3 2021 including the GDP structure will be published this Tuesday.** We believe that GDP growth will be consistent with the flash estimate and will stand at 5,1% YoY vs. 11.2% for Q2. The economic growth was strongly driven down mainly by the recession of the last year's low base effect related to the COVID-19 pandemic and associated restrictions curbing the economic activity in Q2 2020. In our opinion, consumption and recovery in investments were the main drivers of economic growth in the third quarter. Net exports, however, were most likely to be driving the GDP growth down (see MACROpulse of

12/11/2021). We believe that the publication of GDP figures will not have any significant impact on the PLN or yields on bonds.

- **November PMI data for Poland's manufacturing will be released on Wednesday.** We expect the PMI to have dropped to 53.0 pts from 53.8 pts in October. Our forecast is supported by deterioration in sentiment revealed by the GUS survey and by the drop in the PMI for manufacturing in Germany. Our forecast is below the consensus (53.9 pts) and thus its materialization would be slightly negative for the PLN and yields on Polish bonds.

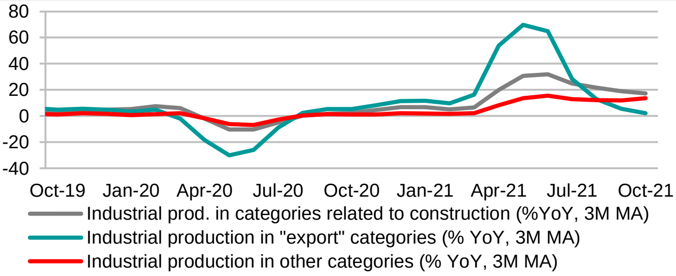
PMI indicators in manufacturing (pts)



Source: Markit, Credit Agricole

Last week

- **Industrial production in Poland increased by 7.8% YoY in October comparing to an 8.8% growth in September, running markedly above the market expectations (5.3%) and our forecast (5.8%).** The main reason behind the decline in industrial production growth between September and October was the statistical effect in the form of an unfavourable difference in the number of working days. Seasonally-adjusted industrial production increased by 2.0% MoM in October, which was the highest monthly growth since March 2021. We assess that the industrial production level in October was 10.1% higher than in the period before the outbreak of the pandemic (i.e. February 2020). The significantly better-than-expected data on production followed from a considerable acceleration in production growth in the "electricity, gas, steam and hot water generation and supply" category (see MACROpulse of 22/11/2021). Sector-wise, particularly noteworthy is the situation in production categories with a substantial share of export sales in the revenues. We estimate that in October, production in exporting sectors contracted by 2.4% YoY compared with a 1.1% growth in September, thus recording the first YoY decrease since the first lockdown in the first half of 2020. Supply bottlenecks were the main factor hampering production growth, as indicated by the October PMI for Polish manufacturing (see MACROmap of 2/11/2021). Last week also saw the release of data on construction and assembly production, which increased by 4.2% YoY in October comparing to a 4.3% growth in September, running markedly above the market consensus (3.3%) and our forecast (2.0%). Statistical effects in the form of an unfav ourable difference in the number working days mentioned above and the last year's high base effect were significant factors driving the construction and assembly production growth down between September and October. Seasonally-adjusted construction and assembly production increased by 2.6% MoM in October, which was the highest monthly growth since May 2021. Nonetheless, we assess that the construction and assembly production level in October was still 7.2% lower than in the period before the outbreak of the pandemic (i.e. February 2020). As regards the data structure, particularly noteworthy is the continuing two-digit growth in construction and assembly production dynamics in the "specialised construction activities" category including site preparation works (see MACROpulse of 23/11/2021). This supports our scenario in which we will see the continuation of recovery in the construction sector in the

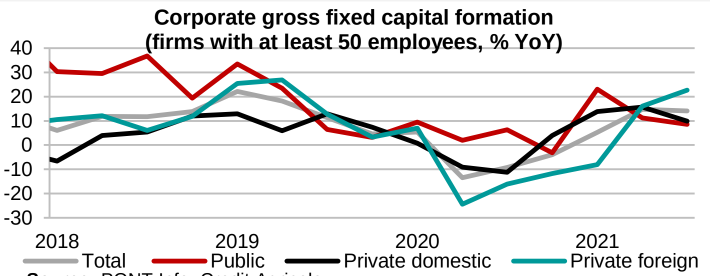


Source: GUS, Credit Agricole

quarters to come. However, the developments in public investments due to the approval of the National Recovery Plan having been postponed by the European Commission remain a significant risk factor for our scenario.

