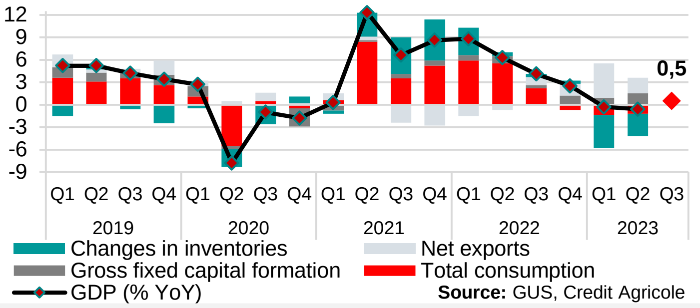
Will there be cuts in national defence spending?

This week

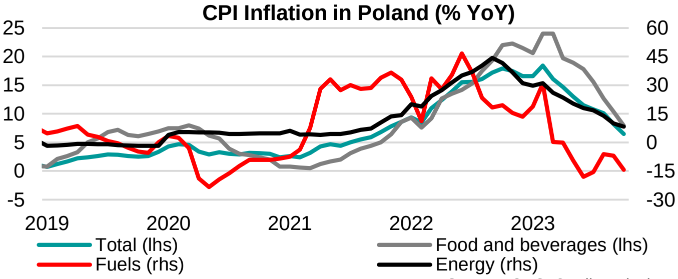
- **The key event this week will be the release of Poland's flash GDP estimate for Q3, scheduled for Tuesday.** We expect GDP growth to have picked up to 0.5% YoY from -0.6% in Q2. The main drivers of GDP growth include a higher (i.e. less negative) contribution from change in inventories and higher growth in consumption driven by falling inflation and rising real household incomes. These growth drivers were partially offset by a lower contribution from net exports. Our forecast is slightly above market consensus (0.3%), and thus its materialization would be slightly positive for the PLN and yields on Polish bonds.



Source: GUS, Credit Agricole

- **Some important data from the US will be released this week.** We expect headline inflation to have fallen to 3.3% YoY in October from 3.7% in September, with the fall driven by slower growth in energy prices. At the same time, we expect core inflation to have remained flat between September and October, at 4.1% YoY. We believe that the materialization of our forecast would drive down the risk of the Fed going ahead with an additional rate hike at its meeting in December. We expect a 0.2% MoM drop in nominal retail sales in October compared with a 0.7% rise in September, with the drop driven by slowdowns in vehicle and fuels sales. We forecast that industrial production growth slowed to -0.4% MoM in October from 0.3% in September, partly in consequence of strikes in the automotive industry. We expect data on new building permits (1,430k in October vs. 1,471k in September) and housing starts (1,335k vs. 1358k) to signal a slight slowdown in the US housing market. In our opinion, this week's US data releases will be neutral for financial markets.
- **Some important data from China will be released on Wednesday.** We expect MoM figures to show some positive signs about business activity in China. We forecast that due to low base effects, industrial production growth picked up to 4.8% YoY in October from 4.5% in September, while sales growth rose to 7.5% YoY from 5.5%. At the same time, we expect investment growth to have remained flat between September and October, at 3.1 YoY. Our forecasts for growth in industrial production and retails sales are above consensus, thus their materialization would be slightly positive for the PLN.
- **Wednesday will also see the release of final data on inflation in Poland.** We believe there is a risk that the final inflation will be revised down slightly compared with the flash estimate (6.5%), and will stand at 6.4% YoY in October vs. 8.2% in September. According to the flash data, the fall in inflation in October was broad-based, accounted for by slower growth in the prices of food, fuels, and energy, and by a drop in core inflation. We believe that the release of inflation figures will be neutral for the PLN and yields on Polish bonds.

