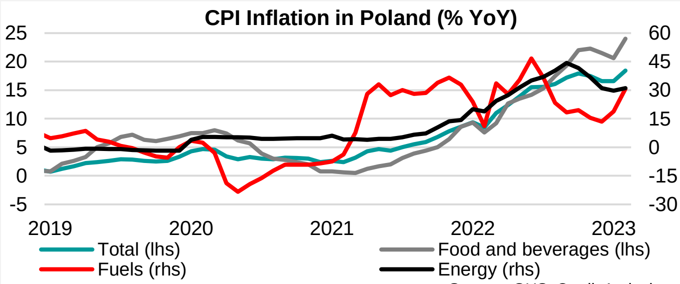
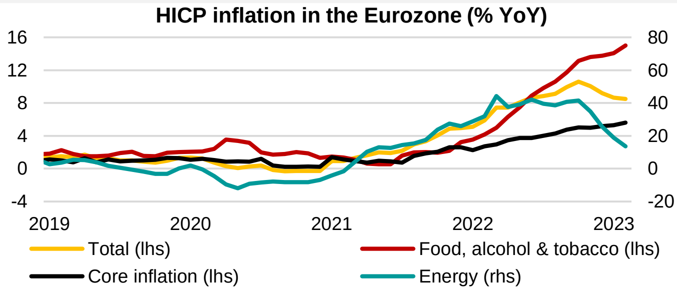
This week

- **Friday will see the release of Poland's flash inflation figures; we expect inflation to have fallen to 15.8% YoY from 18.4% in February.** In our opinion, lower inflation in March is primarily accounted for by much slower growth in fuel prices (last year high base effects relating to s sharp rise in oil prices following the outbreak of the war in Ukraine). Our forecast is below market consensus (16.1%), thus its materialization would be slightly negative for the PLN and yields on Polish bonds.



Source: GUS, Credit Agricole

- **A flash HICP inflation estimate for the Eurozone will be published on Friday.** We expect growth in prices to have fallen to 6.8% YoY in March from 8.5% in February, driven primarily by slower rises in energy prices (0.4% YoY vs. 13.7% in February). At the same tile, core inflation fell only slightly, to 5.5% YoY in March from 5.6% in February. Germany's flash HICP inflation figures, to be released on Thursday, will provide more information about inflation in the Eurozone. We expect it to have fallen to 7.2% YoY in March from 9.3% in February. Our Eurozone inflation forecast is below market expectations (7.2%), thus its materialization would translate into an appreciation of the PLN and a fall in yields on Polish bonds.

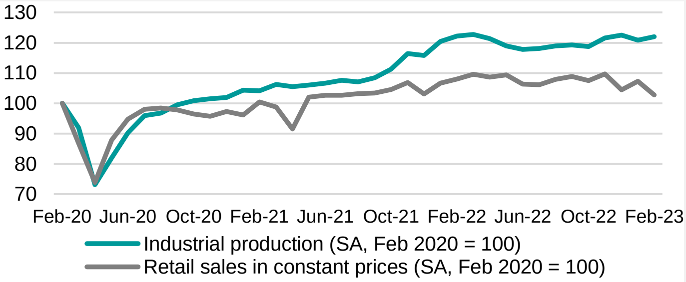


Source: Datastream, Credit Agricole

- **Some significant data on the US economy will be released this week.** Friday will see the release of PCE inflation figures. We expect PCE inflation to have fallen to 5.1% YoY in February from 5.4% in January, driven by slower growth in energy prices and flat core inflation (4.7% YoY). The third estimate of US Q4 GDP will be released on Thursday. We assume it will be in line with the second estimate of annualized GDP growth of 2.7% in Q4 vs. 3.2% in Q3. We expect both the Conference Board index (100.0 pts in March vs. 102.9 pts in February) and the final University of Michigan index (61.5 pts vs. 67.0 pts in February) to show a deterioration in household sentiment due to concerns over the stability of the US banking sector. We believe that this week's US data will be neutral for financial markets.
- **Monday 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 fallen to 90.9 pts in March from 91.1 pts in February. We see a significant upside risk to this forecast due to a marked improvement in business confidence in Germany shown by March PMI figures (see below). We believe that the release of the Ifo index will be neutral for financial markets.
- **Business survey results for China's manufacturing will be released on Friday.** We expect China's CFLP manufacturing PMI to have fallen slightly, to 52.0 pts in March from 52.6 pts in February. Thus, the index will show some slowdown in business activity growth seen as part of the recovery following the lifting of pandemic restrictions in China. We believe that data from China will be neutral for financial markets.

