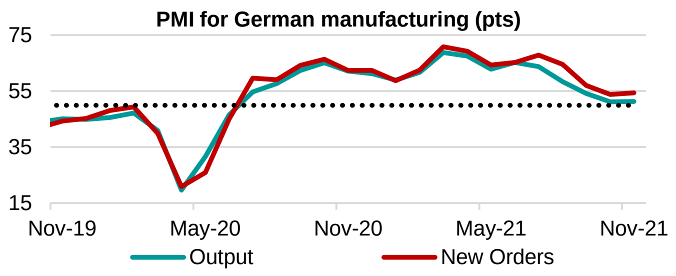
What will be the impact of the strong increase in construction materials prices?

This week

- **The most important event this week will be the FOMC meeting planned for Wednesday.** Given further inflation growth in the US (see below), relatively good labour market figures for November (see MACROmap of 06/12/2021), and recent news indicating that the Omicron variant of coronavirus is probably less dangerous than initially expected, we believe that the Fed will decide to speed up the tapering of the asset purchase programme. In our opinion, the scale of the tapering of purchase of treasury bonds and mortgage-backed securities (MBS) will be increased from USD 10bn and 5bn per month respectively to USD 20bn and 10bn respectively. This means that the quantitative easing programme would come to an end in March 2022. The decision to speed up the tightening of the monetary policy giving room for the increase of the interest rates as early as in mid-2022 will be conducive to the weakening of the PLN and a drop in the prices of Polish debt.
- **The publication of preliminary results of the PMI survey of key European economies, which is planned for Thursday, will be another important event this week.** We expect the composite PMI for the Eurozone to have fallen to 54.2 pts in December vs. 55.4 pts in November. Poorer epidemiological situation was driving the activity growth down, primarily in the services sector. PMI for the German manufacturing sector will also fall, from 57.4 pts in November to 56.9 pts in December. The Ifo index describing the sentiments of German manufacturers in the processing industry, construction, trade and services sectors will be published this Friday. We expect the index to have decreased from 96.5 in November to 95.0 in December. We believe that the publication of results of the PMI survey for the Eurozone will be neutral for the PLN and the prices of Polish bonds.

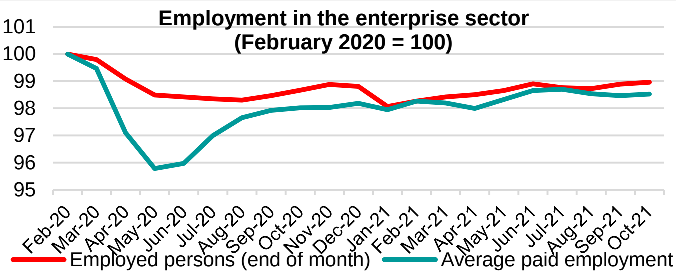


Source: Markit, Credit Agricole

- **The ECB meeting will be held this Thursday.** We do not expect the ECB to change interest rates for the Eurozone. In our opinion, the ECB will inform that the Pandemic Emergency Purchase Programme (PEPP) will end in March 2022 as suggested by some of the ECB representatives. At the same time, the main Asset Purchase Programme (APP) will be continued at least until the end of 2022 at EUR 20bn or slightly more. The strong inflation growth seen over the last couple of months and the recent macroeconomic projection for December including a significant upward revision of projected inflation for the coming years will be the main arguments in favour of a slight tightening of the monetary policy by the ECB. We expect the press conference after the meeting will be a factor conducive to the weakening of the PLN and the increase in the yields on Polish bonds.
- **Data from China will be published on Wednesday.** We expect the industrial production growth to have accelerated from 3.5% in October to 3.8% in November with partial improvement of the situation with power shortages in the Chinese industry. We expect the retail sales growth to have slowed down from 4.9% YoY in October to 3.8% due to a deterioration in the epidemiologic situation in China. We expect the growth rate for investments in urban areas to have fallen from 6.1% in October to 5.2% in November due to a further deterioration in the real estate market situation in China. We believe that the data from China will be neutral for the PLN and the prices of Polish debt.
- **Some important data from the US will be released this week.** We expect the nominal retail sales to have grown by 1.0% MoM in November comparing to a 1.7% MoM growth in October. Overall sales growth was driven down by lower sales in the automotive industry. We expect the industrial production growth to have dropped to 0.7% MoM in November from 1.6% in October,

which will be in line with business survey results. In our opinion, the data on housing starts (1,573k in November vs. 1,520k in October) and buiding permits (1,670k vs. 1,653k) will show a slight recovery in activity in the US real estate market. We believe that the data on the US economy will be neutral for financial markets.