CPI Inflation in Poland (% YoY)

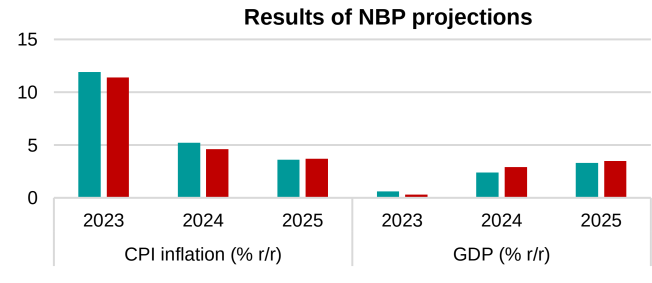


Source: GUS, Credit Agricole

- **Data on Poland's balance of payments for September will be released today.** We expect the current account balance to have increased to EUR 940M from EUR -202M in August, with the increase driven primarily by a higher trade balance. We forecast that export growth picked up from -1.2% YoY in August to 0.1% in September, while imports slowed further, from -11.8% YoY in August to -13.7% in September. Both export and import growth figures are negatively affected by unfavourable calendar effects, but export figures are at the same time positively affected by last year low base effects. Our balance of payments forecast is well above market consensus (EUR -100M), still, we believe that the release of data will be neutral for the PLN and yield on Polish bonds.

Last week

- **Last week, the Monetary Policy Council took a decision to keep interest rates unchanged (with the NBP reference rate standing at 5.75%),** despite the market consensus and our forecast anticipating a 25bp cut. The surprising move taken by the MPC confirms the opinion we expressed several months ago saying that the central bank's reaction function has changed in such a way that the monetary policy is becoming less transparent and comprehensive, and consequently, less predictable. The MPC's opinion also confirms our conclusion saying that the easing measures implemented in September and October were primarily aimed at supporting the government's economic policy, despite heightened inflation and its distant return to the target (see MACROpulse of 10/11/2023). In the press release following the meeting, the MPC cited the uncertainty regarding future fiscal and regulatory policies and their impact on inflation as well as the adjustments to NBP interest rates made in the past months as the main reasons for stabilizing the interest rates. The Council also emphasized that the current level of NBP interest rates is conducive to meeting the inflation target in the medium term. Last week, NBP Governor A. Glapiński held a press conference. The NBP Governor said that the scale of the monetary policy easing over the past couple of months, which was large and markedly reduced the room for further rate cuts, as well as a growing uncertainty regarding the inflation decline rate in the months to come in the wake of the parliamentary election were the arguments in favour of keeping the rates unchanged. He also said that maybe the Council would decide to cut the rates once or twice more were it not for the election and the escalation of war in the Middle East. At the same time he avoided declaring how long it will take before the Council decides to cut the interest rates again. As regards the impact of the election result on the inflation path, he emphasised the issue of the future of the anti-inflationary shields and the pro-inflationary aspect of the promises made before the election. He also said that more information regarding the impact of the election on the inflation path will become available in the coming months, and then it will be possible to tell more about the outlook for the interest rates. At the same time he ruled out the possibility of any further easing of the monetary policy in the December's meeting. Taking into consideration the tone of the press release following the MPC meeting in November, A. Glapiński's statements in the last week's press conference, and the results of November's inflation projection (see below), we have revised our monetary policy scenario. Currently, we forecast that the reference rate will remain stable until the end of 2024 at 5.75%.
- **The results of the NBP's recent economic projection were also published last week.** In accordance with the result of the November projection, inflation in 2023 will stand at 11.4%, and then go down to 4.6% and 3.7% in 2024 and 2025, respectively. Therefore, inflation will run markedly above the MPC inflation target of 2.5% across the entire projection horizon, and will only reach the upper limit of deviations from the target (3.5%) in Q4 2025. Particularly noteworthy is also the gradual