Last week

- **Industrial production in Poland contracted by 1.2% YoY in February compared to 1.8% YoY growth in January, running well below market consensus (1.0%) and slightly below our forecast (-0.9%).** The contraction in industrial production between January and February is to some extent accounted for by a statistical effect in the form of an unfavourable difference in the number of working days. Seasonally-adjusted industrial production grew by 0.9% MoM in February. YoY growth in industrial production was only seen in export-driven sectors, where activity was strongly supported by a reduction in production backlogs with less severe shortages of raw materials and components Thus, export-driven industries have remained relatively resilient to downturns experienced by Poland's main trading partners (see MACROpulse of 20/03/2023). Last week saw the release of construction and assembly production figures which show 6.6% YoY growth compared to 2.4% growth in January, which was well below market consensus (1.2%) and our forecast (0.2%). Growth in construction and assembly production is to some extent accounted for by last year low base effects, partially offset by the statistical effects a statistical effect in the form of an unfavourable difference in the number of working days. Seasonally-adjusted construction and assembly production grew by 0.8% MoM in February. Growth in production between January and February was driven by growth in the 'civil engineering' category, to a large extent accounted for by public sector investment (see MACROpulse of 22/03/2023). Industrial production and construction and assembly figures are in line with our 'soft landing' scenario for Poland's economy. The scenario expects Poland's GDP growth to slow markedly in 2023, to 1.2% YoY from 4.9% in 2022, but to remain positive. The slowdown is not expected to be accompanied by a marked rise in unemployment.



Source: GUS, Credit Agricole

- **Poland's nominal retail sales growth dropped to 10.8% YoY in February from 15.1% in January, running below market consensus (15.0%) and our forecast (14.2%).** Retail sales in constant prices dropped by 5.0% YoY in February compared to 0.1% growth in January (upward revision from -0.3%), which is the strongest drop since January 2021, when YoY growth in sales was adversely affected by previous year high base effects and pandemic-related restrictions. Seasonally adjusted retail sales in constant prices dropped by 4.1% MoM in February. Such a strong drop in seasonally adjusted retail sales is very surprising to us. We believe that because the drop translates into a low base, it gives space for retail sales to rebound next month. Drops in retail sales in constant prices were seen in February in most, seven out of eight, categories reported by GUS. Particularly worth noting is a drop in the 'furniture, radio, TV and household appliances' category, the strongest since April 2020, i.e. since the first wave of the pandemic, as well as a marked slowdown in the 'textiles, clothing, footwear' category. We believe this is an effect of the erosion of household's purchasing power caused by persistently high inflation (see MACROpulse of 21/03/2023). Retail sales figures, showing a marked drop in sales, are in line with our scenario, which expects a major slowdown in consumption in H1 of this year. However, we see a risk that the actual drop in consumption may be sharper than expected in our forecast (-2.0% YoY in Q1 and -1.0% in Q2 vs. -1.5% in Q4). However, the actual scale of slowdown in consumption will to a large extent depend on activity in the services sector, where we do not expect drops to be big as in retail sales.

- **Nominal wage growth in Poland's business sector picked up to 13.6% YoY in February from 13.5% in January, running above market consensus (12.0%) and our forecast (11.7).** The slight acceleration in YoY nominal wage growth was seen in February despite the fact that can no longer be attributed to last year high base effects. The breakdown of wage growth data for January shows that the acceleration in total wage growth between January and February was driven primarily by stronger growth in the 'mining and quarrying' and 'electricity, gas, steam and air conditioning supply' categories. The data suggests that wage pressures in Poland's manufacturing are distributed unevenly and that they are particularly strong in state-controlled industries (see MACROpulse of 20/03/2023). The other key branches (industry, construction, trade) saw drops in annual wage growth. Growth in employment in the business sector slowed to 0.8% YoY in February from 1.1% in December, running below market consensus (1.0%) and our forecast (0.9%). Employment fell by 3.8k people between January and February, which was the first fall in employment seen in February since 2015. The breakdown of data indicates that restructuring processes are getting stronger in industries particularly strongly affected by economic growth slowdown and a surge in energy commodity prices. The slowdown in employment growth and a stronger drop in real wages in the business sector translated into a decline in businesses' real wage fund growth (the product of employment and average wage adjusted for changes in prices), to -3.3% YoY in February from -2.1% in January. We expect employment in the business sector to start growing markedly in H2 of this year alongside a global and domestic recovery. As regards wage growth, we believe that after its temporary acceleration in Q1, in subsequent quarters wage growth will be back on a downward trend, which will also be seen for average wage growth across the economy.
- **At its last week's meeting, the Fed increased the target range for Federal Reserve funds by 25bp [4.75%; 5.00%], which was in line with our forecast and market expectations.** It is noteworthy that the Fed's decision was unanimous, despite the recent liquidity problems of several US banks, which intensified the public debate as to whether the Federal Reserve should continue its interest rate hike cycle in this situation. However, the release went on to state that while the US banking sector is 'strong and resilient', there is uncertainty about how the liquidity problems of several banks will affect the economy. In the release, the Fed also noted that some additional monetary tightening may be appropriate to bring inflation back to the inflation target. It replaced a section stating that the Fed expects "further interest rate hikes". This change in the release indicates that the interest rate hike cycle in the US is coming to an end. The Fed has also published new macroeconomic projections. The path of GDP growth in 2023 and 2024 was revised downwards relative to the December projection, while the path of the unemployment rate did not change significantly. This signals that FOMC members do not expect a slowdown in economic growth to be accompanied by a marked increase in the unemployment rate. The paths of total PCE inflation and core PCE inflation (mainly in 2023) were revised slightly upwards relative to the December projection. However, there was no change in the FOMC members' assessment that inflation in the US would not approach the inflation target until 2025. The median for the level of interest rates expected by the FOMC members in the US also did not change significantly. They still expect the target range for the Federal Reserve's funds rate volatility to be [5.00%; 5.25%] at the end of 2023, implying one more 25bp interest rate hike. Expectations for the level of interest rates at the end of 2024 have increased slightly (FOMC members now expect cuts of a total of 88bp compared to 100bp in the December projection). However, the expected level of interest rates at the end of 2025 has not changed [3,00%; 3,25%]. During the press conference following the meeting, Federal Reserve chief J. Powell made it clear that the Fed's determination to bring inflation down to its inflation target is unconditional. He also referred to the recent liquidity problems of several US banks and said that these could lead to tighter credit policies for the US banking sector, which in his view could be a substitute for further interest rate hikes. The March FOMC projection, the press release after the meeting, as well as statements by J. Powell support our scenario that the Fed will raise interest rates by

