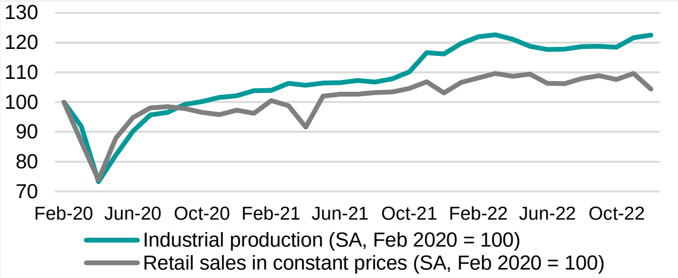
# Poland will catch up with Italy in 10 years

## This week

- **The key event this week will be the release of Poland's industrial production figures for January scheduled for today.** We forecast that growth in industrial production picked up to 5.5% YoY from 1.0% in December. Favourable calendar effects were driving the production up. Our industrial production growth forecast is above market consensus (4.3%), and thus its materialisation would be slightly positive for the PLN and yields on Polish bonds.



**Source:** GUS, Credit Agricole

- **Another important event will be the release of Poland's retail sales figures on Tuesday.** We expect the growth in sales expressed in terms of current prices to have increased to 16.2% YoY in January vs. 15.5% in December. Consumer sentiment had improved, and drove the sales growth up. Our nominal retail sales growth forecast is below market consensus (19.0%), thus, its materialisation would be slightly negative for the PLN and yields on Polish bonds.
- **Tuesday will see the publication of business survey results for key Eurozone economies.** The market expects a rise in the Eurozone's Composite PMI to 50.5 pts in February from 50.3 pts in January. This means that it would be the fourth consecutive month to have seen an upturn that is partly connected with the improving situation with supply chains. At the same time, it would be the second consecutive month to have seen the PMI for the Eurozone above the 50-point mark separating growth from contraction in activity. At the same time, investors are expecting a slight increase in German manufacturing PMI (to 49.3 pts in February from 48.8 pts in January). Wednesday will see the release of the Ifo index, reflecting the sentiment of German businesses in the manufacturing, construction, trade, and services sectors. The market expects the index to have risen to 91.1 pts in February from 90.2 pts in January. We believe that the release of Eurozone business survey results will be neutral for financial markets.

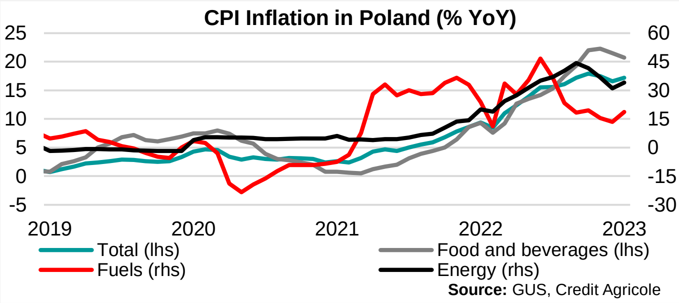
**Source:** Markit, Credit Agricole
*the lower the index value, the higher intensity of problem

- **Minutes from the FOMC's February meeting are planned to be published this Wednesday.** Information on differences between individual Fed members' expectations concerning the pace of monetary policy tightening in the months to come will be an important topic in the Minutes. During the press conference following FOMC meeting in February, J. Powell said the Fed was expecting several interest rate hikes more. Furthermore, in accordance with the February press release, the FOMC members still believe that the risk of doing too little in terms of raising interest rates in the interest rates is still higher than the risk of tightening the monetary policy too much, and consequently, further interest rate hikes seem to be adequate. However, given higher-than-expected figures on inflation, retail sales and employment, it should be noted that opinions of some members as presented in the Minutes may have changed to some extent. We believe that the publication of Minutes will be conducive to an increased volatility on the financial markets.
- **Some significant data on US economy will be released this week.** The second GDP estimate for Q4 is planned to by published on Thursday. We do not expect the annualised GDP growth to have been revised comparing to the initial estimate, so it would stand at 2.9%. We expect that the headline PCE inflation fell from 5.0% in December to 4.9% in January, while core inflation

dropped to 4.3% YoY vs. 4.4%. We expect the data on new homes sales (613k in January vs. 616k in December) and existing homes sales (4.08m vs. 4.12m) to be indicative of a further decrease in the activity in the US property market. We believe that the final University of Michigan index (66.4 pts in February vs. 64.9 pts in January) will show a slight improving in households' sentiments, which will be connected, among others, with the inflation drop. We believe this week's US data will be overshadowed by the Minutes from the FOMC meeting, and will be neutral for financial markets.