- **Data on Poland's balance of payments for October will be published this Tuesday.** We expect the current account balance to have increased to EUR -1,204m from EUR -1,339m in September, primarily as a result of a higher balance on goods. We forecast that the growth in exports slowed down from 12.2% YoY in September to 8.5% in October, while the growth in imports fell from 21.5% YoY to 18.1%. The growth in both exports and imports in October was driven down by unfavourable calendar effects. With the current account surplus continuously decreasing, the publication of data on the balance of payments will be slightly negative for the PLN and neutral for the yields on Polish bonds.
- **Final data on inflation in Poland for November will be released on Wednesday.** We believe that inflation will stay in line with the flash estimate (7.7% YoY vs. 6.8% in October). Growth in prices in November was driven by higher contributions of all components (prices of food, fuels, energy, and higher core inflation). The publication of data on inflation will be neutral for the PLN and the prices of Polish bonds.
- **Data on employment and average wages in the Polish enterprise sector for November will be published this Friday.** We do not expect the employment growth rate to have changed in November vs. October, and we believe that it stood at 0.5% YoY. In November 2021, the surging, fourth wave of the pandemic was driving the employment down month on month. However, in our opinion, the average wages growth rate was still elevated (9.0% YoY in November vs. 8.4% in October). Important as it is for the forecast of the private consumption growth in Q4, the publication of data about the employment rate and the average wages in the Polish enterprise sector will be neutral for the PLN and the debt market in our opinion.

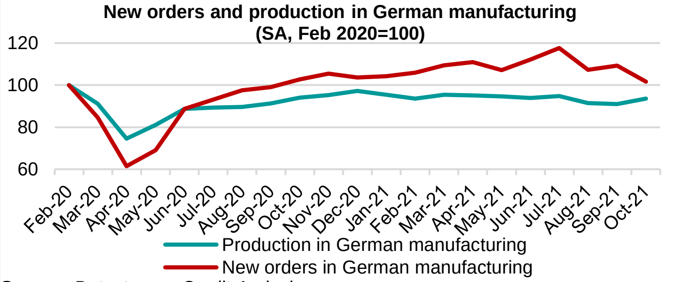


Source: GUS, Credit Agricole

Last week

- **Last week, the Monetary Policy Council took a decision to increase the interest rates once again.** The NBP reference rate rose from 1.25% to 1.75%. The scale of the increase was consistent with market consensus and our forecast. In accordance with the press release published after the meeting, the Council fears that there is a risk of inflation remaining elevated in the monetary policy transmission horizon amidst expected further economic recovery in Poland and favourable labour market conditions. At the same time, the Council believes there is a risk that we might see secondary inflation impulses evoked by a strong growth in the prices of energy and agricultural commodities. Therefore, the MPC has decided to tighten the monetary policy once again. Based on the press release, it can be concluded that, on the one hand, the Council is ready to keep on gradually tightening the monetary policy, but on the other hand, it is ready to accept inflation staying above the inflation target for a longer period of time to support the economic growth (see MACROpulse of 08/12/2021). In our opinion, it can be interpreted as the return of the inflation to the MPC's target in the medium term no longer being a top priority of the monetary policy. During the press conference held on Thursday, the NBP President A. Glapiński suggested that the monetary policy will continue to be tightened in the months to come. Nonetheless, he noted that the interest rates had already been increased significantly, even though there is still some room for further hikes. Moreover, he suggested that the MPC does not want to weaken the economic growth or increase the unemployment through its policy. The press release following the MPC meeting and A. Glapiński's statements support our scenario, in which the monetary policy will continue to be normalised in January. We maintain our forecast, in which the MPC will raise the NBP reference rate by 50 bps in January 2022, and stop increasing interest rates afterwards.

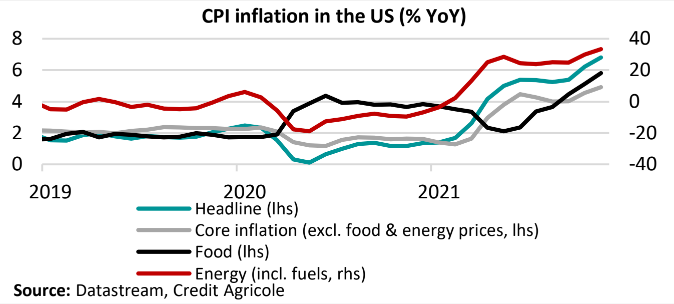
- **Important data on the German economy was published last week.** ZEW index reflecting sentiments among analysts and institutional investors regarding the economic situation in Germany fell to 29.9 pts in December vs. 31.7 pts in November, running much above the market consensus (25.3 pts). In accordance with the report, the poorer epidemiologic situation in Germany as well as the continuing supply barriers curbing the activity in the manufacturing sector and the retail trade led to a deterioration in respondents' sentiments. At the same time, in accordance with the report, the data showed that the respondents' expectations with regard to economic prospects have worsened, too. Last week also saw the release of data on industrial production in Germany, which grew by 2.8% MoM in October comparing to a 0.5% decline in September. Consequently, industrial production in Germany in October was 12.5% lower than right before the outbreak of the pandemic (February 2020). The production growth resulted from a higher growth in the manufacturing sector, while the growth in the energy and construction sectors slowed down. It is worth noting that October was the second consecutive month to see production growth in the automotive industry. Last week also saw the release of data on Germany's trade balance, with surplus going down from EUR 12.9bn in September to EUR 12.5bn in October, running below the market expectations (EUR 13.3bn). At the same time, October saw growth in both exports (4.1% vs. -0.7% in September) and imports (5.0% vs. 0.4%), the growth running markedly above the market expectations (0.8% and 0.3% respectively). Production growth in the automotive industry combined with the increase in activity in the German foreign trade may be the first signal of weakening of supply barriers. However, in our opinion, it is too early to say it explicitly, taking into consideration the last week's poor data on orders in the German manufacturing sector, which were indicative of a strong decline in that area (see MACROmap of 06/12/2021). We forecast that German GDP will grow by 2.7% in 2021 vs. a drop of 4.6% in 2020, while in 2022 it will grow by 4.2%.