another 25bp in May, and thus the target range for Federal Reserve funds rate volatility will be [5.00%, 5.25%].

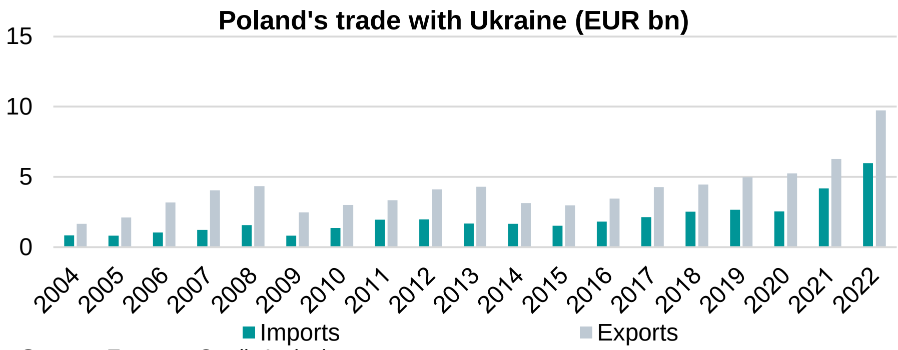
- **Some significant data on the US economy was released last week.** The number of orders for durable goods fell by 1.0% MoM in February comparing to a 5.0% drop in January, running below the market expectations (+0.2%). The monthly dynamics of orders for durable goods excluding the transportation equipment fell from 0.4% in January to 0.0% in February. At the same time, the growth in orders for non-military capital goods accelerated from 3.9% YoY in January to 4.3% YoY in February. Even though the order dynamics accelerated slightly in February, its three-month moving average still follows a clear downward trend, which in our opinion suggests that the further deterioration of the outlook for investments in the US. The significant increase in the activity in the US property market that had been signalled two weeks ago by new construction permits and housing starts data (see MACROmap of 20/03/2023) was confirmed by the data on existing-home (4.58m in February vs. 4.0m in January) and new-home sales (640k vs. 633k). However, in our opinion, the improvement in the US property market is only transitional, and the tightening of the credit policy on the part of banks due to an increased uncertainty in the US banking sector will be a significant factor leading to the deterioration of the situation in the months to come. Last week's data have no impact on our forecast, in which the annualised economic growth in the US will slow down to 0.6% in Q1 2023 vs. 2.7% in Q4 2022.
- **We have revised our forecasts for the US economy.** We have maintained our US interest rate path: a final 25bp hike in May 2023 and 100bp rate cuts in 2024. However, we believe that monetary easing in 2024 will be more gradual than we previously expected and the Fed will cut interest rates by 25bp every quarter. At the same time, due to the weaker-than-expected slowdown in economic activity in the US, we believe that a technical recession in the US will not occur until H2 2023 (the annualised change in GDP in Q3 and Q4 will be -1.3% and -0.8%, respectively). As a result, we have revised upwards our forecast for US GDP in 2023 to 1.3% (vs. 0.5% in the previous forecast) and lowered our forecast for 2024 to 0.6% (1.3%).
- **Last week a meeting of the Swiss National Bank (SNB) was held.** The SNB raised its main interest rate by 50 bps to 1.50%, just as the market had expected. The SNB's press release emphasised that the purpose of the increase in the interest rates was to prevent the inflation pressure from growing. The SNB also maintained its declaration that they do not rule out further interest rate hikes if they were necessary to ensure the stability of prices in the medium-term perspective. The SNB also confirmed that they are ready to intervene in the foreign exchange market, if necessary. In its press release, the SNB also referred to UBS's decision taken two weeks ago to take over the Credit Suisse bank struggling with liquidity issues, and emphasised that the crisis had been resolved. The SNB has also published new macroeconomic projections. The SNB has revised its 2023 GDP growth forecast upwards to approx. 1.0% (vs. 0.5% in December). Inflation path has been revised slightly upwards, too, to 2.6% in 2023 (vs. 2.4% in the December projection), 2.0% in 2024 (1.8%) and 2.0% in 2025. The SNB's last week's decision is consistent with our forecast for EURCHF (0.98 at the end of 2023 and 0.95% at the end of 2024) and CHFPLN (4.74 at the end of both 2023 and 2024).
- **Preliminary data shows that the composite PMI (manufacturing and services) for the Eurozone increased from 52.0 pts in February to 54.1 pts in March, running markedly above market consensus (52.0 pts).** Therefore, it was the third consecutive month when the index remained above the 50-point level that separates growth from contraction. The increase in the composite PMI is accounted for by a higher contribution of the 'business activity in services' component, while a lower 'current