- **Data on employment and average wages in the Polish enterprise sector for January will be published on Monday.** The GUS will carry out the annual revision of the number of employees in micro-enterprises (companies employing less than 10 people), which will result in an increase in the number of employees in companies employing at least 10 people on a month-to-month basis. We believe that the scale of the revision will be smaller than in 2022. Consequently, we expect the employment growth rate to have dropped from 2.2% YoY in December 2022 to 1.8% in January 2023, and the average salary growth rate to have increased from 10.3% YoY in December to 12.5% YoY in January, which resulted, among other things, from a higher rise of the minimum salary than in 2022. We believe that the release of data on employment and the average wage in the business sector will be neutral for the PLN and the debt market.

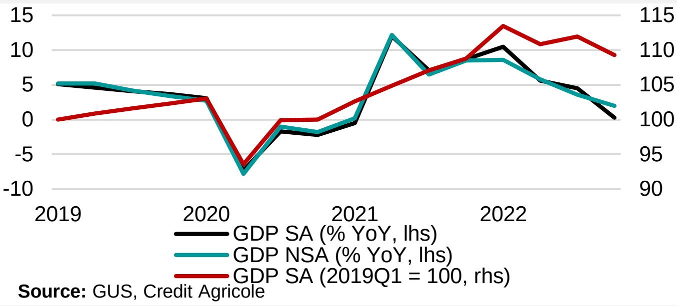
## Last week




- **CPI inflation in Poland increased from 16.6% YoY in December 2022 to 17.2% YoY in January 2023, running below the market consensus (17.6%) and our forecast (17.8%).** Data on January inflation is incomplete yet, and it is only preliminary due to the annual revision of weights in the inflation basket. Thus, the possibility of drawing conclusions based on data is limited. Complete data on price growth in individual categories in January and February 2023 including the revised inflation index for January will be published in March. Inflation was driven up by a stronger growth in the prices of energy (34.0% YoY in January vs. 31.1% in December) and fuels (18.7% vs. 13.5%) as well as higher core inflation, which we estimate to have risen from 11.4% YoY in December to 11.9% in January (see MACROpulse of 15/02/2023). A slower growth in the prices of food and non-alcoholic beverages (20.7% vs. 21.5%) had the opposite effect. Today's data carries a downside risk for our forecast, in which inflation in Poland is to reach its local peak in February 2023 at approx. 18.8% YoY, and then to start falling gradually to 7.1% in December 2023 (see MACROmap of 30/01/2023). However, the revision of weights in the inflation basket expected for March carries an upside risk for the short-term inflation path. We maintain our monetary policy scenario, in which NBP interest rates will not change until the end of 2023 (see MACROpulse of 08/02/2023).
- **Poland's current account balance fell to EUR -2,839m in December from EUR +313m in November, running markedly below market expectations (EUR -1,799m) and our forecast (EUR -1,541m).** The reduction in the current account balance was due to lower trade balances in goods, services, and primary and secondary income (EUR 1,738m, EUR 444m, EUR 613m and EUR 44m lower than in December, respectively). At the same time, exports and imports growth rates fell in December comparing to November (11.5% YoY in December vs. 25.2% in November and 12.1% in December vs. 20.3% in November, respectively), which was largely connected with the statistical effect caused by an unfavourable difference in the number of business days. The NBP

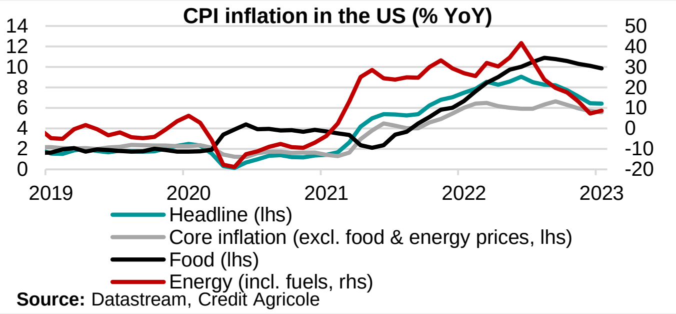
press release points to continuing, strong exports in the automotive industry supported by upturn in the German automotive sector (see MACROmap of 13/02/2023). We estimate that the cumulative current account balance for the last four quarters as a percentage of GDP increased to -3.1% in Q4 from -3.5% in Q3.