Source: Datastream, Credit Agricole

- **Last week saw the release of the final GDP estimate for the Eurozone, in which the rate of quarterly economic growth in the Eurozone did not change in the third quarter with regard to the previous one, and stood at 2.2% (3.9% YoY in Q3 vs. 14.3% in Q2).** Quarterly GDP growth stabilisation resulted from a higher contribution of net exports (0.3 pp. in Q3 vs. -0.1 pp. in Q2), inventories (-0.1 pp. vs. -0.4 pp.) and private consumption (2.1 pp. vs. 1.9 pp.) and from a lower contribution of investments (-0.2 pp. vs. 0.3 pp.) and public consumption (0.1 pp. vs. 0.5 pp.). Thus, private consumption was the main source of economic growth in Q3, as in Q2. We forecast that the quarterly GDP growth rate for the Eurozone will fall to 1.1% in the fourth quarter. Consequently, in 2021, GDP for the Eurozone will grow by 5.2% comparing to a 6.4% decline in 2020.
- **A number of data on US economy was released last week.** The number of jobless claims dropped to 184k vs. 227k two weeks ago, running clearly below market expectations (215k). On the other hand, the number of continued claims remained unchanged at 2.0m. The data supports our assessment that the situation in the US labour market is gradually improving and getting closer to equilibrium. CPI inflation data was also published last week. The CPI increased to 6.8% YoY in

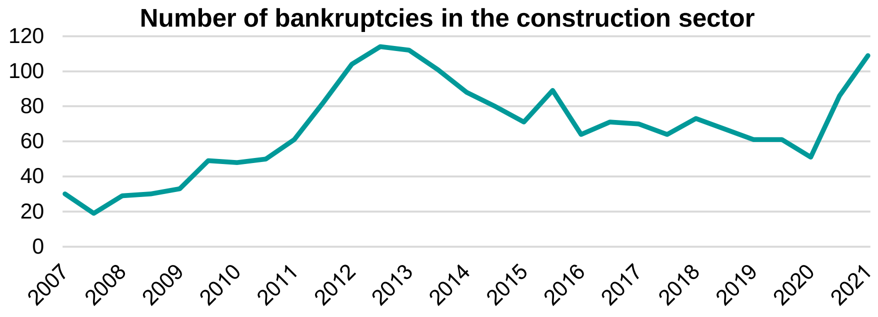
November from 6.2% in October, which was in line with market consensus (6.8%). This is the highest level of inflation in the US since June 1982. The increase in inflation was recorded both in energy and food products, as well as in core inflation, which increased from 4.6% YoY to 4.9%, its highest level since June 1991. It is worth noting that while initially the inflation increase was observed mainly in categories where we saw the realisation of pent-up demand, it now covers a very wide product range. We believe that in Q1 inflation will reach its local maximum, with core inflation approaching 6.0% YoY. In subsequent quarters, we forecast a gradual decline in inflation, which will, however, remain at elevated levels. We do not expect a pronounced fall in inflation until the end of 2022. The preliminary University of Michigan index indicated improvement in consumer sentiment, as it increased to 70.4 pts in December vs. 67.4 pts in November, running above market expectations (67.2 pts). The increase in the index was due to an increase in its components for both the assessment of the current situation and expectations. However, the University of Michigan index remains at low levels against the historical backdrop, with rising inflation as the main factor limiting the improvement in consumer sentiment. We maintain our scenario that US GDP will expand by 5.6% YoY in 2021, compared to a contraction of 3.5% in 2020, and will grow by 3.8% in 2022. At the same time, last week's data indicating further improvement in the labour market and continued strong inflation growth signal a growing risk of more aggressive monetary tightening by the Fed involving a faster pace of phasing out its asset purchase programme, which would create room to start a cycle of interest rate hikes as early as mid-2022 (see above).