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

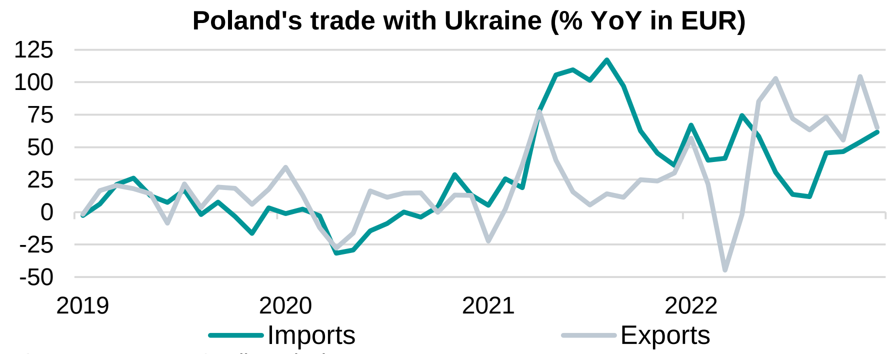
manufacturing output' had the opposite impact. In accordance with the press release, the strong upturn in the Eurozone seen over the last couple of months was driven primarily by higher activity in services, where the upturn is seen across a wide range of sectors, including the finances, real estate market, tourism, IT, and health. The last couple of months saw stagnation in the manufacturing sector, but nonetheless, it is worth noting an improvement in the automotive industry supported by continuing restoration of the supply chain in that sector. Geography wise, some improvement in business sentiment was seen in Germany, France, and other Eurozone economies surveyed. From the point of view of Polish exports, of particular importance are trends in Germany, where the manufacturing PMI fell from 46.3 pts in February to 44.4 pts in March, running below market expectations (47.0 pts). The drop in the index resulted from lower contributions of new orders, inventories, and delivery times (March saw a record shortening of delivery times), while employment and current output have not changed materially comparing to February. As regards the data structure, particularly noteworthy is further, significant shortening of delivery times, which shows that the supply barriers are decreasing. Combined with weaker demand, it results in input prices falling faster, which in turn leads to the output price growth becoming slower and slower. What is worrying about the data is the drop in the index value for the production expected in a 12-month horizon. Even though the index remains above the 50-point level that separates growth from contraction, its level in March has been the lowest since December 2022. In our opinion, it is becoming increasingly probable that the quarterly GDP growth figures for the Eurozone in Q1 will be positive. We will present our revised forecast in the next MACROmap.

- **Moody's did not publish a new report on Poland's rating last week, thus maintaining the long-term rating at A2 with a stable outlook.** The rating stabilisation is neutral for the PLN and bond yields.

War has boosted trade with Ukraine



Source: Eurostat, Credit Agricole



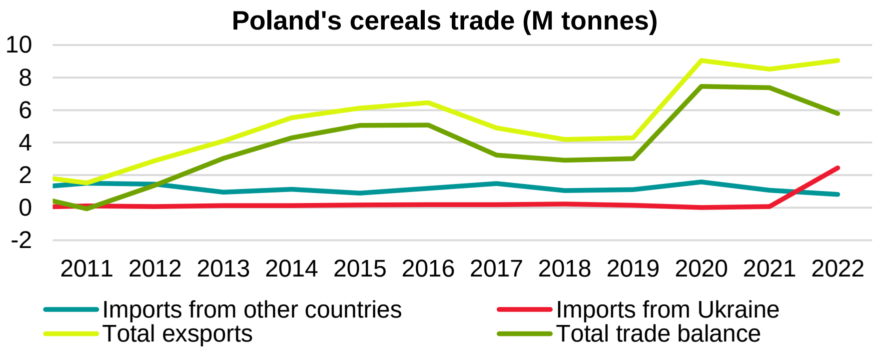
Source: Eurostat, Credit Agricole

The war in Ukraine has numerous economic consequences. For example, in MACROmap of 27/02/2023 we analysed the impact of the influx of refugees from Ukraine to Poland on consumption and GDP. Below we will outline the main trends in Poland's trade with Ukraine after the outbreak of the war.