- **In line with a flash estimate, GDP growth in Poland dropped to 2.0% YoY in Q4 vs. 4.5% YoY in Q3, running below market consensus (2.2%) and our forecast (2.4%).** The data published by the GUS is a flash estimate and the full GDP data including information on its structure will be published at the end of the month. Based on data for the entire 2022, we have concluded that a lower contribution of private consumption was the main reason behind the slowdown of year-on-year economic growth between Q3 and Q4. Annualised GDP growth between Q3 and Q4 was also driven down by a lower contribution of change in inventories, though it remained the main GDP growth driver despite the decrease. We believe that investments also grew significantly between Q3 and Q4, driven up by higher public investments. In our opinion, a slightly higher contribution of net exports was another factor curbing the slowdown in Q4 2022 (see MACROpulse of 30/01/2023). Seasonally-adjusted quarterly GDP growth fell from 1.0% in Q3 to -2.4% in Q4, while seasonally-adjusted annual GDP growth fell from 4.5% in Q3 to 0.3%. Particularly noteworthy is a huge discrepancy between seasonally-adjusted and unadjusted GDP growth rates in Q4 2022 as they usually fluctuate similarly (see the diagram). It arises primarily from different methods having been used to determine the real GDP growth (i.e. conversion from current into constant prices) in both approaches, which are affected by big discrepancies in the pace of growth in prices of some GDP components. Consequently, the unadjusted GDP growth may still be higher than the adjusted one in the quarters to come. Moreover, GDP figures may also show a drop in seasonally-adjusted GDP growth also in Q1 2023, which would mean that the Polish economy went into the technical recession. Nonetheless, we maintain our “soft landing" scenario for the Polish economy, in which GDP growth in Poland in 2023 will remain positive despite a significant slowdown (1.2% YoY vs. 4.9% in 2022). A good situation in the labour market and the unemployment rate, which we do not expect to increase significantly, are important factors supporting our “soft landing” scenario. Given the trends shown above, the GUS’s reaction to the GDP growth discrepancies shown above and potential revision of past GDP data in future publications carry a significant uncertainty.



**Source:** GUS, Credit Agricole

- **Important data from the US was released last week.** CP I inflation in the US dropped to 6.4% YoY in January vs. 6.5% in December, running above market expectations (6.2%). Inflation was driven down by a slower growth in the prices of foods, and lower core inflation, which went down to 5.6% YoY in January vs. 5.7% in December, also running above the consensus (5.5%). Data on monthly industrial production growth was also released last week. It showed that the monthly growth rate increased from -1.0% MoM in December to 0.0% in January, standing below the market consensus (0.5%). The increase in the industrial production growth resulted from a stronger production growth in the manufacturing and mining sectors, while a strong decline in utilities had the opposite impact. At the same time, the usage of production capacities dropped to 78.3%

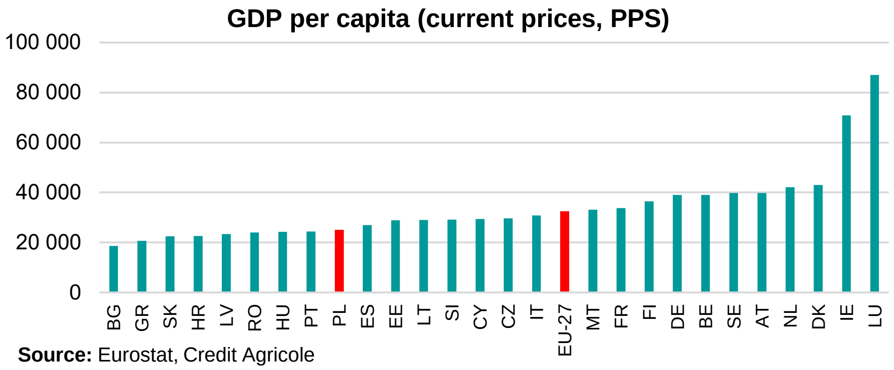


**Source:** Datastream, Credit Agricole

in January vs. 78.4% in December. Data on retail sales was also released last week. It showed that its monthly nominal growth rate increased from -1.1% in December to +3.0% in January, running above the market expectations (1.8%). Monthly sales growth rate excluding cars increased to +2.3% in January vs. -0.9% in December. At the same time, the strongest sales growth can be seen in the "shopping malls" category, which is somewhat surprising given the decreasing purchasing power of American consumers and lower purchasing activity in that category over the last couple of months. This is indicative of a drop in the households' savings rate, which has a short-term beneficial impact on the consumers' demand. Data on building permits (1,339k in January vs. 1,337k in December), housing starts (1,309k vs. 1,371k) and existing-home sales (4.02m vs. 4.08m) indicated at a decrease in activity in the US real estate market. Last week also saw the release of business survey results. Regional indexes, i.e. NY Empire State (-5.8 pts in February vs. -32.9 pts in December) and Philadelphia Fed (-24.3 pts vs. -8.9 pts) provided mixed signals from US manufacturing. Given the continuing, strong inflation pressure amidst high activity in the US economy, we can see and upside risk to our scenario in which Fed is to raise interest rates twice (in March and May), each time by 25bps, and then the rate hiking cycle will come to an end with the target range for federal funds standing at [5.00%; 5.25%].