- **Nominal retail sales in Poland increased by 14.4% YoY in October comparing to an 11.1% growth in September, running above the market consensus (12.4%) and our forecast (12.6%).** Retail sales in constant prices grew by 6.9% YoY in October vs. 5.1% in September. The continuing, strong growth in prices hampered the real retail sales growth. Retail sales deflator went up from 5.7% YoY in September to 7.0% YoY in October, reaching the highest level in the recorded history. Seasonally-adjusted retail sales in constant prices grew by 1.2% MoM in October, reaching a level 4.0% higher than in February 2020, which was the last month in which sales were not materially affected by the COVID-19 pandemic. October was another month to see the retail sales growth boosted by low base effects connected with the negative impact of the second wave of the pandemic on the economic activity in Autumn 2020. This effect will have a positive impact on sales growth, and it will persist in the months to come. However, the significant growth in retail sales in constant prices seen in October came as a huge surprise given continuing, significant deterioration in consumer sentiments observed in November in the wake of a strong inflation rise (see MACROpulse of 19/11/2021). This means that households still have not curbed their expenditures despite the strong inflation rise. Data on retail sales combined with data on industrial production and construction and assembly production (see above) carry an upside risk for our forecast, in which Polish GDP in Q4 2021 increased by 4.8% YoY comparing to a 5.1% increase in Q3.

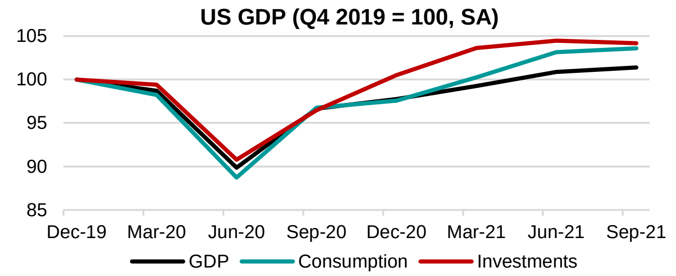
- **According to data published last week, the real growth rate of investments of enterprises employing at least 50 people shrank from 11.0% YoY in Q2 to 9.5% YoY in Q3.** A slowdown in terms of growth in expenditures on fixed assets resulted from a slower growth in the investments of public companies (nominal growth of 8.6% YoY in Q3 vs. 11.2% in Q2) and domestic private companies (9.8% YoY vs. 15.6%). At the same time, investments carried out by foreign private companies increased by 22.6% YoY comparing to a 16.1% growth in Q2. As regards the purposes of investments (buildings and structures, machinery and equipment and transportation means), the growth in expenditures was quite balanced, while in the previous two quarters it was concentrated in the transportation means category. Analysing the industry structure of corporate investment, it should be noted that the investment recovery became more balanced. In Q1-Q2 2021, the services sector was the main investment driver, while in Q3 2021, the contributions of manufacturing and services were similar to one another. It needs to be remembered that the quick growth in investments in Q3 was supported by last year's low base effects. Given the uncertainty about how the pandemic-related situation will develop and when the National Recovery Plan is approved, we expect the scale of investment recovery in companies to be limited. This expectation is supported by a decline in YoY production of investment goods in September and October and in the value set out in the cost estimate of investments started in Q3. The factors that we have outlined above pose a slight downside risk to our forecast, in which average annual investments in the national economy were to grow by 7.8% YoY in 2022 comparing to a 4.3% growth in 2021.



Source: PONT Info, Credit Agricole

- **Minutes from the November FOMC meeting were published last week.** In accordance with the discussion records, unanimous as the decision to start tapering the asset purchase programme was, some of the members preferred to reduce the purchases at a slightly faster pace, which means that the programme could be closed sooner. At the same time, despite the Federal

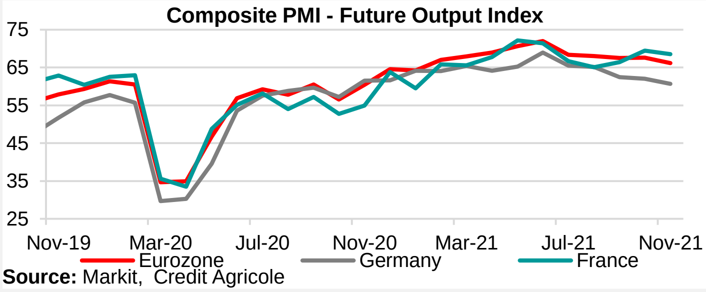
Reserve saying once again in its press release that the end of the asset purchase programme is not a signal for raising the interest rates, some FOMC members have nonetheless noted that it is likely that the decision to raise them might be taken earlier. What is more, some FOMC members believe that the Federal Reserve should be ready to take the decision to increase interest rates earlier than currently expected if the inflation continues to run above the inflation target. The hawkish tone of the Minutes suggests that the likelihood that the US monetary policy will be normalised more quickly than suggested by the press release following the November FOMC meeting is growing. This is why we believe there is a growing upside risk for our base scenario, in which interest rates in the US would stabilise in 2022, and it can happen that an alternative scenario will materialise, and the interest rates will be increased for the first time towards the end of 2022.