Immediately after the outbreak of the war, a collapse in Polish exports to Ukraine was observed – in March 2022 their value expressed in EUR fell by almost 45% in nominal terms. Nevertheless, the flow of merchandise exports was quickly restored and even increased. In the May-December period, it grew at an average rate of 77.7% YoY (see chart). As a result, Poland's exports to Ukraine increased by 55.1% in 2022, vs. an increase of 19.6% in 2021. For imports of goods from Ukraine to Poland, fluctuations were much smaller. Since the outbreak of the war, it has continued to grow at a rate of more than 10% YoY and accelerated markedly in Q4. As a result, imports of goods from Ukraine to Poland increased by 42.7% in 2022, vs. an increase of 65.0% in 2021. It is important to note that the above quoted growth rates are presented in nominal terms (in current prices) and are thus boosted by the strong increase in commodity prices recorded in 2022. For the whole of 2022, Poland's exports of goods to Ukraine amounted to EUR 9.7bn and imports from Ukraine to EUR 6.0bn.

Analysing in detail the structure of foreign trade between Poland and Ukraine, it can be noted that the export of mineral fuels, mineral oils and products of their distillation (mainly heating oils, diesel oils excluding biodiesel, other fuels) was responsible for the increase in the growth of exports from Poland to Ukraine. It boosted the growth of total exports from Poland to Ukraine by 25.1 pp. The second category that contributed greatly to the growth of Polish exports (by 12.8 pp) was 'arms and ammunition'. The other categories were much less important. These can include 'non-rail vehicles and their parts and accessories' (mainly cars, trailers and semi-trailers, and tanks, 3.4 pp), electric batteries, generating sets and single-horsepower inverters (2.9 pp), life jackets and lifebelts (1.0 pp), cleaning preparations (0.9 pp), pharmaceuticals (0.8 pp) and vegetables (0.7 pp). It is worth noting that the increase in the growth of exports from Poland to Ukraine in 2022 was to a large extent directly linked to the outbreak of war in Ukraine and was realised within the categories covering various types of aid and support (military, humanitarian) to Ukraine.

The growth in imports, on the other hand, came mostly from the food and agricultural categories. These were mainly 'cereals', 'oilseeds and oleaginous fruit; miscellaneous grains, seeds and fruits; industrial or medicinal plants; straw and fodder' and 'fats and oils of animal, vegetable or microbial origin and their decomposition products', which contributed 13.4 pp, 9.3 pp and 7.4 pp respectively to the growth of total Polish imports from Ukraine between 2021 and 2022. Further categories boosting the growth of Ukrainian imports to Poland were mineral fuels, mineral oils and products of their distillation (6.0 pp), sugars and confectionery (2.8 pp), dairy products, birds' eggs, natural honey (1.5 pp) and plant materials for plaiting; products of plant origin, not elsewhere specified or included (1.4 pp). Increases in import growth in the aforementioned categories were partly offset by significant reductions in imports in other categories. Among the most important of these are 'iron and steel' (contributing to a 39.9 pp decline in the growth rate of total imports from Ukraine between 2021 and 2022), 'metal ores, slag and ash' (-7.5 pp) and 'plastics and articles thereof' (-3.6 pp).



Source: GUS, Credit Agricole

In the context of increased imports from Ukraine, an important issue is grain imports. In 2022, cereal imports from Ukraine amounted to 2.45M tonnes, increasing significantly (by 2.39M tonnes) compared to 2021 levels. (0.06M tonnes). In the corresponding period, Poland's grain exports increased to a much lesser extent (by 0.5M tonnes). This means that grain imported from Ukraine is largely consumed or stored in Poland and re-exported to other markets only to a limited extent. This is due to the limited capacity of the national transport infrastructure, which is unable to handle the increased supply of grain in the domestic market. In the absence of logistical constraints, increased demand for competitively priced grain in Poland would lead to an increase in its price, which would converge with world market prices. However, this mechanism is currently being disrupted, leading to a decline in domestic prices seen particularly in the provinces bordering Ukraine. As a result, work is currently underway by the Polish government in consultation with the European Commission to support affected farmers with approximately PLN 900M in public aid.

