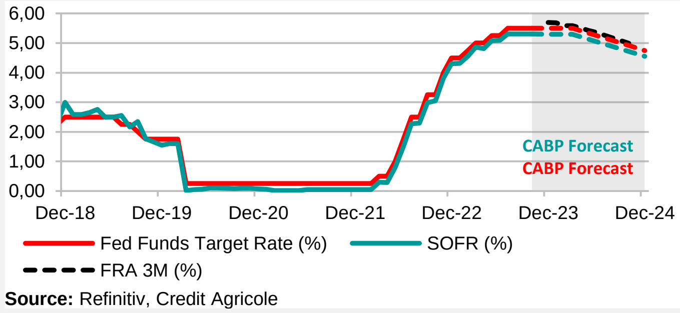
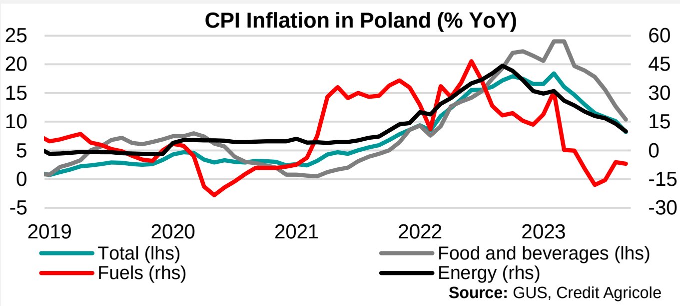
# This week

- **The key event this week will be the FOMC meeting planned for Wednesday.** We expect the Fed to keep interest rates unchanged with the federal funds target range at [5.25%, 5.50%]. J. Powell's comments two weeks ago were in line with the Fed's recent rhetoric about inflationary pressures gradually easing as a result of the current tight monetary policy and COVID-19-pandemic-related supply bottleneck fading. He noted, however, that a slowdown in the pace of disinflation with GDP growing above its potential pace and with no signals of a deterioration in the labour market may require additional adjustments to interest rates. We believe that the Fed will maintain their hawkish rhetoric this week and declare they are prepared to hike rates further. No change to interest rates at the FOMC's November meeting would be in line with market expectations, thus we believe the decision will not have any significant impact on the prices of assets.



**Source:** Refinitiv, Credit Agricole

- **Some significant data on the US economy will be released this week.** Of key importance will be the release of US non-farm payroll figures on Friday. The market expects no-farm payrolls to have risen by 172k in October compared with 336k in September, with unemployment remaining fat between September and October(3.8%). Before Friday's data release, some data on the labour market will be provided in the ADP report on employment in the private sector (the market expects a 140k rise in October vs. 89k in September). Also, the ISM manufacturing index will be released on Wednesday. The market expects the index to remain flat at 49.0 pts. In our opinion, this week's US data releases will be overshadowed by the Fed's decision and will be neutral for financial markets.
- **Business survey results for China's manufacturing will be released this week.** Tuesday will see the release of the NBS PMI. The market expects a slight rise in the index, to 50.4 pts from 50.2 pts in September. The Caixin PMI will be released on Wednesday. The market expects a rise in the index, from 50.6 pts in September to 50.8 pts in October. We believe that data from China will be neutral for financial markets.
- **Significant data from the Eurozone will be released on Tuesday.** We expect QoQ GDP growth to have slowed to 0.0% in Q3 from 0.1% in Q2, in line with the deterioration in PMI readings seen in Q3. We also expect HICP inflation in the Eurozone to have fallen to 3.1% YoY in October from 4.3% in September, and core inflation to have fallen to 4.2% YoY from 4.5% in September. We believe that the release of inflation figures showing inflation lower than expected by the market (3.4%) may contribute to a slight appreciation of the PLN and a rise in yields on Polish bonds. At the same time, we do not expect the release of GDP figures to have any significant impact on financial markets.

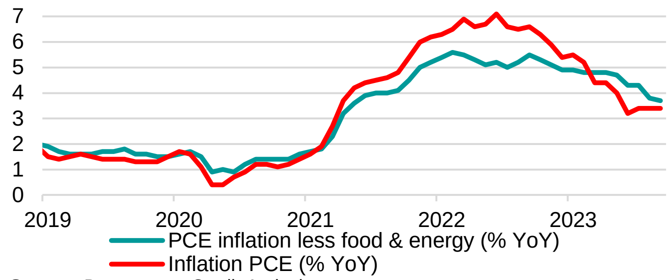


**Source:** GUS, Credit Agricole

- **Tuesday will also see the release on Poland's inflation figures.** We expect inflation to have fallen to 6.2% YoY in October from 8.2% in September. We believe that the fall in inflation in October will be accounted for by slower rises in food, energy, and fuel prices, as well as by a drop in core inflation. Our forecast is well below market consensus (6.6%), thus, its materialization would be slightly negative for the PLN and yields on Polish bonds.