Source: GUS, Credit Agricole

Some significant data on the US economy was released last week. In accordance with the second estimate, annualized growth rate of US GDP in Q3 was revised up to 2.1% from 2.0% in the first estimate, running slightly below the market expectations (2.2%). The economic growth rate was revised upwards due to higher contributions of private consumption (1.18 pp. in the second estimate vs. 1.08 pp. in the first), inventories (2.13 pp. vs. 2.07 pp.) and government spending (0.16 pp. vs. 0.14 pp.), while lower contributions of investments (-0.20 pp. vs. -0.14 pp.) and net exports (-1.16 pp. vs. -1.14 pp.) had the opposite effect. Thus, the second estimate confirmed that inventories were the main source of economic growth in the US in Q3 as opposed to Q2, when growth was mainly driven up by private consumption. Such a structure of economic growth reflects the recovery in inventories and, in the case of private consumption, also a high base effect related to the realisation of pent-up demand in Q2, which was additionally strengthened by the disbursement of funds under the Biden package. Data on PCE inflation was also published last week. In October, PCE inflation rose to 5.0% YoY vs. 4.4% in September, which resulted from a higher growth in the prices of food, energy and PCE core inflation (4.1% YoY in October vs. 3.7% in September). Preliminary data on durable goods orders was also published last week. The number of orders fell by 0.5% MoM in October comparing to a 0.4% drop in September, running below the market expectations (0.3%). Excluding transportation, monthly growth in durable goods orders decreased to 0.5% in October vs. 0.7% in September. Thus the level of durable goods orders in the US was 12.6% higher in October than in February 2020, which was the last month without a strong impact of the pandemic on orders. In contrast, the volume of orders for non-military capital goods excluding aircrafts was 21.1% higher in October than in February 2020, indicating the prospect of continuation of recovery in US investment in the coming months. Data on US labour market was also published last week. The number of jobless claims dropped to 199k vs. 270k two weeks ago, running markedly below market expectations (260k). On the other hand, the number of continued claims fell to 2.0m vs. 2.1m. Just before the outbreak of the pandemic, the number of continued claims stood at 1.7m. Although we think that the last week's data is significantly biased by the long weekend in the US, we continue to believe that the situation in the US labour market is improving, and the market is getting closer to the equilibrium. Last week, we also saw data on existing home sales (6.34m in October vs. 6.29m in September) and new home sales (745k vs. 742k), which pointed to continued strong activity in the US housing market. However, the final University of Michigan index indicated a deterioration in consumer sentiments, as it fell to 67.4 pts in November vs. 71.7 pts in October and 66.8 pts in the preliminary estimate. The dec line in the index was due to a drop of its components for both the assessment of the current situation and expectations. High inflation and the vanishing effect of the disbursement of funds under Biden's fiscal package hamper the improvement in households' sentiments in the US. The impact of the Delta variant on the economic activity in the US is stronger than we expected, and therefore we have decided to revise our GDP forecast for this country downwards. Now we expect US GDP to rise by 5.6% in 2021 vs. a drop of 3.5% in 2020, and then to rise by 3.8% in 2022 (before revision: 6.1% and 4.0% respectively).

- **According to flash data, the Eurozone's composite PMI (for manufacturing and services) rose to 55.8 pts in November from 54.2 pts in June, which is clearly above market expectations (53.1 pts) and our forecast (52.9 pts.).** The increase in the composite PMI was driven by higher index components for both business activity in services and current output in manufacturing. The increase in PMI indices had a broad geographical scope and was recorded for Germany, France and the other Eurozone economies surveyed. Despite the better-than-expected survey results for the Eurozone, it is noteworthy that the aggregate index for expected output at a one-year horizon continued to decline for Germany and France, as well as for the Eurozone as a whole. Its decline is due to respondents' concerns about the impact of further pandemic waves on economic activity, particularly in the services sector, as well as persistent supply constraints. From the point of view of Polish exports, trends in Germany are particularly important, where the PMI index for manufacturing dropped to 57.6 pts in November vs. 57.8 pts in October. The index was driven down by lower contributions of its components for employment and delivery times with an opposite impact coming from higher contributions of new orders, current output and inventories components. In the structure of data from Germany, it is worth noting the continuing increase in the indices for both the prices of raw materials and intermediate goods and the prices of final products, as a result of supply constraints. We believe that supply constraints will remain a limiting factor for activity in German manufacturing in the coming months, which will negatively impact activity in Polish manufacturing sectors with a high share of export sales in revenues (see MACROpulse of 22/11/2021). The Eurozone survey results pose a slight upward risk to our forecast that quarterly GDP growth in the single currency area will slow to 1.1% in Q4 from 2.2% in Q2.