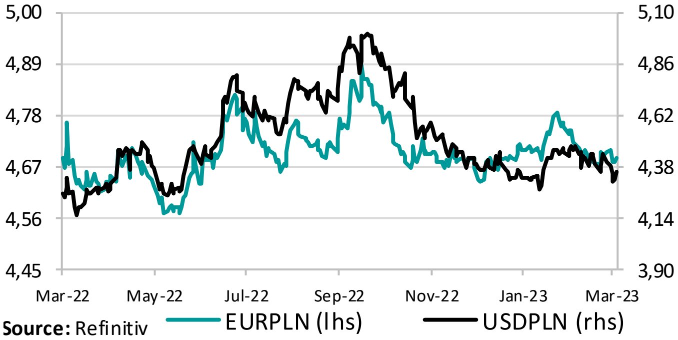
Following the trends outlined above, trade between Poland and Ukraine increased significantly in 2022. Ukraine became the ninth largest recipient of Polish exports (2.8% of total exports), thus going up by six places compared to the situation in 2021 (2.18%). It is worth noting that the tightening of trade ties accelerated in H2 2022. Therefore, when analysing the data including Q4 2022 Ukraine ranks even higher (7th with a 3.6% share of exports from Poland. For imports, Ukraine also increased its role, but the changes were not as significant. The share of Ukrainian imports to Poland in total Polish imports increased from 1.4% in 2021 to 1.6% in 2022, rising from 16th to 15th place.

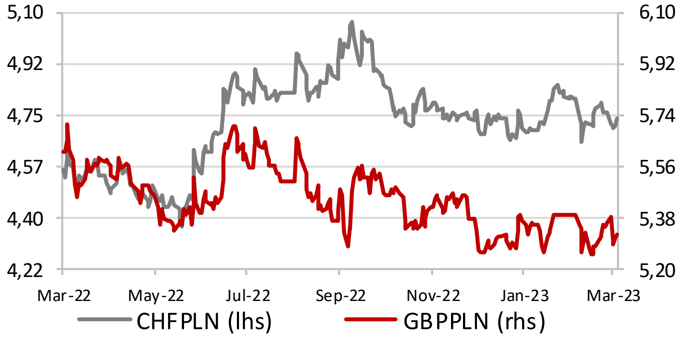
The reported acceleration of Polish goods exports to Ukraine in 2022 and the slowdown of imports from Ukraine lead to an increase in the contribution of net exports to GDP by 0.4 pp between 2021 and 2022. However, a large part of the exports (military equipment, humanitarian aid, donations in the form of e.g. off-road vehicles) were transferred to Ukraine free of charge, meaning that the positive impact on GDP so far has been lower than the estimate indicated above. However, we assume that eventually the larger costs incurred by Poland in assisting Ukraine will be covered (reimbursed) by the European Peace Facility. According to PAP information from January 2023 Poland has submitted invoices worth EUR 2.2 bn to the EC for military equipment delivered, while it has so far received only EUR 27M. Last week, Prime Minister M. Morawiecki announced that up to EUR 300M in compensation would be coming to Poland by Easter, with an additional EUR 500-600M in the following months. Thus, we expect that the positive impact on Poland's income will be realised with a certain time lag compared to the trends seen within the foreign trade statistics. One should also remember that the consequence of the outbreak of war in Ukraine was not only an increase in trade with Ukraine, but also a decrease in exports to Russia and a significant reduction in imports from Belarus and Russia. Taking these effects together with the change in trade with Ukraine, we estimate that the war in Ukraine boosted GDP dynamics in 2022 by 1.5 pp compared to 2021. This was mainly the effect of a decline in imports from Russia. The above estimates only take into account isolated effects within the trade channel with these three countries. What is ignored here is the wide range of negative consequences of the outbreak of war in Ukraine on the rate of economic growth in Poland (e.g. an increase in uncertainty unfavourable to investments, an increase in prices affecting the purchasing power of households and consumption), as well as the positive impact of the influx of refugees from Ukraine on consumption (see MACROmap of 27/02/2023).

It should be noted that most of the categories that contributed to the acceleration of export growth were linked to direct assistance provided to Ukraine in conditions (e.g. arms, tanks, vehicles, pharmaceuticals), which will decrease over time. At the same time, we expect adjustments on the import side from Ukraine to be (in real terms) much smaller in scale. We believe that due to its price competitiveness, agri-food imports from Ukraine will continue to be in high demand. However, it cannot be ruled out that the government will take action to restrict imports of these items from Ukraine. The extinction of increased exports to Ukraine and the relative stabilisation of imports will be a factor influencing the decline in the contribution of net exports to GDP in 2023. This supports our scenario that Poland's GDP growth rate will decline markedly in 2023 (1.2% YoY vs. 4.9% in 2022).