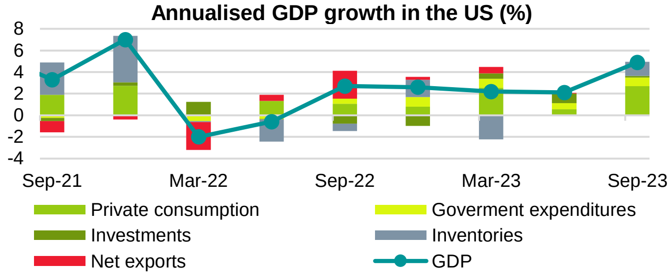
- **Poland's manufacturing PMI figures for October will be released on Thursday.** We expect the PMI to have risen slightly, to 44.0 pts in October from 43.9 pts in September, in line with a deterioration in the Eurozone's PMI readings (see below). Our forecast is in line with consensus, and thus its materialization would be neutral for the PLN and yields on Polish bonds.

## Last week




**Source:** Datastream, Credit Agricole

**Annualised GDP growth in the US (%)**




**Source:** Datastream, Credit Agricole

- **Some significant data on the US economy was released last week.** PCE Inflation remained flat between August and September at 3.4% YoY, in line with market expectations. At the same time, core PCE inflation fell slightly, to 3.7% YoY in September from 3.8% in August. It is worth noting, however, that seasonally-adjusted MoM core PCE inflation rose to 0.3% in September compared to a 0.1% in August, which shows that inflationary pressures in the US economy remain strong. Last week also saw the release of the first estimate of US GDP for Q3 showing that annualized GDP growth picked up to 4.9% from 2.1% in Q2, above both market consensus (4.3%) and our forecast (3.5%). Faster GDP growth was driven by higher contributions from private consumption, inventories, and government spending, partially offset by lower contributions from investment and net exports. Thus, the main source of economic growth in Q3 was private consumption, while in Q2 it was investment. We believe that consumption is supported by a still high savings buffer built up during the pandemic (see MACROmap of 16/10/2023). Last week also saw the release of data on durable goods orders, which grew by 4.7% MoM in September compared with a drop of 0.1% in August, well above market expectations (1.7%). Excluding transportation, MoM growth in durable goods orders remained flat between August and September at 0.5%. At the same time, growth in orders for non-military capital goods picked up to 2.4% YoY in September compared with 0.5% in August, however, this is to a large extent accounted for by last year high base effects. Thus, this does not change our interpretation to the effect that recent months' data on orders for non-military capital goods shows a deterioration in investment prospects in the US. New home sales figures were also released last week; new home sales rose to 759k in September compared with 676k in August, well above consensus (680k). However, taking into account data on new building permits, housing starts, and existing home sales, we do not believe that the new home sales figures are indicative of an improvement in US housing market prospects. At the same time, the final University of Michigan index showed a deterioration in US consumer sentiment (63.8 pts in October vs. 68.1 pts in September and 63.0 pts according to the flash estimate). We believe that last week's data on the US economy supports our scenario, which expects the US economy to avoid a recession despite a marked slowdown in the coming quarters. We expect annualized US GDP growth to drop to 0.8% in Q4, and to stand at 0.2% and 0.7% in Q1 and Q2 2024, respectively.