Source: Markit, Credit Agricole

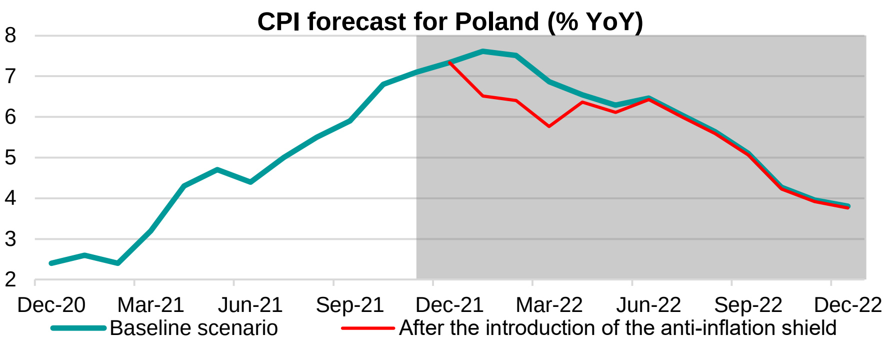
- **According to the final estimate, Germany's GDP grew by 1.7% QoQ in Q3, following a 2.0% increase in Q2 (2.7% YoY in Q3 vs. 10.4% in Q2), against market expectations of 1.8 QoQ and 2.5% YoY.** The reduction in quarterly GDP growth rate was due to lower contributions from public consumption (-0.5 pp. in Q3 vs. 1.0 pp. in Q2) and investment (-0.5 pp. vs. 0.3 pp.), while the opposite effect was due to a higher contribution from private consumption (3.0 pp. vs. 1.8 pp.), inventories (-0,1 pp. vs. -0.5 pp.) and net exports (-0.2 pp. vs. -0.6 pp.). Thus, private consumption was the main source of German GDP growth in Q3, as in Q2. At the same time, seasonally adjusted German GDP in Q3 was 1.1% lower than Q4 2019, i.e. before the outbreak of the pandemic Given our projected path of German GDP, we expect it to exceed the pre-pandemic level only in Q2 2022.
- **The Ifo index, reflecting the sentiment among German managers representing the manufacturing, construction, trade and services sectors, fell from 97.7 pts in October to 96.5 pts in November, which was in line with the market expectations (96.5 pts).** The decline in the index was due to a drop of its components for both the assessment of the current situation and expectations. Sector-wise, the downturn was recorded in all sectors analysed: services, trade, manufacturing and construction, with the strongest deterioration in sentiment in services, which can be linked to the significant increase in coronavirus infections in Germany (see COVID Dashboard). We forecast that German GDP will grow by 3.0% in 2021 vs. a drop of 4.6% in 2020.

Zloty in the grip of politics

In recent weeks we have seen an increasing tendency for the PLN to weaken. Last week the EURPLN exchange rate crossed the 4.70 border and reached its highest level since 2009. FRA contracts are currently pricing an increase in the reference rate to above 3% within a few months. The significant increase in interest rates, expected by the market, should lead to a strengthening of the PLN. However, such a scenario is not materializing, as the risk premium has significantly increased. Below we present our revised scenario for the PLN exchange rate.

The main reason for the aforementioned increase in the risk premium is Poland's legal dispute with the EU, which postpones the prospect of launching the National Recovery Plan. According to the recent information, more and more member states (Germany, Belgium, the Netherlands, Denmark) are expressing their disapproval of the unblocking of the NRP for Poland and require a prior resolution of the rule of law issue. Such statements strengthen the position of the European Commission in negotiations with Poland. We believe that the EU-Poland dispute will not be resolved quickly and that the funds provided for Poland under the NRP will be unblocked in H2 2022. Thus, significant delays in the NRP launch will be a factor conducive to the weakening of the PLN in the coming months.