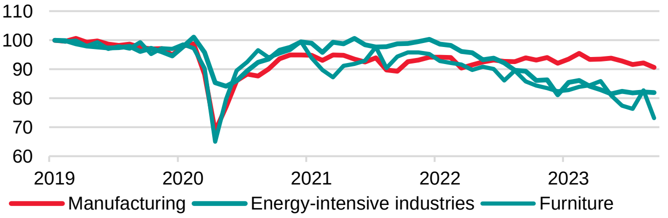
Source: NBP, Credit Agricole

closure of the negative demand gap assumed by the NBP on condition that the current level of interest rates will not change across the entire projection horizon. Combined with the unemployment rate, which the NBP expects to stay below the NAWRU rate reflecting the unemployment that does not generate wage pressure, it indicates that Polish economy will be subject to overheating in the medium-term horizon. In our opinion, this means that there is no room for further interest rate cuts at the moment. The description of results of the November projection contains a passage that has not been seen in the previous editions of the forecast. The passage reads that the inflation developments, both in the short and in the medium term, are fraught with uncertainty related i.a. to future fiscal and regulatory policies. Having analysed the NBP's inflation report, we have concluded that the projection for inflation is based on the assumption that the zero VAT rate for food products will be kept while energy shield measures will be gradually discontinued. At the same time, it has been assumed that reduced gas tariffs will apply only until the end of 2023. Therefore, the results of NBP's November projection strongly support our revised scenario, in which the reference rate will remain stable until the end of 2024 at 5.75% (see above).

- **China's trade balance fell in October to USD 56.5bn vs. USD 77.7bn in September, printing markedly below market expectations (USD 82.0bn).** Exports fell from -6.2% YoY in September to -6.4% in October, while imports went up from -6.2% to +3.0%, running below and above market expectations respectively (-3.3% and -4.8%). This stronger-than-expected growth in imports resulted from last year's low base effects and from the recovery in internal demand supported by the supplementation of China's strategic food and energy inventories. We believe that the internal demand in China will keep on growing gradually in the months to come driven by the actions of the People's Bank of China focused on stimulating the activity in the real estate market and eliminating the problem of excessive indebtedness of local government units. Exports will be driven up by last year's low base effects, while the opposite impact will come from the slowdown in activity seen by China's main trade partners. In a long-term perspective, China's trade turnover will be curbed by the process of transferring production from China to other markets caused by geopolitical factors. We believe that the stronger growth in imports comparing to exports will translate into a decrease in the surplus in the Chinese foreign trade. We believe there is a slight downside risk to our forecast in which the GDP growth in China is to accelerate from 3.0% in 2022 to 5.1% in 2023, which would mean that the GDP growth target set by the Chinese government at "ca. 5%" would be met.

- **Some important data on German economy was released last week.** Industrial production growth decelerated to -1.4% MoM in September from -0.1% in August, running markedly below market expectations (-0.1%). The acceleration of the decline in industrial production was influenced by its lower growth rate in manufacturing, while the opposite effect came from higher production growth in energy and construction. In sectoral terms, the significant decline in production in the 'furniture' category (-11.6% MoM) is noteworthy. Seasonally adjusted production in this category reached its lowest level since April 2020 in September. This factor inhibits the activity in the Polish furniture industry, the Polish companies being large suppliers of intermediary goods to Germany (see MACROmap of 06/11/2023). The categories 'manufacture of basic pharmaceutical substances and medicines' (-9.2%), 'manufacture of motor vehicles, trailers and semi-trailers' (-5.0%), 'textile processing' (-4.4%) and 'manufacture of electrical equipment' (-4.4%) also recorded significant declines in production. Combined with the previously published data on new orders in manufacturing (see MACROmap of 06/11/2023), the

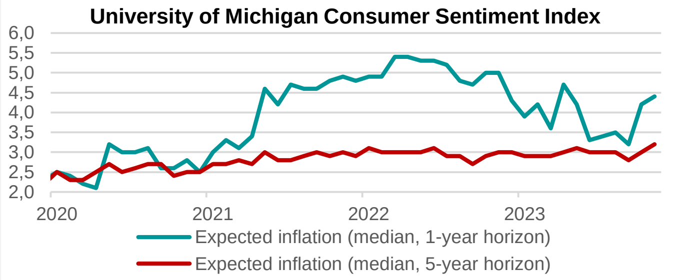
Production in manufacturing and energy-intensive industry branches in Germany (2019.01 = 100, SA)



Source: Destatis, Credit Agricole

data points to a deepening decline in activity in German industry. At the same time, the data signals a downside risk to the preliminary estimate of Germany's quarterly GDP growth in Q3 (-0.1% vs. 0.0% in Q2).