Source: Datastream, Credit Agricole

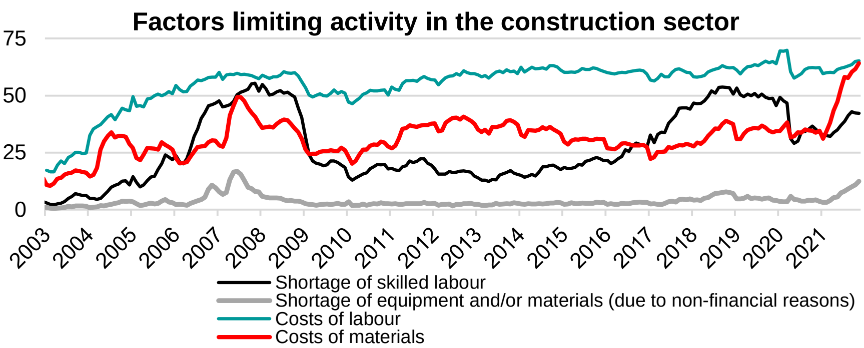
- **China's trade balance fell in November to USD 71.7bn vs. USD 84.5bn in October, which is significantly below market expectations (USD 82.7bn).** The reduction in China's trade balance surplus was driven by faster growth in imports (31.7% YoY in November vs. 20.6% in October) accompanied by slower growth in exports (22.0% vs. 27.1%). The structure of the data indicates that rising prices of energy commodities were a significant source of higher import growth. At the same time, the continued high growth in Chinese exports suggests a gradual weakening of supply constraints on the one hand, and persistently strong foreign demand on the other. This assessment is supported by the very high dynamics of Chinese car exports (99% YoY in November vs. 155% in October). Last week the People's Bank of China eased monetary policy, cutting the reserve requirement rate by 50bp. Currently, the average reserve requirement rate for banks in China is 8.4%. Last week, the People's Bank of China also increased the pool of funds and lowered its interest rate in financing the small and medium enterprise and rural sectors. This is aimed at boosting lending in these sectors and mitigating the negative impact of rising cost pressures and weak domestic demand on their business. We forecast that China's GDP growth rate will increase to 7.7% YoY in 2021 vs. 2.3% in 2020, and in 2022 it will drop to 4.9%. Our scenario is consistent with the tone of last week's meeting of the Politburo of the Communist Party of China, during which it was announced that appropriate economic policy adjustments were to be made to stabilise China's macroeconomic situation in 2022.

What will be the impact of the strong increase in construction materials prices?



Source: Coface, Credit Agricole

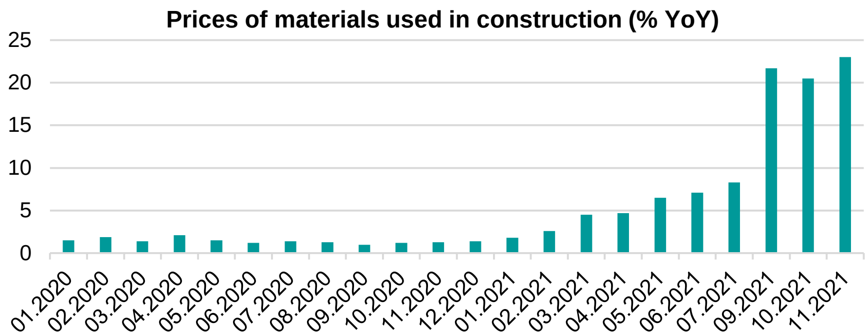
In accordance with the data provided by Coface, H2 2020 and H1 2021 saw a significant increase in the number of bankruptcies in the construction sector (see the chart), which reached the highest level since 2013. The difficult situation in the sector is partly connected with a decline in the economic activity during the pandemic. In October 2021, the value of construction and assembly production was still 6.6% lower comparing to February 2020, which was the last month before the outbreak of the pandemic. However, in our opinion, the current cost trends also had their impact on the deterioration of financial condition of construction sector companies over the last couple of months.



Source: GUS, Credit Agricole

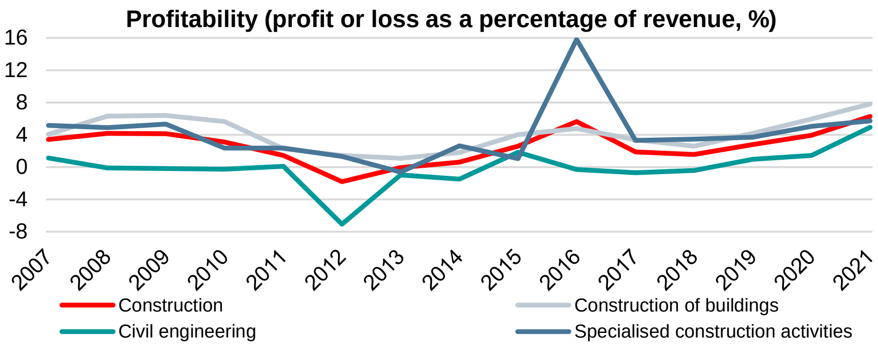
We have analysed the results of the GUS business sentiment survey to see where the barriers for construction sector companies' operations are (see the chart). Most companies (65.3%) are currently complaining about the labour costs, which in their opinion are too high. However, they have been doing so for the last ten years, the percentage of such companies reaching ca. 60% during that period of time, and in fact going up to 70% right before the outbreak of the pandemic, exceeding the levels seen at present. Therefore, we do not think that this particular barrier is responsible for the significant deterioration of financial situation of those companies. As for the lack of qualified staff, the situation is similar. The percentage of companies reporting the lack of qualified personnel has gone up to 42% over the last couple of months, but it is still well below the pre-pandemic level (more than50%). The companies are also increasingly complaining about shortages in equipment or materials, incl. raw materials, which are not related to their financial situation, but their share in the whole sector is rather low (13%). However, the situation at present is changing most dynamically with regard to the costs of materials. In early 2021, only about one-third of the companies reported this particular barrier, while in November it was already 64%. Consequently, it is the second most frequently reported barrier for operations in the construction sector outside high labour costs, and it is likely to rank first within the next couple of months.