- **In accordance with the second flash estimate, quarterly GDP growth in the Eurozone fell to 0.1% in Q4 vs. 0.3% in Q3 (1.9% YoY in Q4 vs. 2.3% in Q3), thus running in line with the first estimate (see MACROmap of 06/02/2023).** Quarterly GDP growth slowed down across all major economies of the Eurozone: Germany (-0.2% QoQ in Q4 vs. 0.5% in Q3), France (0.1% vs. 0.2%) and Italy (-0.1% vs. 0.5%). This is just preliminary data, and it contains no information about the economic growth structure. However, it is indicative of a significantly lower likelihood of the Eurozone entering into recession, which supports our "soft landing" scenario for the Polish economy (see above).
- **Standard & Poor's has affirmed Poland's long-term rating at A- with a stable outlook.** In the report, the agency reiterated that the war in Ukraine and its consequences will continue to have a negative impact on the economic situation in Poland. However, the agency noted that its forecasts for Poland's macroeconomic environment had improved (due to, among other things, falling gas prices, easing global inflationary pressures and the lifting of Covid restrictions in China). According to S&P, an upgrade of Poland's rating would be possible if, after the effects of the war in Ukraine have subsided, Poland maintains rapid economic growth and the situation in public finances turns out to be better than the agency's forecasts. S&P expects the general government deficit to be 4.9% of GDP in 2022 and 3.4% of GDP in 2024 vs. the estimated 3.1% of GDP in 2022. On the other hand, the rating could be downgraded if the negative impact of the war in Ukraine is greater and more prolonged than expected, resulting in a significant economic slowdown in the medium term. In addition, a downgrade would be possible in the event of lower transfers of EU funds following Polish-EU tensions. In the baseline scenario, S&P assumes that the Polish government will eventually reach an agreement with the European Commission and the National Recovery Plan will be launched after the 2023 parliamentary elections (regardless of their outcome). The rating stabilisation is neutral for the PLN and bond yields.

## Poland will catch up with Italy in 10 years




**Source:** Eurostat, Credit Agricole

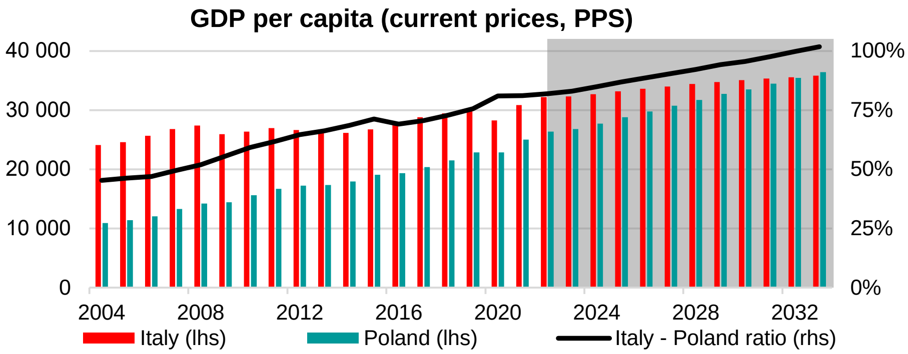
**When Poland joined the European Union back in 2004, it was one of the less prosperous member states. Its GDP per capita in purchasing power parity was twice as low as the EU average. Of the current 27 member states, in 2004 only four had lower income than Poland - Bulgaria, Lithuania, Latvia and Romania. Due to rapid economic growth over the past two decades, Poland has overtaken the next countries in terms of GDP per capita—Greece, Croatia, Hungary, Portugal and Slovakia. In 2021 Poland's GDP per capita was already over 77% of the EU average. We believe that the process of Poland catching up with the richer EU countries will continue in the coming years. One country that Poland may soon catch up with is Italy. It is worth noting that the gap between Italy and Poland has narrowed significantly in the last three years due to the COVID-19 pandemic. In 2019 Italy's GDP per capita was 32% higher than Poland's, while in 2021 it was only 23%. This was a result of the significant differences in the scale of the 2020 recession, with Italy's GDP falling by 9%, while Poland saw a decline of only 2%. Given our expected trends in GDP per capita development, below we analyse when it is possible for Poland to catch up with Italy in terms of prosperity levels.**

In order to analyse long-term trends in GDP per capita, it is necessary to make assumptions about the evolution of economic and population growth rates. For the purpose of the analysis, we have assumed that GDP in Poland and Italy will evolve in line with our macroeconomic projections until 2024. Over the longer horizon, we assume that the actual economic growth rate will behave in line with the estimates of the potential economic growth rate as developed by the European Commission for the assessment of the stability of public finances. Thus, we expect real GDP growth between 2025 and 2035 to be in the range of 2.5-3.0% for Poland and 0.6-1.1% for Italy. It is worth noting that the value used for the potential GDP rate in Poland is consistent with estimates from other institutions. The World Bank, for example, estimates that potential GDP will grow at a rate of 2.8% per year between 2022 and 2032.