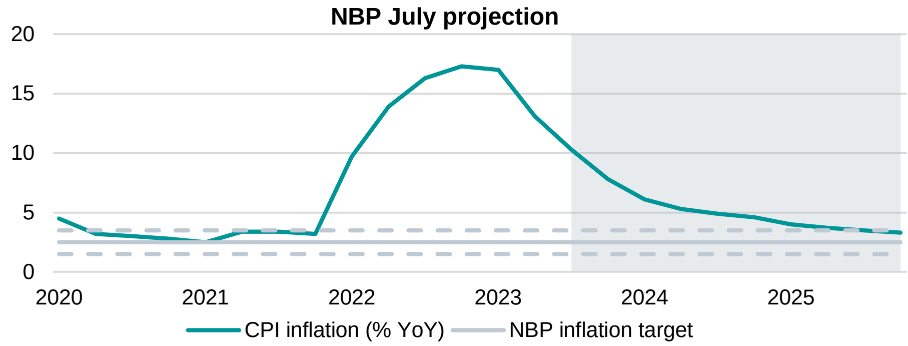
- **The European Central Bank met last week and decided to keep interest rates unchanged.** The ECB's decision was in line with our expectations and with consensus. Thus, the ECB's main interest rate is 4.50% and the deposit rate stands at 4.00%. The press release repeats a comment stating that that future policy rate decisions will be determined by an assessment of the inflation outlook in light of the incoming economic and financial data, the dynamics of underlying inflation, and the strength of monetary policy transmission. Contrary to our expectations, the topic of the ECB's quantitative tightening was not discussed at the meeting, which slightly reduces the probability that our scenario, which expects the process to accelerate at the beginning of 2024, will materialize. At the press conference following the meeting, the ECB President Ch. Lagarde did not exclude the possibility of further rate hikes, saying that inflationary pressures remained strong. She also said that economic activity in the Eurozone remained weak, and the risks to economic growth remained tilted to the downside. We believe that the press release and comments from the ECP President Ch. Lagarde at the press conference support our scenario, which expects the ECB to have ended the rate hike cycle in September. We do not expect the first rate hike in the Eurozone before Q4 2024.
- **Flash data shows that the composite PMI (combined for manufacturing and services) for the Eurozone fell to 46.5 pts in October from 47.2 pts in September, running well below market expectations (47.4 pts).** Thus, October would be the fifth month in a row with the Eurozone's composite PMI below the 50-point mark that separates growth from contraction. At the same time, this is the lowest level of the index since November 2020. The drop in the composite PMI is accounted for by a fall in services business activity while manufacturing output remained flat. In terms of geographical breakdown, business sentiment improved in France, while a further deterioration can be seen in Germany and in the other Eurozone economies surveyed. What is particularly worth noting about the composite PMI data is yet another fall, the sixth in a row, in the new orders index (for manufacturing and services), which signals a further weakening in demand. At the same time, it is worth noting that in recent months total orders in the Eurozone have been on a much steeper decline than output, which shows that businesses support their operations by clearing backlogs. It is also worth noting that in October production backlogs have been falling at the fastest rate since June 2020. In October, expectations of businesses regarding future total output (manufacturing and services) have not changed much compared to September and still indicate prospects for only slight growth in activity over a 12-month horizon. From the point of view of Polish exports, of particular importance are trends in Germany, where the manufacturing PMI rose from 39.6 pts in September to 40.7 pts in October, running markedly above market expectations (40.0 pts). The increase in the index resulted from higher contributions of 4 out of its 5 components (new orders, current output, inventories and delivery times), while lower contribution of employment component had the opposite effect. Particularly noteworthy about this data breakdown is the employment component, which saw the strongest drop since March 2022, which in turn is indicative of the restructuring processes in the German manufacturing sector becoming increasingly intense amidst the continuing, strong decline in current output and new orders. Last week's data indicate a downside risk to our economic growth forecast for the Eurozone in Q4 (0.0% QoQ vs. 0.0% in Q3).
- **The Ifo index, reflecting business confidence in Germany in the manufacturing, construction, trade and services sectors, rose to 86.9 pts in October from 85.8 pts in September, running above market expectations (85.9 pts).** The increase in the index was due to an increase in its components for both the assessment of the current situation and expectations. Sentiments improved in three out of four analysed sectors: manufacturing industry, construction, and services. They deteriorated in trade, though. Taking into consideration the PMIs published last week (see above), we maintain our forecast, in which the quarterly GDP growth in Germany will run at -0.2% in both Q3 and Q4 vs. 0.0% in Q2.
- **Construction and assembly production growth in Poland accelerated to 11.5% YoY in September comparing to a 3.5% growth in August, running above the market consensus (5.9%)**

**and our forecast (8.5%).** Seasonally-adjusted construction and assembly production rose for the second month running in August, up by 3.5% MoM. The marked YoY growth in construction and assembly production is mainly attributable to last year's low base effects and an improved situation in the construction sector. In turn, the statistical effect of an unfavourable difference in the number of business days (see MACROpulse of 23/10/2023) had the opposite impact. The data on construction and assembly production, along with the previous week's slightly below-expectation data on retail sales and industrial production (see MACROpulse of 20/10/2023 and 19/10/2023), aligns with our scenario where the annual GDP growth rate in Q3 will markedly increase to 0.5%, as compared to -0.6% in Q2. We believe that Q3, which, in line with our estimates, saw an increase in GDP after adjusting for the impact of seasonal factors compared to Q2, marked the beginning of the phase of economic recovery in Poland. In subsequent quarters, this recovery is expected to be fuelled by a decrease in inflation, boosting consumption growth, a revival in housing investments, and an uplift in external demand, enhancing exports and corporate investments. Referring to our ongoing assessment, which indicates a "soft landing" of the Polish economy in 2023, we observe that this process has been finalized.

## The result of the election in Poland will have an impact on interest rates and the PLN FX rate

**In accordance with our macroeconomic scenario, the likelihood of *Prawo i Sprawiedliwość* (Law and Justice; PiS) holding on to power after the parliamentary election was slightly higher than that of the democratic opposition taking the power over. Consequently, the result of the election, which is indicative of the opposition being highly likely to take power over is very significant when it comes the outlook for interest rates in Poland as well as the PLN exchange rate in short- and medium-term perspectives. Below you will find our revised forecast for those two indicators.**

September's and October's easing of the monetary policy amidst inflation target overshooting expected in the horizon of NBP's July projection was consistent with our conclusion saying that the mid-term inflation outlook was of secondary importance for most MPC members over the last couple of months, whereas preventing economic growth from slowing down too much in the quarters to come was the main objective of the monetary policy. A number of statements made by the NBP Governor over the last couple of months showed his intention to direct the monetary policy in such a way as to support the government's economic policy through interest rates reduction carried out amidst the elevated inflation even though the latter was very far from returning to the inflation target. We expect the function of the Council's reaction to change after the opposition takes over the power in such a way that the significance of stabilising the inflation in the monetary policy transmission horizon will become relatively greater. Consequently, the room for further interest rate cuts has become much smaller.