Therefore, we have decided to take a closer look at the prices of construction materials as a source of deterioration of the financial situation of construction sector companies over the last couple of months. We believe that some of the construction sector companies signed agreements for investment projects, often intended for a couple of years, assuming that the prices of materials would be much lower than they currently are, and, being unable to renegotiate the price for the final service, they are suffering a significant decline in profitability. This conclusion is supported by a detailed analysis of barriers for operation by company size. Larger companies (i.e. those employing at least 10 employees) reported the issue of the growing costs of materials much more frequently (ca. 65% of all companies) than micro-enterprises (less than 50%). Smaller companies usually carry out smaller and shorter projects, which allows them to adjust their prices to current market conditions on an ongoing basis.



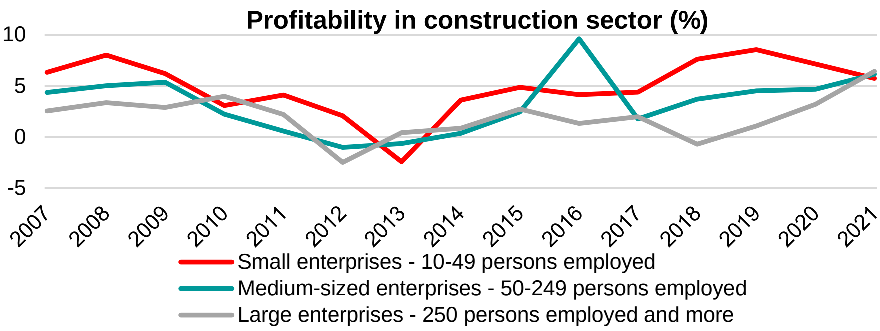
Source: PBS, Credit Agricole

In accordance with the data provided by Grupa PSB Handel S.A., which monitors the prices of leading construction and home-and-garden materials, the prices of construction materials in November 2021 went up by nearly 23% YoY. This means that the price growth has accelerated significantly over the last couple of months. For comparison, in July 2021, the dynamics of the average price of construction materials stood at just 8.3% YoY (see the chart). In accordance with the data provided by PONT Info, in H1 2021, the prices of materials accounted for 17 to 28% of the companies' revenues, depending on the type of construction services they provided. It means that, with other parameters unchanged, the growth in the prices of materials seen in November is driving the profitability of construction companies down by 3.9-6.2 pp. YoY, depending on the segment in which they operate.



Source: PONT Info, Credit Agricole Each data point represents data for H1 of a given year

However, it needs to be remembered that the negative impact of the increase in the prices of materials on the construction companies' profitability is partly limited by an increase in the prices of services provided by those companies. In accordance with the data published by the GUS, the prices of construction and assembly productions grew by 5.1% YoY in September. Furthermore, construction companies are currently reporting the highest profitability comparing to the last couple of years. In construction companies with at least 50-strong workforces, the-net-profit-to-revenues ratio stood at 4.9 to 7.8% in H1 2021, depending on the type of services they provided. Therefore, now, the historically-high profitability of those companies is an additional safety buffer against the growing prices of materials.