We believe that the source of Poland's GDP growth in the long term will be capital investment and productivity growth. According to OECD data, labour productivity in Poland is relatively low. In 2019, the value of GDP measured in purchasing power parity produced during a working hour was 20.9% lower in Poland than the average for OECD countries. This signals huge potential for productivity improvements, including through automation and robotisation of the production process, as well as increased spending on digitisation. Furthermore, we expect that the Russian invasion of Ukraine will not contribute to a long-term decline in Poland's investment attractiveness. Our country's existing strengths, such as relatively low labour costs, a skilled workforce, EU membership, economic stability and a favourable geographical location in terms of transportation, continue to be important factors influencing the growth of foreign direct investment in Poland. Moreover, the war in Ukraine and its consequences will contribute to the acceleration of the green transition in Poland. An important source of funding for investment will be the next seven-year EU perspective and the National Recovery Plan. Within the Plan alone, almost 43% of the funds will be dedicated to green transition.

Demographic trends, including the ageing of the populations of both countries, will—through a decline in the labour force—be a factor reducing the potential economic growth rate in the long term. According to Eurostat projections, the labour supply (the number of people of working age) will decrease by around

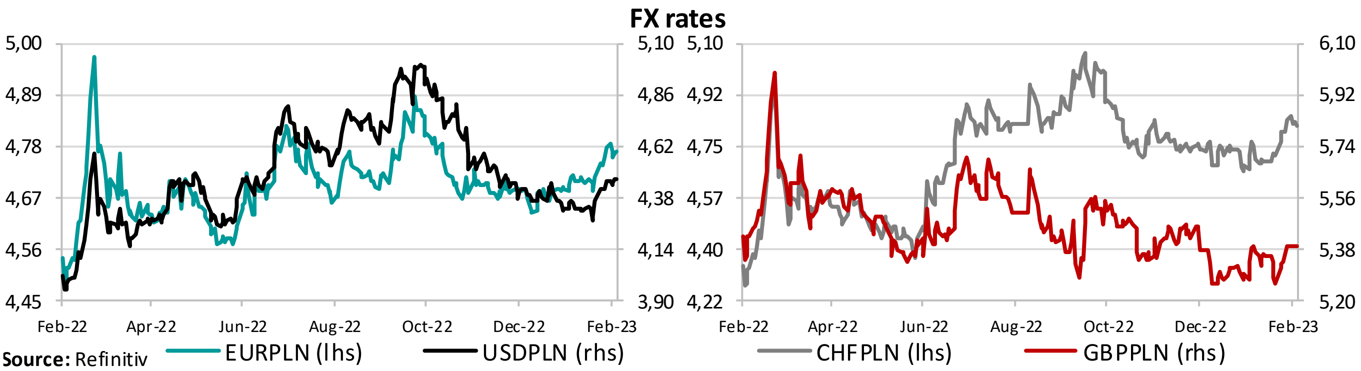
5% in Italy and Poland over the horizon of the next decade. In the case of Poland, we expect the negative impact of the decrease in labour supply on the potential GDP growth rate to be partly mitigated by the inflow of immigrants from Ukraine (the Eurostat projection takes this issue into account only to a limited extent) and the improvement in the quality of human capital—an increase in education, skills, expertise. In addition, the decrease in total population will also benefit Poland from the point of view of the size of GDP per capita—the denominator of this indicator will decrease to a greater extent in Poland than in Italy. According to a Eurostat projection, the population will decline annually by an average of 0.2% for Italy and 0.3% for Poland over the horizon of the next decade.




**Source:** Eurostat, Credit Agricole

Given the trends in GDP growth and population outlined above, we believe that Poland will continue to catch up with Italy in terms of income levels in the coming years. We expect the level of GDP per capita to become equal in Poland and Italy in 2033 and to be close to PPS 36,000. An important risk factor for this forecast is the Poland-EU dispute, which could contribute to a significant weakening of the absorption of EU funds and a decline in Poland's economic growth rate, which would delay the moment when GDP per capita in Poland and Italy becomes equal. Another factor of uncertainty is demographic trends, which may turn out to be more unfavourable than the Eurostat forecasts.