Another factor against the strengthening of the PLN will be investors' fears of NBP interventions in the foreign exchange market before the end of the year, as in 2020. The rationale for these operations on the part of the NBP was unclear, and thus they may have been aimed at increasing NBP's profit at the end of last year. Although the risk that the NBP will use this instrument again is not significant in our opinion, some investors may fear a renewed depreciation of the PLN in the last days of the year. Even if the weakening of the PLN at the end of December 2021 is not aimed by the NBP, the central bank is going to react to a possible strengthening of the PLN by trying to limit its scale.

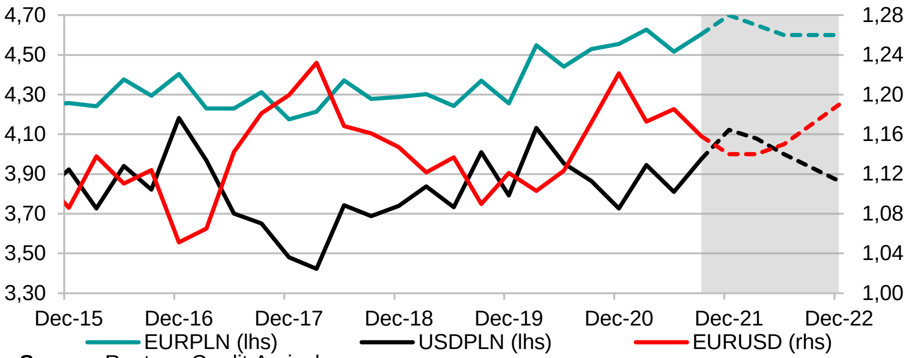


Source: GUS, Credit Agricole

In the context of the outlook for the PLN's exchange rate, the package of solutions announced last week by the government aimed at reducing inflation (the so-called Anti-inflation Shield) is also important. It provides for, among other things, a temporary reduction in the VAT rate on gas and electricity, a reduction in excise duty on electricity and fuels, and the exemption of fuel sales from emission tax and retail sales tax. According to our estimates, these measures will reduce inflation by about 1.1 p.p. in Q1 2022 and by 0.2 points in April-May 2022. On average, inflation will decline by about 0.3 p.p. throughout 2022. The Anti-Inflation Shield also provides for the payment of a shield allowance. It will range from PLN 400 to PLN 1150 per year depending on household income. In total, the cost of the Anti-Inflation Shield measures to the state budget will equal approximately PLN 10 bn. While the solutions proposed by the government are a nti-inflationary in the short term, in the long term they will have a pro-inflationary effect. This is because the saved (and additional) income of households will fuel demand, which will push up prices. This, on the other hand, ceteris paribus, will require a greater degree of monetary policy tightening by the MPC to achieve the inflation target in 2023. Such a scenario is already priced in by markets. Following the announcement of the Anti-Inflation Shield by the government, FRA rate quotations rose by a dozen basis points.

In the light of the above factors, a necessary condition for the strengthening of the PLN is a signal from the NBP that the scenario of a strong tightening of monetary policy, as valued by the markets, is not excluded. Statements by E. Gatnar, one of the most hawkish MPC members, however, suggest that the Council is not willing to carry out such a large scale of increases. He said that two more interest rate hikes of 50 bp each are needed until January 2022 (the scenario outlined by E. Gatnar is consistent with ours). Consequently, if the risk premium does not fall quickly (which we believe is unlikely), the pressure on the PLN to weaken will continue. In other words, interest rate increases will be significantly lower than priced in by the market, which will support the depreciation of the PLN.

At the same time, we do not see any risk of further rapid depreciation of the PLN. Recent statements by President A. Glapiński ("*further depreciation of the PLN would not be consistent with the fundamentals of the Polish economy or with the monetary policy pursued by the NBP*") and M. Morawiecki ("*we will do everything in communication and in our real actions to make the PLN a little stronger*") indicate the lack of acceptance for such depreciation. We believe that such verbal interventions will continue. Moreover, the Prime Minister's statement can be interpreted as the government's readiness to convert EU funds in the market in order to limit the weakening of the PLN, and the probability of NBP's currency intervention remains high.