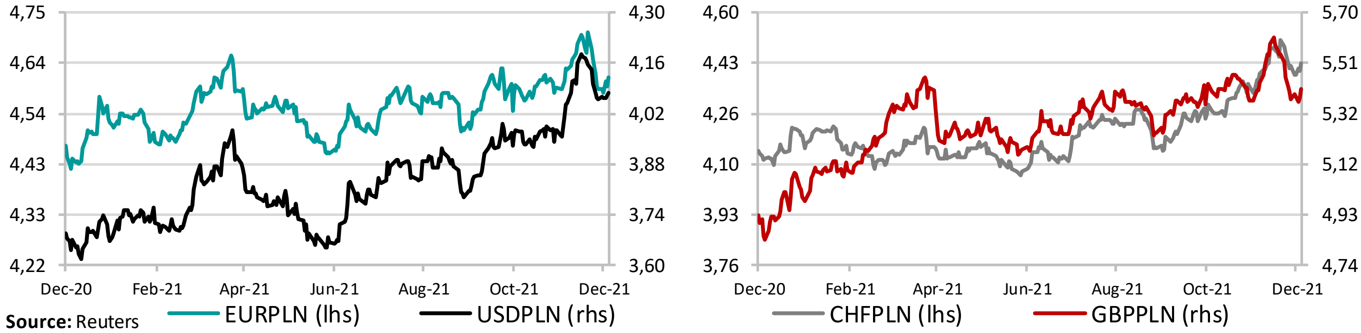


Source: PONT Info, Credi Each data point represents data for H1 of a given year

Taking into consideration the trends outlined above, we believe that the risk of the entire construction sector losing stability is limited, but we will see an increase in the number of bankruptcies in some market segments in the quarters to come. First of all, less profitable companies engaged in long-term investment projects that began in 2019-2020 are at a particular risk of going bankrupt. Secondly, companies engaged in infrastructural projects have limited capabilities of renegotiating their contracts, and at the same time, their profitability is lower comparing to other segments of the construction sector, which poses a significant risk to their financial stability. In contrast, housing construction companies are less exposed to that risk. This is because they can increase the prices for their services more freely, thus transferring the higher of costs of materials on apartment buyers. Thirdly, the increase in the number of bankruptcies will be seen predominantly in smaller companies employing 10 to 49 employees. For such companies, the costs of materials represent a greater share in revenues comparing to larger companies with at least 50-strong workforces (30% vs. 23%); they also have fewer options of negotiating, and the profitability of their operations is lower comparing to bigger companies.

FOMC meeting may contribute to weakening of the zloty

FX rates



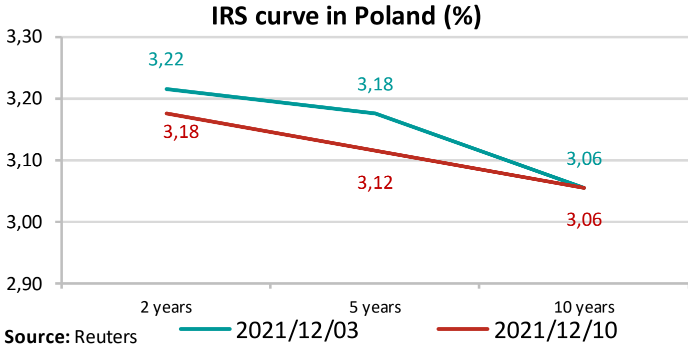
Source: Reuters

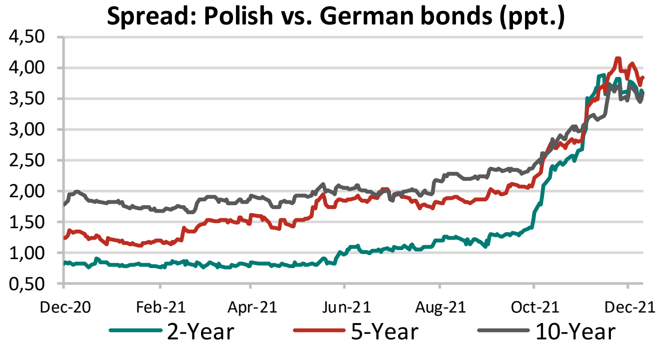
Last week, the EURPLN rate increased to 4.6152 (the PLN weakened by 0.5%). In the first part of the week we saw EURPLN exchange rate stabilize in anticipation of the MPC meeting. Although the scale of the interest rate rises turned out to be in line with market expectations, the dovish tone of the statement after the meeting contributed to the weakening of the PLN against the EUR. Consequently, the EURPLN exchange rate exceeded 4.60 on Wednesday and remained above this level for the rest of the week.

Last week also saw a decline in global risk aversion as investor concerns about the impact of the Omicron variant on the global economy eased. Consequently, this favoured the strengthening of the USD against the EUR as investors' expectations of faster monetary tightening by the Fed increased in this situation. Lower risk aversion also favoured the weakening of the CHF against the EUR.

This week the FOMC meeting planned for Wednesday will be crucial for the PLN. If the FOMC decides to accelerate the phasing out of the asset purchase programme, it may weaken the PLN. We believe that the publication of data from the US economy (retail sales, industrial production, housing starts, building permits) will remain in the shadow of the FOMC meeting and will be neutral for the PLN. The PLN is also unlikely to be significantly affected by the publication of preliminary PMI indices for major European economies and the Ifo index for Germany. However, the ECB meeting scheduled for Thursday may contribute to the weakening of the PLN. The publication of domestic balance of payments data may also be slightly negative for the PLN. Other data from Poland (final inflation, employment and average wage in the enterprise sector) will not, in our opinion, have a significant impact on the PLN. We believe that the publication of data from China (industrial production, retail sales, urban investments) will also be neutral for the PLN.