## Domestic data on production and retail sales of key importance for the PLN



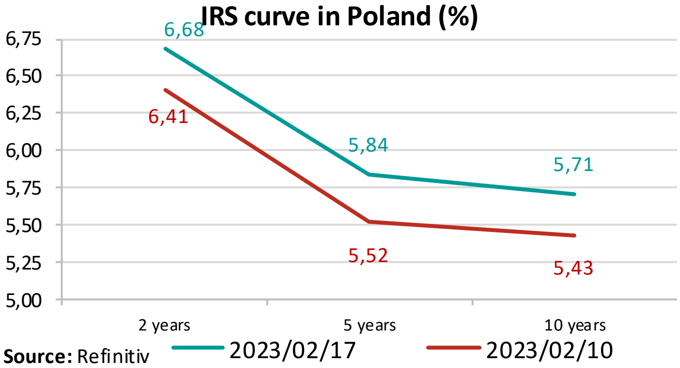

**Source:** Refinitiv

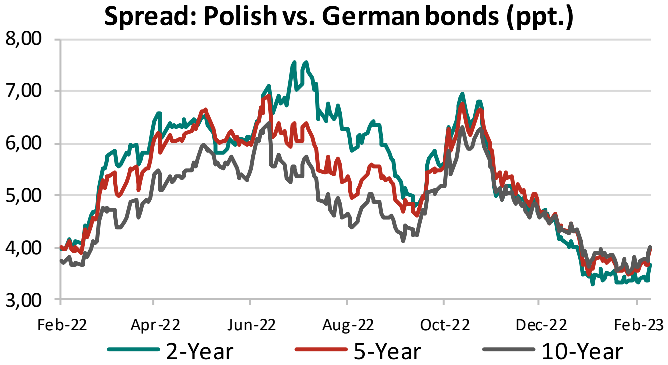
**Last week, the EURPLN rate dropped to 4.7682 (the PLN strengthened by 0.2%).** In the first part of the week, the EURPLN exchange rate was in a mild downward trend, which was a correction after its clear rise two weeks ago (see MACROmap of 13/02/2023). On Thursday the PLN weakened slightly, pushed down by the opinion of the Advocate General of the Court of Justice of the European Union on loans denominated in Swiss francs, which was unfavourable to the banking sector.

In contrast, the EURUSD exchange rate was relatively stable last week. The greatest volatility was experienced on Tuesday, as a result of the publication of higher-than-expected US inflation data. On Thursday, the USD's strengthening against the EUR was supported by a hawkish statement from Cleveland Fed President L. Mester, who said that the Fed 'is going to have more work to do' despite the interest rate hikes it has already made.

S&P 's Friday decision to affirm Poland's rating and its outlook is neutral for the Polish currency. This week, the publication of Poland's industrial production data scheduled for today will be crucial for the PLN. If our forecast, which is higher than the market's expectations, is realised, it may push the PLN slightly up. The release of domestic retail sales data scheduled for Tuesday data is likely to have the opposite effect. Wednesday may see increased volatility of the PLN due to the publication of the FOMC Minutes. We believe that other publications from the Polish and global economies planned for this week will not have a significant impact on the PLN. Information on the course of hostilities in Ukraine will remain an important determinant of the PLN.

## FOMC Minutes publication may increase debt market volatility




**Source:** Refinitiv

**Last week, 2-year IRS rates increased to 6.68 (up by 27bp), 5-year rates to 5.84 (up by 32bp) and 10-year ones to 5.71 (up by 28bp).** Last week saw an increase in IRS rates following the core markets. The rise in yields in the core markets was supported by rising investor expectations of interest rate rises in the US, further intensified after Tuesday's release of higher-than-expected US inflation data. On Thursday, a local factor that pushed IRS rates up was the opinion of the Advocate General of the Court of Justice of the European Union on Swiss franc-denominated loans, unfavourable for the banking sector.

S&P's Friday decision to affirm Poland's rating and its outlook is neutral for IRS rates. This week's focus will be on today's release of domestic industrial production data which could push IRS rates higher. The publication of domestic retail sales data is likely to have the opposite effect. On Wednesday, we expect increased volatility in IRS rates due to the release of the FOMC Minutes. Other data releases from the Polish and global economies planned for this week will not have a significant impact on the IRS, in our opinion. Information on the course of hostilities in Ukraine will remain an important factor affecting the yield curve.