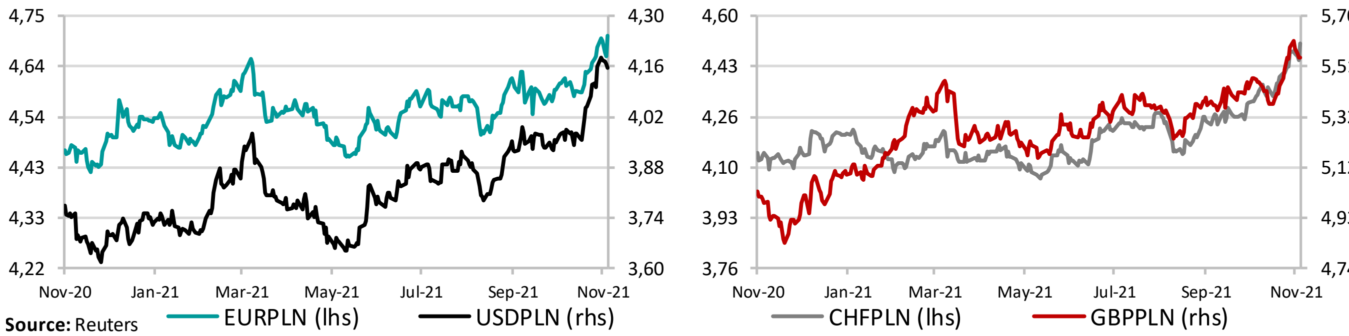


Source: Reuters, Credit Agricole

Taking into account the above factors, we have revised our forecast for the PLN exchange rate. We expect the EURPLN exchange rate to be at the level of 4.70 at the end of this year and to decrease to 4.65 at the end of Q1 2022. We forecast that the EURPLN will remain at 4.60 in subsequent quarters of 2022 (see quarterly table).

EURPLN exchange rate remains at historically high levels

FX rates



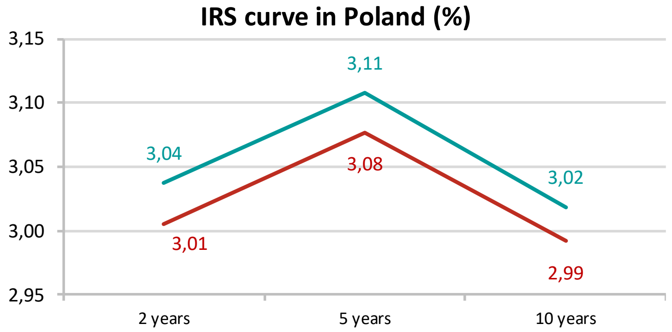
Source: Reuters

Last week, the EURPLN rate increased to 4.7079 (the PLN weakened by 0.5%). Throughout last week the EURPLN exchange rate was at historically high levels. The continuing strong global inflation growth, the delayed approval of the National Recovery Plan by the European Commission and the crisis on the border with Belarus still act as negative factors for the PLN. On Friday, the news of the emergence of a new variant of the coronavirus, B.1.1.529, came as an additional negative factor for the PLN as it caused a strong increase in global risk aversion.

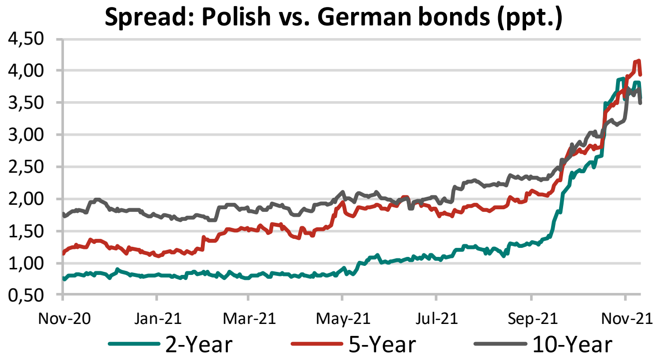
Due to the aforementioned increase in global risk aversion, there was a further strengthening of the CHF against the EUR. As a result, the CHFPLN exceeded the level of 4.52 reaching its highest level ever (excluding the high volatility of the CHFPLN exchange rate immediately after the release of the CHF on 15 January 2015). In light of the increase in global risk aversion, the weakening of the USD against the EUR is somewhat of a surprise. However, it is worth noting that this is due to the postponement of the scenario of interest rate hikes in the US given the deteriorating growth prospects with the emergence of a new variant of the coronavirus.

This week, the publication of the PMI index for Polish manufacturing, scheduled for Wednesday, is going to be of key importance for the PLN. If our higher than market consensus forecasts are fulfilled, the data may be slightly negative for the PLN. Other data from Poland (preliminary inflation, final GDP) will not have a major impact on the PLN, in our opinion. On the other hand, flash inflation data from the Eurozone and non-farm payroll data from the US may be slightly negative for the Polish currency. Other data from the US (ISM manufacturing index, Conference Board index) as well as China (Caixin and CFLP PMI manufacturing indices) will not have a significant impact on the market.