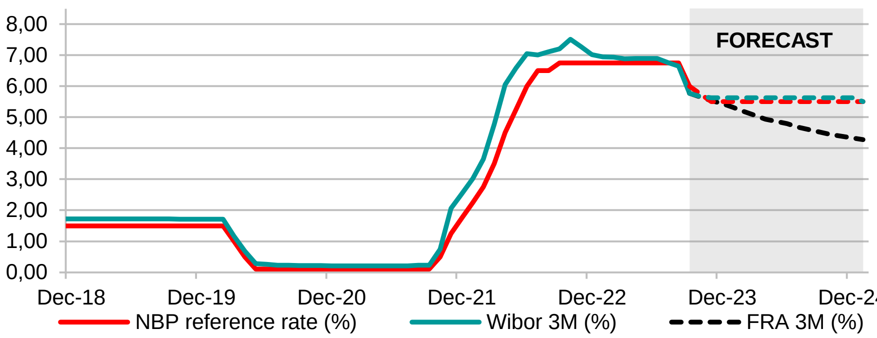

**Source**: NBP, Credit Agricole

In accordance with the NBP's July projection, inflation will not reach the admissible range for deviations from the inflation target (2.5±1%) earlier than in H2 2025, nor will the point target (2.5%) be reached within the forecast horizon. In accordance with the studies on the monetary policy transmission mechanism, we expect the interest rate cuts made so far in 2023 to drive inflation up by approx. 0.6 pp. in the eight-quarter horizon. They will be curbing disinflation, and they will also cause the moment of reaching the inflation target to be delayed compared to the inflation path presented in the July projection. A lower baseline (i.e. inflation figures for Q3) and the economic growth in H2 (which will be slower than assumed in the July projection) will have the opposite impact. The November projection covering the impact of the factors outlined above will probably not change much comparing to the path presented in the July document.

Furthermore, there is a great deal of uncertainty regarding inflation figures in the short-term perspective. In accordance with current legal regulations, the standard VAT rate for food will be restored at the beginning of 2024, while protective measures for energy prices (electricity, gas, systemic heat) will cease to apply. If our scenario for the new government materialises, and the new government will only be formed in the second half of December (see MACROmap of 23/10/2023), the new Council of Ministers will be highly unlikely to be able to adopt any new regulations before the end of 2023. Therefore, we believe there is a high risk of inflation rising strongly at the beginning of 2024 with the current protective measures becoming no longer applicable. However, it cannot be ruled out that the current government will still prolong the protective measures. If the said measures were to be prolonged into the entire 2024, it would be a significant burden for the budget (ca. PLN 45bn, 1.2% of the GDP). It would increase the public finance sector's deficit, which is already quite big and will go up even further due to the fulfilment of promises made before the election (see below).

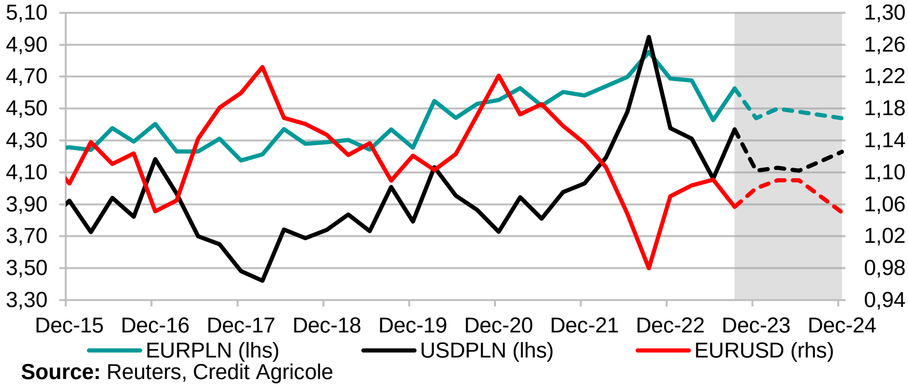
Formally, inflation rising as a result of protective measures ceasing to apply is a supply shock to which the MPC should not react. Nonetheless, the MPC might interpret such a marked inflation leap taking place amidst economic recovery and tight market conditions as a factor that might de-anchor inflation expectations and elevate the risk of the so-called second-round effects (a secondary inflation rise caused by the increase in the inflationary pressure). Should this be the case, the MPC may conclude that it is necessary to abandon the dovish approach to the monetary policy.