FOMC meeting in the spotlight





Source: Reuters

Last week the 2-year IRS rates decreased to 3.18 (down by 4bp), 5-year rates to 3.12 (down by 6bp), and 10-year rates remained unchanged at 3.06. Last week saw a decline in IRS rates, particularly visible at the short end of the curve. What had a downward impact on the IRS rates were the dovish tone of the MPC's statement after the meeting and the NBP President’s remarks at Thursday's press conference. Despite the decline in IRS rates concentrated at the short end of the curve, the inverted shape of the yield curve persists. Such a shape of the curve means that in the longer term the market is pricing in a downward adjustment of interest rates. Last week, a debt switching auction was also held, where the Ministry of Finance bought bonds maturing in 2022 for EUR 3.6bn and sold bonds with 2-, 5-, 10- and 11-year maturity periods for PLN 4.0bn with demand of PLN 5.0bn. The auction had no significant impact on the curve.

This week the FOMC meeting planned for Wednesday is going to be in the spotlight. A possible FOMC decision to accelerate the pace of phasing out the asset purchase programme will, in our view, support a rise in IRS rates. Due to investor attention focused on the FOMC meeting, other data releases from the US economy (retail sales, industrial production, housing starts, building permits) will not have a significant impact on the curve. The publication of preliminary PMI indices for major European economies and the Ifo index for Germany are also likely to be neutral for the IRS rates. On the other hand, the ECB meeting scheduled for Thursday may be conducive to an increase in IRS rates. Data from Poland (final inflation, balance of payments, employment and average wage in the corporate sector) and China (industrial production, retail sales, urban investments) will not have a significant impact on the curve, we believe.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	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	Dec-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	0,50	1,25	1,75
EURPLN*	4,47	4,55	4,52	4,52	4,63	4,56	4,48	4,52	4,56	4,52	4,60	4,60	4,65	**4,70**
USDPLN*	3,75	3,73	3,72	3,74	3,95	3,79	3,66	3,81	3,84	3,83	3,98	3,98	4,10	**4,12**
CHFPLN*	4,13	4,21	4,18	4,11	4,18	4,15	4,07	4,12	4,24	4,18	4,27	4,35	4,47	**4,48**
CPI inflation (% YoY)	3,0	2,4	2,6	2,4	3,2	4,3	4,7	4,4	5,0	5,5	5,9	6,8	**7,7**	
Core inflation (% YoY)	4,3	3,7	3,9	3,7	3,9	3,9	4,0	3,5	3,7	3,9	4,2	4,5	**4,7**	
Industrial production (% YoY)	5,4	11,1	0,7	2,5	18,6	44,2	29,6	18,1	9,6	13,1	8,7	7,8	**9,0**	
PPI inflation (% YoY)	-0,2	0,1	1,0	2,2	4,2	5,5	6,6	7,2	8,4	9,6	10,3	11,8	**13,6**	
Retail sales (% YoY)	-5,3	-0,8	-6,0	-2,7	17,1	25,7	19,1	13,0	8,9	10,7	11,1	14,4	**18,8**	
Corporate sector wages (% YoY)	4,9	6,6	4,8	4,5	8,0	9,9	10,1	9,8	8,7	9,5	8,7	8,4	**9,0**	
Employment (% YoY)	-1,2	-1,0	-2,0	-1,7	-1,3	0,9	2,7	2,8	1,8	0,9	0,6	0,5	**0,5**	
Unemployment rate* (%)	6,1	6,3	6,5	6,6	6,4	6,3	6,1	6,0	5,9	5,8	5,6	5,5	**5,5**	
Current account (M EUR)	1298	751	2034	652	71	1269	-531	-378	-1551	-1441	-1339	**-1204**		
Exports (% YoY EUR)	12,4	17,0	1,0	5,6	27,7	68,6	40,5	22,7	13,1	18,9	12,2	**8,5**		
Imports (% YoY EUR)	6,2	14,6	-3,7	6,0	23,6	58,3	52,4	34,7	21,5	31,6	21,5	**18,1**		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland												
Indicator		2021				2022				2021	2022	2023
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)		**-0,8**	**11,2**	**5,3**	**5,5**	**4,5**	**4,0**	**3,6**	**4,9**	**5,2**	**4,3**	**3,8**
Private consumption (% YoY)		**0,1**	**13,1**	**4,7**	**3,1**	**3,0**	**2,3**	**2,9**	**3,7**	**5,2**	**3,0**	**3,8**
Gross fixed capital formation (% YoY)		**1,7**	**5,6**	**9,3**	**18,4**	**9,8**	**9,9**	**11,8**	**11,5**	**10,7**	**11,0**	**6,8**
Export - constant prices (% YoY)		**7,3**	**29,2**	**8,6**	**8,9**	**13,7**	**13,8**	**10,3**	**9,8**	**13,4**	**11,9**	**8,1**
Import - constant prices (% YoY)		**10,3**	**34,5**	**15,2**	**10,0**	**13,6**	**13,2**	**13,5**	**11,8**	**17,3**	**13,0**	**9,3**
GDP growth contributions	**Private consumption (pp)**	**0,0**	**7,2**	**2,7**	**1,5**	**1,8**	**1,3**	**1,7**	**1,8**	**2,9**	**1,6**	**2,1**
	Investments (pp)	**0,2**	**0,9**	**1,5**	**3,9**	**1,2**	**1,5**	**1,9**	**2,7**	**1,8**	**1,9**	**1,2**
	Net exports (pp)	**-1,1**	**-0,3**	**-2,7**	**0,1**	**1,0**	**1,2**	**-1,6**	**-0,5**	**-1,3**	**0,0**	**-0,4**
Current account (% of GDP)* **		**2,7**	**1,7**	**0,4**	**-0,8**	**-1,6**	**-1,6**	**-2,1**	**-1,4**	**-0,8**	**-1,4**	**-1,8**
Unemployment rate (%)**		**6,4**	**6,0**	**5,6**	**5,7**	**6,0**	**5,0**	**5,1**	**5,3**	**5,7**	**5,3**	**5,3**
Non-agricultural employment (% YoY)		**0,1**	**3,1**	**0,5**	**0,6**	**0,6**	**0,8**	**0,6**	**0,6**	**1,1**	**0,7**	**0,1**
Wages in national economy (% YoY)		**6,6**	**9,6**	**9,4**	**9,7**	**9,8**	**8,9**	**8,4**	**8,3**	**8,8**	**8,9**	**7,5**
CPI Inflation (% YoY)*		**2,7**	**4,5**	**5,5**	**7,5**	**6,9**	**7,0**	**6,1**	**4,0**	**5,0**	**6,0**	**3,5**
Wibor 3M (%)**		**0,21**	**0,21**	**0,23**	**2,38**	**2,38**	**2,38**	**2,38**	**2,38**	**2,38**	**2,38**	**2,38**
NBP reference rate (%)**		**0,10**	**0,10**	**0,10**	**1,75**	**2,25**	**2,25**	**2,25**	**2,25**	**1,75**	**2,25**	**2,25**
EURPLN**		**4,63**	**4,52**	**4,60**	**4,70**	**4,65**	**4,60**	**4,60**	**4,60**	**4,70**	**4,60**	**4,40**
USDPLN**		**3,95**	**3,81**	**3,98**	**4,12**	**4,08**	**4,00**	**3,97**	**3,90**	**4,12**	**3,90**	**3,64**