Flash inflation data in Poland and the Eurozone crucial for the PLN

FX rates





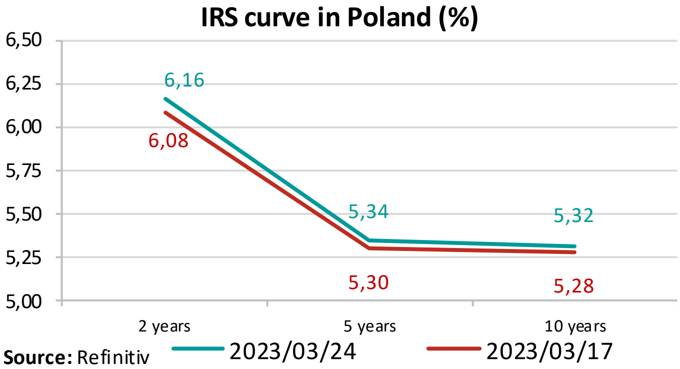
Source: Refinitiv

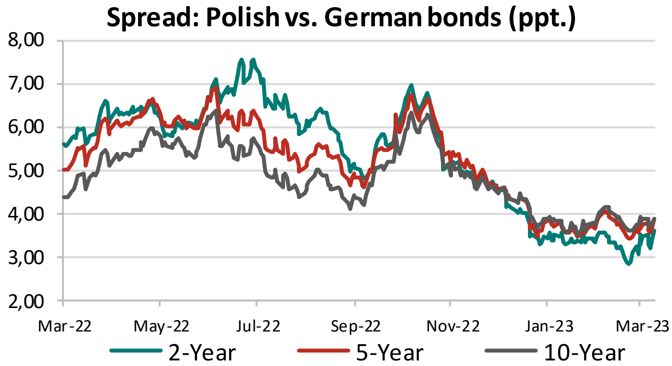
Last week, the EURPLN rate dropped to 4.6857 (the PLN strengthened by 0.4%). At the beginning of last week the PLN strengthened slightly against the EUR, which was a correction after the rise in the EURPLN exchange rate two weeks ago (see MACROmap of 20/03/2023). Later in the week, the exchange rate of the Polish currency was characterised by relatively low volatility as some investors reduced their activity in anticipation of further developments in the global banking system. The better-than-expected business survey results for the Eurozone published on Friday led to a temporary weakening of the PLN.

Last week saw a further increase in the EURUSD exchange rate, which was a continuation of the trends observed two weeks ago (see MACROmap of 20/03/2023). On Wednesday, the EURUSD's increase accelerated in response to the FOMC meeting. On Friday, there was a partial correction and strengthening of the USD against the EUR, which occurred despite the publication of better-than-expected Eurozone business survey results.

Friday's decision by Moody's on Poland's rating is neutral for the PLN. This week, the publication of flash inflation data in Poland and the Eurozone, scheduled for Friday, will be the key for the Polish currency's exchange rate. In our view, domestic inflation data will favour a weakening of the PLN, while the Eurozone inflation data will have the opposite effect. We believe that other data releases from 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. Information on the stability of the global banking system will also be an important factor influencing the PLN. The market's attention has now shifted from the US and Switzerland to Germany and is focused on the situation of Deutsche Bank, whose shares fell by more than 8%.

Flash inflation data in Poland and the Eurozone in the spotlight





Source: Refinitiv

Last week, 2-year IRS rates increased to 6.15 (up by 7bp), 5-year rates to 5.34 (up by 4bp) and 10-year ones to 5.32 (up by 4bp). Last week saw a relative stabilisation of IRS rates across the curve. A similar situation was observed in the core markets. On the one hand, the liquidity problems of some banks strengthen expectations of smaller interest rate hikes by major central banks. On the other hand, expectations of further monetary tightening are being fuelled by representatives of the major central banks (including the Fed and the ECB), who are making it clear that they have no intention of compromising in bringing inflation down to the inflation target. In this situation, many investors limited their activity in anticipation of further developments in the global banking system, which favoured the reduced volatility of IRS rates.

This week, the publications of inflation data in Poland and the Eurozone planned for Friday will be in the spotlight. We believe they will support a decline in IRS rates. Other data releases from the global economy 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. Information on the stability of the global banking system will also be an important factor influencing IRS rates. Particularly relevant in this context will be information on the situation of Deutsche Bank, on which investors' attention is currently focused.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland

Indicator	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	Mar-23
NBP reference rate (%)	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	6,75
EURPLN*	4,69	4,64	4,67	4,58	4,70	4,73	4,72	4,85	4,71	4,67	4,69	4,71	4,70	**4,70**
USDPLN*	4,18	4,19	4,43	4,27	4,48	4,63	4,70	4,95	4,77	4,48	4,38	4,33	4,45	**4,38**
CHFPLN*	4,56	4,54	4,55	4,45	4,69	4,86	4,80	5,01	4,76	4,74	4,72	4,70	4,72	**4,76**
CPI inflation (% YoY)	8,5	11,0	12,4	13,9	15,5	15,6	16,1	17,2	17,9	17,5	16,6	16,6	18,4	
Core inflation (% YoY)	6,7	6,9	7,7	8,5	9,1	9,3	9,9	10,7	11,0	11,4	11,5	11,7	12,0	
Industrial production (% YoY)	17,3	15,4	12,3	14,9	10,4	7,1	10,9	9,8	6,6	4,4	0,9	2,6	-1,2	
PPI inflation (% YoY)	16,1	21,9	24,1	24,7	25,6	25,5	25,5	24,6	23,1	21,1	20,5	20,1	18,4	
Retail sales (% YoY)	16,5	22,0	33,4	23,6	19,9	18,4	21,5	21,9	18,3	18,4	15,5	15,1	10,8	
Corporate sector wages (% YoY)	11,7	12,4	14,1	13,5	13,0	15,8	12,7	14,5	13,0	13,9	10,3	13,5	13,6	
Employment (% YoY)	2,2	2,4	2,8	2,4	2,2	2,3	2,4	2,3	2,4	2,3	2,2	1,1	0,8	
Unemployment rate* (%)	5,9	5,8	5,6	5,4	5,2	5,2	5,2	5,1	5,1	5,1	5,2	5,5	**5,5**	
Current account (M EUR)	-2032	-4206	-2834	-1078	-499	-1206	-2743	-1839	-597	313	-2526	-2526		
Exports (% YoY EUR)	20,3	11,9	17,6	26,8	21,5	20,3	27,6	26,5	24,4	25,2	11,5	11,5		
Imports (% YoY EUR)	29,7	31,4	36,0	32,7	27,1	21,8	29,4	30,1	25,3	20,3	12,1	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	4,9	-0,5	0,2	1,4	2,6	4,5	1,2	4,0
Export - constant prices (% YoY)		4,2	5,2	6,9	2,0	2,5	3,0	3,5	4,8	4,5	3,4	3,8
Import - constant prices (% YoY)		9,4	6,9	6,0	0,2	-0,5	0,1	2,5	4,0	5,5	1,5	4,3
GDP growth contributions	Private consumption (pp)	4,0	3,6	0,5	-0,7	-1,2	-0,6	0,3	1,0	1,7	-0,1	1,7
	Investments (pp)	0,6	1,0	0,3	1,0	-0,1	0,0	0,2	0,6	0,8	0,2	0,7
	Net exports (pp)	-2,7	-0,7	0,6	0,9	0,9	1,3	0,6	0,5	-0,4	1,2	-0,2
Current account (% of GDP)***		-2,7	-3,5	-3,5	-3,1	-3,3	-3,2	-3,5	-3,6	-3,1	-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	0,3	-0,6	-0,5	-0,5	-0,5	0,6	-0,5	-1,0
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	16,9	13,1	10,1	7,1	14,3	11,8	4,9
Wibor 3M (%)**		4,77	7,05	7,21	7,02	6,90	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	4,70	4,73	4,70	4,65	4,69	4,65	4,50
USDPLN**		4,19	4,48	4,95	4,38	4,38	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	FORECAST* CONSENSUS**
		Monday 03/27/2023				
10:00	Germany	Ifo business climate (pts)	Mar	91,1		90,9
10:00	Eurozone	M3 money supply (% MoM)	Feb	3,5		3,2
		Tuesday 03/28/2023				
15:00	USA	Case-Shiller Index (% MoM)	Jan	-0,5		-0,5
16:00	USA	Richmond Fed Index	Mar	-16,0		
16:00	USA	Consumer Confidence Index	Mar	102,9	100,0	101,0
		Thursday 03/30/2023				
11:00	Eurozone	Business Climate Indicator (pts)	Mar	0,72		
14:00	Germany	Preliminary HICP (% YoY)	Mar	9,3	7,2	7,5
14:30	USA	Final GDP (% YoY)	Q4	2,7	2,7	2,7
		Friday 03/31/2023				
3:30	China	Caixin Manufacturing PMI (pts)	Mar	52,6	52,0	
10:00	**Poland**	**Flash CPI (% YoY)**	**Mar**	**16,6**	**15,8**	**16,1**
11:00	Eurozone	Preliminary HICP (% YoY)	Mar	8,5	6,8	7,2
11:00	Eurozone	Unemployment rate (%)	Feb	6,7		6,7
14:30	USA	PCE Inflation (% YoY)	Feb	5,4	5,1	
14:30	USA	PCE core inflation (% YoY)	Feb	4,7	4,7	4,7
14:30	USA	Real private consumption (% MoM)	Feb	1,1		
15:45	USA	Chicago PMI (pts)	Mar	43,6		43,6
16:00	USA	Final U. of Michigan Sentiment Index (pts)	Mar	63,4	61,5	63,4

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

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