A loose fiscal policy will be another factor narrowing the room for further easing of the monetary policy. The budget bill assumed that there would be a marked budget deficit of 4.5% of the GDP. Some of the recent statements made by the representatives of the democratic opposition indicate that they are highly determined to quickly fulfil some of their promises made before the election, including a greater increase in the teachers' wages (which will cause the budget expenditures to rise by approx. PLN 5.6bn, 0.1% of the GDP) and an increase in the tax-exempt amount (which will cause the budget income to go down by approx. PLN 45bn, 1.2% of the GDP). Their determination is partly connected with the local government elections, which are drawing near, and with the next year's European Parliament election. The fulfilment of promises made before the parliamentary election is likely to come together with actions aimed at reducing other budget expenditures. Nonetheless, we can see a significant upside risk to the deficit amount assumed in the current draft budget for 2024. Given the circumstances, the MPC may adopt a *policy-mix* approach comprising a loose fiscal policy and a moderately restrictive monetary policy.



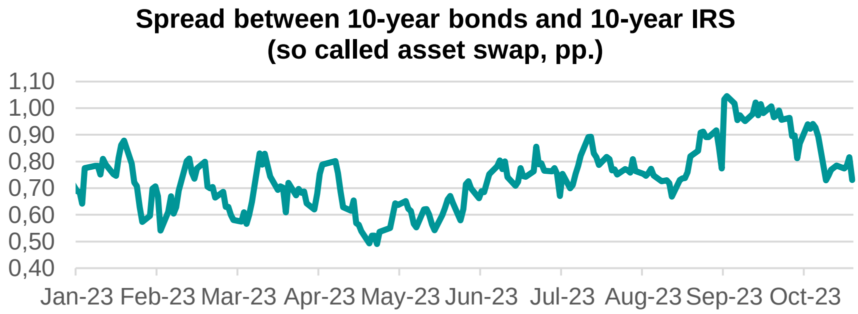
**Source:** Reuters, Credit Agricole

Taking into consideration the factors outlined above, i.e. a low likelihood of reaching the inflation target in the monetary policy transmission horizon, a loose fiscal policy and a great deal of uncertainty regarding the short-term outlook for inflation, we forecast that the MPC will cut the interest rates only once more this year as part of its monetary policy easing cycle (by 25bp in November 2023). We assume that the Council will then switch to *wait-and-see* approach, and will be monitoring the situation, keeping the interest rates unchanged until the end of 2024, with the reference rate standing at 5.50%. We believe that some more room for further interest rate cuts will appear in early 2025 following the inflation drop.




**Source:** Reuters, Credit Agricole

Right after the parliamentary election we could see the PLN appreciate with the risk bonus dropping (see MACROmap of 23/10/2023). The lower baseline has made us revise our EURPLN forecast downwards. It is worth noting that our scenario of only one more interest rate cut is not consistent with market expectations. In accordance with the FRA futures estimation, the monetary policy will be eased by more than 100bp until the end of 2024. We believe that the market will begin to revise its assessment of interest rate cut scale downwards in the weeks to come (probably after the November's press conference of the NBP Governor). It will be conducive to a further appreciation of the PLN. Therefore, we expect the EURPLN to go down to 4.44 at the end of 2023.