# Forecasts of the monthly macroeconomic indicators

**Main monthly macroeconomic indicators in Poland**

| Indicator | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NBP reference rate (%) | 2,25 | 2,75 | 3,50 | 4,50 | 5,25 | 6,00 | 6,50 | 6,50 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 |
| EURPLN* | 4,58 | 4,69 | 4,64 | 4,67 | 4,58 | 4,70 | 4,73 | 4,72 | 4,85 | 4,71 | 4,67 | 4,69 | 4,71 | **4,71** |
| USDPLN* | 4,08 | 4,18 | 4,19 | 4,43 | 4,27 | 4,48 | 4,63 | 4,70 | 4,95 | 4,77 | 4,48 | 4,38 | 4,33 | **4,43** |
| CHFPLN* | 4,40 | 4,56 | 4,54 | 4,55 | 4,45 | 4,69 | 4,86 | 4,80 | 5,01 | 4,76 | 4,74 | 4,72 | 4,70 | **4,76** |
| CPI inflation (% YoY) | 9,4 | 8,5 | 11,0 | 12,4 | 13,9 | 15,5 | 15,6 | 16,1 | 17,2 | 17,9 | 17,5 | 16,6 | 17,2 | |
| Core inflation (% YoY) | 6,1 | 6,7 | 6,9 | 7,7 | 8,5 | 9,1 | 9,3 | 9,9 | 10,7 | 11,0 | 11,4 | 11,5 | 11,9 | |
| Industrial production (% YoY) | 18,0 | 17,3 | 15,4 | 12,3 | 14,9 | 10,4 | 7,1 | 10,9 | 9,8 | 6,6 | 4,4 | 1,0 | **5,5** | |
| PPI inflation (% YoY) | 16,1 | 16,1 | 21,9 | 24,1 | 24,7 | 25,6 | 25,5 | 25,5 | 24,6 | 23,1 | 21,1 | 20,4 | **18,8** | |
| Retail sales (% YoY) | 20,0 | 16,5 | 22,0 | 33,4 | 23,6 | 19,9 | 18,4 | 21,5 | 21,9 | 18,3 | 18,4 | 15,5 | **16,2** | |
| Corporate sector wages (% YoY) | 9,5 | 11,7 | 12,4 | 14,1 | 13,5 | 13,0 | 15,8 | 12,7 | 14,5 | 13,0 | 13,9 | 10,3 | **12,5** | |
| Employment (% YoY) | 2,3 | 2,2 | 2,4 | 2,8 | 2,4 | 2,2 | 2,3 | 2,4 | 2,3 | 2,4 | 2,3 | 2,2 | **1,8** | |
| Unemployment rate* (%) | 5,9 | 5,9 | 5,8 | 5,6 | 5,4 | 5,2 | 5,2 | 5,2 | 5,1 | 5,1 | 5,1 | 5,2 | **5,4** | |
| Current account (M EUR) | -1091 | -2032 | -4206 | -2834 | -1078 | -499 | -1206 | -2743 | -1839 | -597 | 313 | -2526 | | |
| Exports (% YoY EUR) | 27,4 | 20,3 | 11,9 | 17,6 | 26,8 | 21,5 | 20,3 | 27,6 | 26,5 | 24,4 | 25,2 | 11,5 | | |
| Imports (% YoY EUR) | 38,7 | 29,7 | 31,4 | 36,0 | 32,7 | 27,1 | 21,8 | 29,4 | 30,1 | 25,3 | 20,3 | 12,1 | | |

*end of period

# Forecasts of the quarterly macroeconomic indicators

**Main macroeconomic indicators in Poland**

| Indicator | 2022 | | | | 2023 | | | | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | |
| Gross Domestic Product (% YoY) | 8,6 | 5,8 | 3,6 | 2,0 | -0,8 | 0,2 | 2,4 | 2,9 | 4,9 | 1,2 | 3,1 |
| Private consumption (% YoY) | 6,7 | 6,4 | 0,9 | -1,5 | -2,0 | -1,0 | 0,5 | 2,0 | 3,0 | -0,2 | 3,0 |
| Gross fixed capital formation (% YoY) | 4,7 | 6,6 | 2,0 | 5,1 | -0,5 | 0,2 | 1,4 | 2,6 | 4,6 | 1,2 | 4,0 |
| Export - constant prices (% YoY) | 4,2 | 5,2 | 6,9 | 4,0 | 3,5 | 2,0 | 3,5 | 4,8 | 5,1 | 3,4 | 3,8 |
| Import - constant prices (% YoY) | 9,4 | 6,9 | 6,0 | 2,6 | 2,0 | 0,0 | 2,5 | 4,0 | 6,0 | 2,1 | 4,3 |
| GDP growth contributions: Private consumption (pp) | 4,0 | 3,6 | 0,5 | -0,8 | -1,2 | -0,6 | 0,3 | 1,0 | 1,7 | -0,1 | 1,7 |
| GDP growth contributions: Investments (pp) | 0,6 | 1,0 | 0,3 | 1,1 | -0,1 | 0,0 | 0,2 | 0,6 | 0,8 | 0,2 | 0,7 |
| GDP growth contributions: Net exports (pp) | -2,7 | -0,7 | 0,6 | 0,8 | 0,9 | 1,3 | 0,6 | 0,5 | -0,4 | 0,8 | -0,2 |
| Current account (% of GDP)*** | -2,7 | -3,5 | -3,5 | -4,0 | -3,9 | -3,8 | -3,7 | -3,6 | -4,0 | -3,6 | -3,0 |
| Unemployment rate (%)** | 5,8 | 5,2 | 5,1 | 5,2 | 5,6 | 5,4 | 5,3 | 5,5 | 5,2 | 5,5 | 5,4 |
| Non-agricultural employment (% YoY) | 2,3 | 0,6 | -0,9 | -0,5 | -0,5 | -0,5 | -0,5 | -0,5 | 0,4 | -0,5 | 0,1 |
| Wages in national economy (% YoY) | 9,7 | 11,8 | 14,6 | 12,3 | 14,0 | 12,8 | 11,4 | 9,9 | 12,1 | 12,0 | 7,5 |
| CPI Inflation (% YoY)* | 9,6 | 13,9 | 16,3 | 17,3 | 17,3 | 13,0 | 10,6 | 7,3 | 14,3 | 12,1 | 4,8 |
| Wibor 3M (%)** | 4,77 | 7,05 | 7,21 | 7,02 | 6,88 | 6,88 | 6,88 | 6,88 | 7,02 | 6,88 | 5,88 |
| NBP reference rate (%)** | 3,50 | 6,00 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 5,75 |
| EURPLN** | 4,64 | 4,70 | 4,85 | 4,69 | 4,78 | 4,73 | 4,70 | 4,65 | 4,69 | 4,65 | 4,50 |
| USDPLN** | 4,19 | 4,48 | 4,95 | 4,38 | 4,55 | 4,42 | 4,31 | 4,23 | 4,38 | 4,23 | 4,29 |