Strong decline in yields in response to B.1.1.529 variant



Source: Reuters



Last week the 2-year IRS rates decreased to 3.01 (down by 3bp), 5-year rates to 3.08 (down by 3bp), and 10-year rates to 2.99 (down by 3bp). The most important event on the debt market last week was the news of a new variant of the coronavirus (B.1.1.529) on Friday, which led to a deterioration in investor sentiment amid concerns about global growth prospects, resulting in a drop in IRS rates on core markets and in Poland. The drop in IRS rates was particularly visible at the long end of the curve. The current inversion of the yield curve means that in the longer term the market is pricing in a downward adjustment of interest rates. Last week, BGK also held an auction in which it sold bonds issued on behalf of the Covid-19 Response Fund with 22-year maturities for PLN 450m. The auction had no significant impact on the curve.

This week, Wednesday's publication of the PMI index for Polish manufacturing is going to be in the spotlight; it may drive IRS rates down. Other data from Poland (preliminary inflation, final GDP) will not have a major impact on the curve, in our opinion. However, IRS rates may be pushed up by flash inflation data from the Eurozone and non-farm payrolls data from the US. Other data from the US (ISM manufacturing index, Conference Board index) will be neutral for the curve in our opinion.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland

Indicator	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-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	0,50	1,25
EURPLN*	4,60	4,47	4,55	4,52	4,52	4,63	4,56	4,48	4,52	4,56	4,52	4,60	4,60	**4,71**
USDPLN*	3,95	3,75	3,73	3,72	3,74	3,95	3,79	3,66	3,81	3,84	3,83	3,98	3,98	**4,16**
CHFPLN*	4,32	4,13	4,21	4,18	4,11	4,18	4,15	4,07	4,12	4,24	4,18	4,27	4,35	**4,52**
CPI inflation (% YoY)	3,1	3,0	2,4	2,6	2,4	3,2	4,3	4,7	4,4	5,0	5,5	5,9	6,8	
Core inflation (% YoY)	4,2	4,3	3,7	3,9	3,7	3,9	3,9	4,0	3,5	3,7	3,9	4,2	4,5	
Industrial production (% YoY)	1,0	5,4	11,1	0,7	2,5	18,6	44,2	29,6	18,1	9,6	13,1	8,9	7,8	
PPI inflation (% YoY)	-0,4	-0,2	0,1	1,0	2,2	4,2	5,5	6,6	7,2	8,4	9,6	10,2	11,8	
Retail sales (% YoY)	-2,1	-5,3	-0,8	-6,0	-2,7	17,1	25,7	19,1	13,0	8,9	10,7	11,1	14,4	
Corporate sector wages (% YoY)	4,7	4,9	6,6	4,8	4,5	8,0	9,9	10,1	9,8	8,7	9,5	8,7	8,4	
Employment (% YoY)	-1,0	-1,2	-1,0	-2,0	-1,7	-1,3	0,9	2,7	2,8	1,8	0,9	0,6	0,5	
Unemployment rate* (%)	6,1	6,1	6,3	6,5	6,6	6,4	6,3	6,1	6,0	5,9	5,8	5,6	5,5	
Current account (M EUR)	1550	1298	751	2034	652	71	1269	-531	-378	-1551	-1441	-1339		
Exports (% YoY EUR)	5,8	12,4	17,0	1,0	5,6	27,7	68,6	40,5	22,7	13,1	18,9	12,2		
Imports (% YoY EUR)	-2,4	6,2	14,6	-3,7	6,0	23,6	58,3	52,4	34,7	21,5	31,6	21,5		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland

Indicator		2021				2022				2020	2021	2022
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)		-0,8	11,2	5,1	4,8	4,5	4,8	4,5	4,8	-2,5	4,9	4,7
Private consumption (% YoY)		0,1	13,1	5,0	3,0	3,1	3,0	3,1	3,2	-3,0	5,1	3,1
Gross fixed capital formation (% YoY)		1,7	5,6	7,0	13,5	6,2	5,7	7,8	7,0	-9,0	7,9	6,8
Export - constant prices (% YoY)		7,3	29,2	16,3	7,9	7,0	7,5	7,3	7,5	0,1	14,1	7,3
Import - constant prices (% YoY)		10,3	34,5	20,0	9,8	8,1	7,9	8,0	8,0	-1,2	17,9	8,0
GDP growth contributions	Private consumption (pp)	0,0	7,2	3,0	1,5	1,9	1,7	1,8	1,5	-1,8	2,9	1,7
	Investments (pp)	0,2	0,9	1,1	2,9	0,8	0,8	1,3	1,6	-1,7	1,3	1,1
	Net exports (pp)	-1,1	-0,3	-0,8	-0,4	-0,2	0,2	0,1	0,2	0,7	-0,9	0,1
Current account (% of GDP)***		2,7	1,7	0,4	-0,9	-0,9	-1,0	-1,1	-1,2	2,9	-0,9	-1,2
Unemployment rate (%)**		6,4	6,0	5,6	5,8	6,0	5,5	5,3	5,4	6,2	5,8	5,4
Non-agricultural employment (% YoY)		0,1	3,1	1,0	0,8	0,5	0,5	0,4	0,4	-0,5	1,2	0,5
Wages in national economy (% YoY)		6,6	9,6	9,4	9,2	9,6	9,3	9,2	9,2	5,3	8,7	9,3
CPI Inflation (% YoY)*		2,7	4,5	5,5	7,1	7,3	6,4	5,6	4,0	3,4	4,9	5,8
Wibor 3M (%)**		0,21	0,21	0,23	2,38	2,38	2,38	2,38	2,38	0,21	2,38	2,38
NBP reference rate (%)**		0,10	0,10	0,10	1,75	2,25	2,25	2,25	2,25	0,10	1,75	2,25
EURPLN**		4,63	4,52	4,60	4,70	4,65	4,60	4,60	4,60	4,55	4,70	4,60
USDPLN**		3,95	3,81	3,98	4,12	4,08	4,00	3,93	3,87	3,73	4,12	3,87

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST* CA	FORECAST* CONSENSUS**
		Monday 11/29/2021				
11:00	Eurozone	Business Climate Indicator (pts)	Nov	1,76		
14:00	Germany	Preliminary HICP (% YoY)	Nov	4,6	5,9	5,5
		Tuesday 11/30/2021				
2:00	China	Caixin Manufacturing PMI (pts)	Nov	49,2	49,7	49,6
10:00	**Poland**	**Final GDP (% YoY)**	**Q3**	**11,2**	**5,1**	**5,1**
10:00	**Poland**	**Flash CPI (% YoY)**	**Nov**	**6,8**	**7,3**	**7,3**
11:00	Eurozone	Preliminary HICP (% YoY)	Nov	4,1	4,6	4,4
15:00	USA	Case-Shiller Index (% MoM)	Sep	1,2		1,1
15:45	USA	Chicago PMI (pts)	Nov	68,4		68,2
16:00	USA	Consumer Confidence Index	Nov	113,8	113,0	110,9
		Wednesday 12/01/2021				
2:45	China	Caixin Manufacturing PMI (pts)	Nov	50,2		50,5
9:00	**Poland**	**Manufacturing PMI (pts)**	**Nov**	**53,8**	**53,0**	**53,9**
9:55	Germany	Final Manufacturing PMI (pts)	Nov	57,6	57,6	57,6
10:00	Eurozone	Final Manufacturing PMI (pts)	Nov	58,6	58,6	58,6
14:15	USA	ADP employment report (k)	Nov	571		525
15:45	USA	Flash Manufacturing PMI (pts)	Nov	59,1		
16:00	USA	ISM Manufacturing PMI (pts)	Nov	60,8	61,0	61,0
		Thursday 12/02/2021				
11:00	Eurozone	Unemployment rate (%)	Oct	7,4		7,3
11:00	Eurozone	PPI (% YoY)	Oct	16,0		19,0
		Friday 12/03/2021				
10:00	Eurozone	Services PMI (pts)	Nov	56,6	56,6	56,6
10:00	Eurozone	Final Composite PMI (pts)	Nov	55,8	55,8	55,8
11:00	Eurozone	Retail sales (% MoM)	Oct	-0,3		0,2
14:30	USA	Unemployment rate (%)	Nov	4,6	4,4	4,5
14:30	USA	Non-farm payrolls (k MoM)	Nov	531	600	550
16:00	USA	Factory orders (% MoM)	Oct	0,2	0,8	0,5
16:00	USA	ISM Non-Manufacturing Index (pts)	Nov	66,7	65,0	65,0

*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

Jakub BOROWSKI
Chief Economist
tel.: 22 573 18 40
jakub.borowski@credit-agricole.pl

Krystian JAWORSKI
Senior Economist
tel.: 22 573 18 41
krystian.jaworski@credit-agricole.pl

Jakub OLIPRA
Senior Economist
tel.: 22 573 18 42
jakub.olipra@credit-agricole.pl