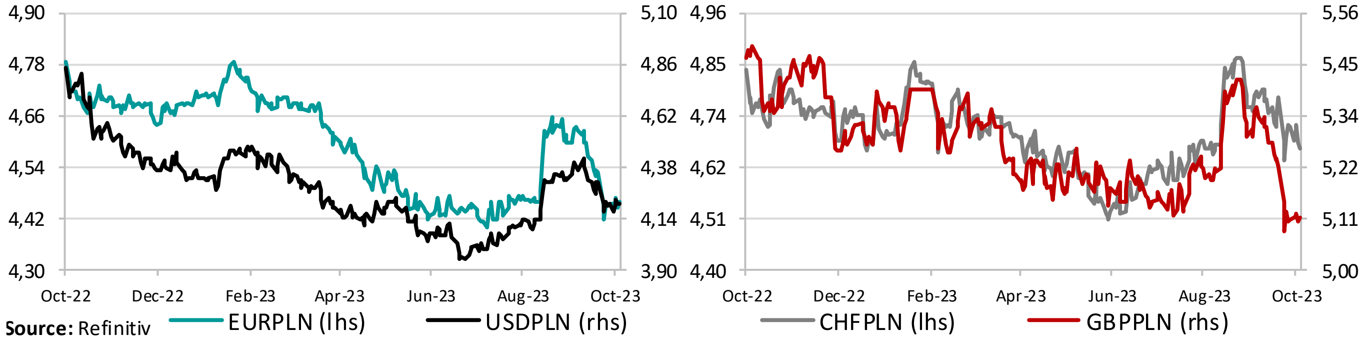



**Source:** Refinitiv, Credit Agricole

Incoming information on the progress and scope of fulfilment of promises made before the election will be an important factor for the outlook for the PLN rate as it will have an impact on the investors' assessment of the scale of demand for loans. So far, the investors have been taking a marked growth in the borrowing needs and an increase in the issue of debt in 2024 into account only to a limited extent in their evaluation of Polish assets. This is best shown by the scale of increase in the spread between the bonds and the IRS rates at the long end of the curve (the so-called *asset swap*), which has been only slight (see MACROmap of 18/09/2023 and the diagram below). We believe that if the opposition is determined to fulfil their promises made before the election, which implies that the borrowing needs would grow, as would the deficit and public debt in 2024, it will cause the investors to become more pessimistic about the condition of public finances. It will have a negative impact on the PLN. Therefore, we forecast that EURPLN will temporarily grow to 4.50 towards the end of Q1 2024. It will also curb the PLN's potential to appreciate in the mid-term perspective. Nonetheless, we believe that the fundamental factors, including the economic recovery in Poland and abroad as well as the disbursement of funds under the National Recovery Plan will be conducive to a slight appreciation of the PLN from Q2 2024 onwards. In H2 2024, PLN appreciation will also be supported by the Fed's and ECB's easing of their monetary policies amidst the backdrop of stable interest rates in Poland. Therefore, we predict that the EURPLN will go down to 4.44 at the end of 2024. The above scenario assumes that there will be no significant changes in the geopolitical risk, i.e. that there will be no escalation of military activities in Ukraine or the Middle East.

## Inflation data in Poland and the Eurozone in the spotlight

**FX rates**




**Source:** Refinitiv

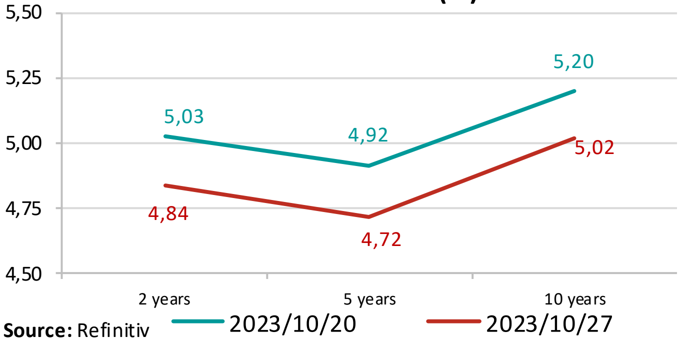
**Last week, the EURPLN rate increased to 4.4611 (the PLN weakened by 0.2%).** The EURPLN exchange rate was in a mild upward trend during the first part of the week. In our opinion, after the initial appreciation of the PLN in the wake of the result of the parliamentary election in Poland, some investors have currently adopted a more cautious approach, waiting for new information regarding the formation of the new government and unfreezing the funds that were to be paid out under the National Recovery Plan. Furthermore, the PLN was also driven down by a larger-than-expected scale of interest rate cuts in Hungary, which caused the currencies in the region to weaken. Thursday saw a correction and a decline in EURPLN. The ECB meeting had a limited impact on the market, as had the numerous publications of data from the US.

Last Monday also saw the EURUSD going up following the decline in the geopolitical risk in the Middle East and a delay in the Israeli military troops' intervention in the Gaza Strip. However, on Tuesday, the USD began to appreciate after the release of weaker-than-expected business survey results for the Eurozone. A decline in yield on US bonds, which in some of the investors' opinion made room for further interest rate hikes in the US through a reduction in the costs of financing the US debt, was another factor conducive to USD appreciation. The ECB meeting and the much-better-than expected US GDP data had a limited impact on the EURUSD.

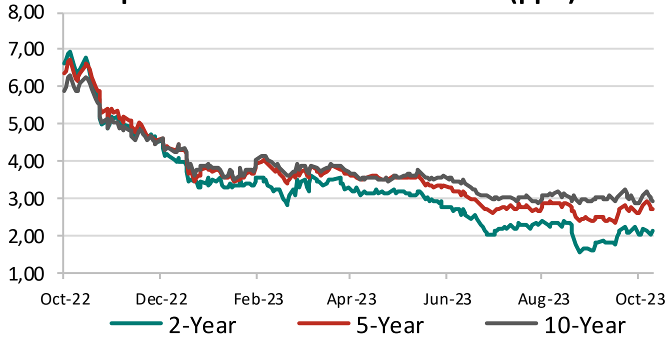
This week, the publication of preliminary inflation data for Poland and the Eurozone will be significant for the PLN exchange rate. We believe that the domestic data might be conducive to PLN depreciation while the data for the Eurozone are highly likely to have the opposite impact. We believe that other publications from the Polish and global economies planned for this week will be neutral for the PLN.

## IRS rates decline in Poland supported by core markets trends

IRS curve in Poland (%)




Spread: Polish vs. German bonds (ppt.)




**Source:** Refinitiv

**Last week the 2-year IRS rates decreased to 4.84 (down by 19bp), 5-year rates to 4.72 (down by 20bp), and 10-year rates to 5.02 (down by 18bp).** Last week saw a decline in IRS rates across the curve following the core markets. A correction following a strong increase seen two weeks ago in response to the result of the election (see MACROmap of 23/10/2023) was another factor driving the Polish IRS rates down.

This week, the publications of flash inflation data in Poland and the Eurozone planned for Tuesday will be in the spotlight. We believe that both data for Poland and for the Eurozone may drive the IRS rates down. In our opinion, other data releases from the Polish and global economies scheduled for this week will be neutral for the curve.