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

## Calendar

| TIME | COUNTRY | INDICATOR | PERIOD | PREV. VALUE | FORECAST* | |
|---|---|---|---|---|---|---|
| | | | | | CA | CONSENSUS** |
| | | **Monday 02/20/2023** | | | | |
| **10:00** | **Poland** | **Corporate sector wages (% YoY)** | **Jan** | **10,3** | **12,5** | **12,6** |
| **10:00** | **Poland** | **Employment (% YoY)** | **Jan** | **2,2** | **1,8** | **1,7** |
| **10:00** | **Poland** | **Industrial production (% YoY)** | **Jan** | **1,0** | **5,5** | **4,3** |
| **10:00** | **Poland** | **PPI (% YoY)** | **Jan** | **20,4** | **18,8** | **18,5** |
| 16:00 | Eurozone | Consumer Confidence Index (pts) | Feb | -20,9 | | -19,0 |
| | | **Tuesday 02/21/2023** | | | | |
| 9:30 | Germany | Flash Manufacturing PMI (pts) | Feb | 47,3 | | 47,8 |
| **10:00** | **Poland** | **Retail sales (% YoY)** | **Jan** | **15,5** | **16,2** | **19,0** |
| 10:00 | Eurozone | Flash Services PMI (pts) | Feb | 50,8 | | 51,0 |
| 10:00 | Eurozone | Flash Manufacturing PMI (pts) | Feb | 48,8 | | 49,3 |
| 10:00 | Eurozone | Flash Composite PMI (pts) | Feb | 50,3 | | 50,6 |
| 11:00 | Germany | ZEW Economic Sentiment (pts) | Feb | 16,9 | | 22,0 |
| 15:45 | USA | Flash Manufacturing PMI (pts) | Feb | 46,9 | | 47,1 |
| 16:00 | USA | Existing home sales (M MoM) | Jan | 4,02 | 4.08 | 4,10 |
| | | **Wednesday 02/22/2023** | | | | |
| 10:00 | Germany | Ifo business climate (pts) | Feb | 90,2 | | 91,4 |
| **14:00** | **Poland** | **M3 money supply (% YoY)** | **Jan** | **5,4** | **6,1** | **5,8** |
| 20:00 | USA | FOMC Minutes | Feb | | | |
| | | **Thursday 02/23/2023** | | | | |
| **10:00** | **Poland** | **Registered unemplyment rate (%)** | **Jan** | **5,2** | **5,4** | **5,5** |
| 11:00 | Eurozone | HICP (% YoY) | Jan | 8,5 | | 8,6 |
| 14:30 | USA | Second estimate of GDP (% YoY) | Q4 | 2,9 | 2,9 | 2,9 |
| | | **Friday 02/24/2023** | | | | |
| 8:00 | Germany | Final GDP (% QoQ) | Q4 | -0,2 | -0,2 | -0,2 |
| 14:30 | USA | PCE Inflation (% YoY) | Jan | 5,0 | 4,9 | |
| 14:30 | USA | PCE core inflation (% YoY) | Jan | 4,4 | 4,3 | 4,3 |
| 14:30 | USA | Real private consumption (% MoM) | Jan | -0,3 | | |
| 16:00 | USA | New home sales (k) | Jan | 616 | 613 | 620 |
| 16:00 | USA | Final U. of Michigan Sentiment Index (pts) | Feb | 66,4 | 66,4 | 66,4 |

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

** Refinitiv

**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