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST* CA	FORECAST* CONSENSUS**
		Tuesday 12/14/2021				
14:00	**Poland**	**Current account (M EUR)**	**Oct**	**-1339**	**-1204**	**-970**
		Wednesday 12/15/2021				
3:00	China	Industrial production (% YoY)	Nov	3,5	3,8	3,8
3:00	China	Retail sales (% YoY)	Nov	4,9	4,5	4,9
3:00	China	Urban investments (% YoY)	Nov	6,1	5,2	5,3
10:00	**Poland**	**CPI (% YoY)**	**Nov**	**7,7**	**7,7**	**7,7**
14:30	USA	NY Fed Manufacturing Index (pts)	Dec	30,9		27,3
14:30	USA	Retail sales (% MoM)	Nov	1,7	1,0	0,8
16:00	USA	Business inventories (% MoM)	Oct	0,7		1,1
20:00	USA	FOMC meeting (%)	Dec	0,25	0,25	0,25
		Thursday 12/16/2021				
9:30	Switzerland	SNB rate decision %)	Q4	-0,75		
9:30	Germany	Flash Manufacturing PMI (pts)	Dec	57,4	56,9	57,0
10:00	Eurozone	Flash Services PMI (pts)	Dec	55,9	53,8	54,2
10:00	Eurozone	Flash Manufacturing PMI (pts)	Dec	58,4	57,7	57,7
10:00	Eurozone	Flash Composite PMI (pts)	Dec	55,4	54,2	54,0
13:00	UK	BOE rate decision (%)	Dec	0,10	0,10	0,10
13:45	Eurozone	EBC rate decision (%)	Dec	0,00	0,00	0,00
14:30	USA	Housing starts (k MoM)	Nov	1520	1573	1570
14:30	USA	Building permits (k)	Nov	1653	1670	1660
14:30	USA	Philadelphia Fed Index (pts)	Dec	39,0		30,0
15:15	USA	Industrial production (% MoM)	Nov	1,6	0,7	0,7
15:15	USA	Capacity utilization (%)	Nov	76,4		76,8
15:45	USA	Flash Manufacturing PMI (pts)	Dec	58,3		58,5
		Friday 12/17/2021				
10:00	**Poland**	**Employment (% YoY)**	**Nov**	**0,5**	**0,5**	**0,5**
10:00	**Poland**	**Corporate sector wages (% YoY)**	**Nov**	**8,4**	**9,0**	**8,9**
10:00	Germany	Ifo business climate (pts)	Dec	96,5	95,0	95,4
11:00	Eurozone	HICP (% YoY)	Nov	4,9	4,9	4,9
14:00	**Poland**	**Core inflation (% YoY)**	**Nov**	**4,5**	**4,8**	**4,8**

*The forecasts of macroeconomic indicators for Poland were prepared by Credit Agricole Bank Polska S.A. The forecasts of foreign indicators were prepared by Crédit Agricole Corporate and Investment Bank
** Reuters

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