# Forecasts of the monthly macroeconomic indicators

**Main monthly macroeconomic indicators in Poland**

| Indicator | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| NBP reference rate (%) | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,75 | 6,00 | 5,75 |
| EURPLN* | 4,85 | 4,71 | 4,67 | 4,69 | 4,71 | 4,70 | 4,68 | 4,59 | 4,53 | 4,43 | 4,40 | 4,47 | 4,63 | **4,47** |
| USDPLN* | 4,95 | 4,77 | 4,48 | 4,38 | 4,33 | 4,45 | 4,31 | 4,16 | 4,23 | 4,06 | 4,00 | 4,12 | 4,37 | **4,24** |
| CHFPLN* | 5,01 | 4,76 | 4,74 | 4,72 | 4,70 | 4,72 | 4,71 | 4,66 | 4,64 | 4,52 | 4,59 | 4,66 | 4,78 | **4,72** |
| CPI inflation (% YoY) | 17,2 | 17,9 | 17,5 | 16,6 | 16,6 | 18,4 | 16,1 | 14,7 | 13,0 | 11,5 | 10,8 | 10,1 | 8,2 | |
| Core inflation (% YoY) | 10,7 | 11,0 | 11,4 | 11,5 | 11,7 | 12,0 | 12,3 | 12,2 | 11,5 | 11,1 | 10,6 | 10,0 | 8,4 | |
| Industrial production (% YoY) | 9,8 | 6,6 | 4,4 | 0,9 | 1,8 | -1,0 | -3,1 | -6,0 | -2,8 | -1,1 | -2,3 | -1,9 | -3,1 | |
| PPI inflation (% YoY) | 24,6 | 23,1 | 21,1 | 20,5 | 20,1 | 18,2 | 10,3 | 6,2 | 2,8 | 0,3 | -2,1 | -2,9 | -2,8 | |
| Retail sales (% YoY) | 21,9 | 18,3 | 18,4 | 15,5 | 15,1 | 10,8 | 4,8 | 3,4 | 1,8 | 2,1 | 2,1 | 3,1 | 3,6 | |
| Corporate sector wages (% YoY) | 14,5 | 13,0 | 13,9 | 10,3 | 13,5 | 13,6 | 12,6 | 12,1 | 12,2 | 11,9 | 10,4 | 11,9 | 10,3 | |
| Employment (% YoY) | 2,3 | 2,4 | 2,3 | 2,2 | 1,1 | 0,8 | 0,5 | 0,4 | 0,4 | 0,2 | 0,1 | 0,0 | 0,0 | |
| Unemployment rate* (%) | 5,1 | 5,1 | 5,1 | 5,2 | 5,5 | 5,6 | 5,4 | 5,3 | 5,1 | 5,1 | 5,0 | 5,0 | 5,0 | |
| Current account (M EUR) | -2208 | -439 | 283 | -2635 | 2381 | 1738 | 1355 | 529 | 1479 | 2431 | 566 | -202 | | |
| Exports (% YoY EUR) | 26,5 | 23,2 | 24,2 | 10,6 | 15,7 | 14,7 | 18,1 | 2,6 | 3,3 | 1,7 | 1,3 | -1,2 | | |
| Imports (% YoY EUR) | 31,4 | 24,1 | 18,3 | 11,3 | 7,4 | 3,9 | -1,4 | -8,9 | -6,3 | -5,8 | -8,9 | -11,8 | | |

*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) | | 8,8 | 6,3 | 4,1 | 2,5 | -0,3 | -0,6 | 0,5 | 1,9 | 5,3 | 0,5 | 2,8 |
| Private consumption (% YoY) | | 8,8 | 8,5 | 2,9 | 1,0 | -2,0 | -2,8 | 1,2 | 2,3 | 5,2 | -0,3 | 3,0 |
| Gross fixed capital formation (% YoY) | | 5,1 | 6,5 | 2,5 | 5,6 | 6,8 | 10,5 | 8,0 | 7,2 | 4,9 | 8,0 | 2,7 |
| Export - constant prices (% YoY) | | 6,2 | 6,7 | 9,8 | 4,5 | 3,8 | -3,2 | 1,1 | 3,7 | 6,7 | 1,3 | 3,8 |
| Import - constant prices (% YoY) | | 9,3 | 8,7 | 8,2 | 1,6 | -3,2 | -6,8 | 0,8 | 4,3 | 6,8 | -1,0 | 4,3 |
| GDP growth contributions | Private consumption (pp) | 5,3 | 4,8 | 1,6 | 0,5 | -1,3 | -1,6 | 0,7 | 1,2 | 2,9 | -0,2 | 1,7 |
| | Investments (pp) | 0,7 | 1,0 | 0,4 | 1,2 | 0,9 | 1,5 | 1,3 | 1,6 | 0,8 | 1,3 | 0,4 |
| | Net exports (pp) | -1,5 | -0,7 | 1,1 | 1,6 | 4,6 | 2,1 | 0,2 | -0,3 | 0,2 | 1,5 | -0,1 |
| Current account (% of GDP)*** | | -2,5 | -3,3 | -3,4 | -3,0 | -1,2 | 0,1 | 0,6 | 0,8 | -3,0 | 0,8 | -1,0 |
| Unemployment rate (%)** | | 5,8 | 5,2 | 5,1 | 5,2 | 5,4 | 5,1 | 5,0 | 5,3 | 5,2 | 5,3 | 5,2 |
| Non-agricultural employment (% YoY) | | 2,3 | 0,6 | -0,9 | 0,3 | 1,5 | 1,1 | 0,5 | 0,0 | 0,6 | 0,8 | -0,5 |
| Wages in national economy (% YoY) | | 9,7 | 11,8 | 14,6 | 12,3 | 14,3 | 13,8 | 11,4 | 9,9 | 12,1 | 12,3 | 9,0 |
| CPI Inflation (% YoY)* | | 9,6 | 13,9 | 16,3 | 17,3 | 17,0 | 13,1 | 9,7 | 6,6 | 14,3 | 11,6 | 4,4 |
| Wibor 3M (%)** | | 4,77 | 7,05 | 7,21 | 7,02 | 6,89 | 6,90 | 5,77 | 5,63 | 7,02 | 5,63 | 5,63 |
| NBP reference rate (%)** | | 3,50 | 6,00 | 6,75 | 6,75 | 6,75 | 6,75 | 6,00 | 5,50 | 6,75 | 5,50 | 5,50 |
| EURPLN** | | 4,64 | 4,70 | 4,85 | 4,69 | 4,68 | 4,43 | 4,63 | 4,44 | 4,69 | 4,44 | 4,44 |
| USDPLN** | | 4,19 | 4,48 | 4,95 | 4,38 | 4,31 | 4,06 | 4,37 | 4,11 | 4,38 | 4,11 | 4,23 |

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

## Calendar

| TIME | COUNTRY | INDICATOR | PERIOD | PREV. VALUE | FORECAST* | |
|---|---|---|---|---|---|---|
| | | | | | CA | CONSENSUS** |
| | | **Monday 10/30/2023** | | | | |
| 10:00 | Germany | Preliminary GDP (% QoQ) | Q3 | 0,0 | -0,2 | -0,3 |
| 11:00 | Eurozone | Business Climate Indicator (pts) | Oct | -0,36 | | |
| 14:00 | Germany | Preliminary HICP (% YoY) | Oct | 4,3 | 3,3 | 3,6 |
| | | **Tuesday 10/31/2023** | | | | |
| 2:30 | China | NBS Manufacturing PMI (pts) | Oct | 50,2 | | 50,4 |
| **10:00** | **Poland** | **Flash CPI (% YoY)** | **Oct** | **8,2** | **6,2** | **6,6** |
| 11:00 | Eurozone | Preliminary GDP (% QoQ) | Q3 | 0,1 | 0,0 | -0,1 |
| 11:00 | Eurozone | Preliminary HICP (% YoY) | Oct | 4,3 | 3,1 | 3,4 |
| 14:00 | USA | Case-Shiller Index (% MoM) | Aug | 0,9 | | |
| 14:45 | USA | Chicago PMI (pts) | Oct | 44,1 | | |
| 15:00 | USA | Consumer Confidence Index | Oct | 103,0 | | 100,0 |
| | | **Wednesday 11/01/2023** | | | | |
| 2:45 | China | Caixin Manufacturing PMI (pts) | Oct | 50,2 | | 50,8 |
| 13:15 | USA | ADP employment report (k) | Oct | 89 | | 140 |
| 14:45 | USA | Flash Manufacturing PMI (pts) | Oct | 50,0 | | |
| 15:00 | USA | ISM Manufacturing PMI (pts) | Oct | 49,0 | | 49,0 |
| 19:00 | USA | FOMC meeting (%) | Nov | 5,50 | 5,50 | 5,50 |
| | | **Thursday 11/02/2023** | | | | |
| **9:00** | **Poland** | **Manufacturing PMI (pts)** | **Oct** | **43,9** | **44,0** | **44,3** |
| 9:55 | Germany | Final Manufacturing PMI (pts) | Oct | 40,7 | 40,7 | 40,7 |
| 10:00 | Eurozone | Final Manufacturing PMI (pts) | Oct | 43,0 | 43,0 | 43,0 |
| 13:00 | UK | BOE rate decision (%) | Nov | 5,25 | | 5,25 |
| 15:00 | USA | Factory orders (% MoM) | Sep | 1,2 | | 1,0 |
| | | **Friday 11/03/2023** | | | | |
| 8:00 | Germany | Trade balance (bn EUR) | Sep | 16,6 | | |
| 11:00 | Eurozone | Unemployment rate (%) | Sep | 6,4 | | 6,4 |
| 13:30 | USA | Unemployment rate (%) | Oct | 3,8 | | 3,8 |
| 13:30 | USA | Non-farm payrolls (k MoM) | Oct | 336 | | 172 |
| 15:00 | USA | ISM Non-Manufacturing Index (pts) | Oct | 53,6 | | |

*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