- **A preliminary reading of the University of Michigan index was released last week; the index dropped to 60.4 pts in November from 63.8 pts in October, running clearly below market expectations (63.7 pts).** The fall in the index is accounted for by drops in its components both for the assessment of the current situation and for expectations. In contrast, the median for expected inflation over one-year horizon, released together with the University of Michigan index, rose (4.4% YoY in November vs. 4.2% in October), which shows that inflation expectations of US households continue to be elevated. We believe that the Fed completed its monetary tightening cycle in July 2023. At the same time, we maintain our forecast that the Federal Reserve will begin a cycle of interest rate cuts in H2 2 024 and cut rates by 25bp in Q3 and by 25bp in Q4.



Source: Datastream, Credit Agricole

- **As expected, Fitch has maintained Poland's long-term credit rating at A- with a stable outlook.** According to the agency, the current rating, on the one hand, reflects a diversified economy, a relatively low level of public debt and the strong fundamentals of the Polish economy supported by EU membership. On the other hand, indicators compiled by the World Bank on the rule of law and GDP per capita are at a relatively low level compared to other A-rated countries, while the volatility of inflation in Poland is relatively higher. The agency noted in the release the opposition's victory in the parliamentary elections. It noted that the new government is likely to prioritise improving the rule of law, which should improve the relationship with the European Commission and increase the likelihood of the first tranche of NRP funds being disbursed in Q1 2024. Fitch upholds its assessment on most of the factors that, should they materialize, could contribute to a positive decision on Poland's rating in the future. According to Fitch, a rating upgrade could take place if the income gap between Poland and developed countries narrows more rapidly or if public debt in relation to GDP decreases on a sustained basis. The point about improving external debt statistics was removed from the list of positive factors for the rating. On the other hand, a provision on the possible improvement of the rule of law situation was added. In our opinion, Fitch’s confirmation of Poland’s rating and its outlook is neutral for the PLN and yields on Polish bonds.

Will there be cuts in national defence spending?

In our MACROmap of 18/09/2023, we signalled that the 2024 budget bill provides for a significant increase in the government’s borrowing needs and a higher public sector deficit (4.5% of GDP) Furthermore, statements by opposition representatives signal a high level of determination to quickly implement certain election promises, the cost of which was not included in the bill. This raises the question whether there is space for a reduction in spending on the modernisation of the army, which could, at least in part, limit the increase in the public finance sector deficit in 2024.

During the discussion on the increase in public spending in 2024, the need to increase the scale of pay rises for teachers (an increase in budget expenditure of around PLN 12bn, 0.3% of GDP) was mainly highlighted. The opposition also announced a significant increase in the tax-free amount (a drop in budget revenue of around PLN 45bn, 1.2%of GDP), but in recent weeks the likelihood of this promise being delayed has increased. A possible extension of the energy price shield measures could be another factor influencing the increase in the general government deficit in 2024. According to last week's statements by A. Domanski, economic advisor to D. Tusk, the opposition is now considering freezing gas prices for the whole of 2024 and electricity prices until mid-2024. The government's final decisions in terms of the reduced VAT rate on food products will be another factor of uncertainty. In summary, we see a significant upside risk to the amount of the deficit included in the current budget bill for 2024.

The fulfilment of the election promises and the extension of the shield measures are likely to be accompanied by simultaneous efforts to reduce other budget expenditures in order to limit the increase in the deficit in 2024. A reduction in national defence spending could become a potential source of savings, but this will nevertheless be a difficult task to achieve given the current geopolitical situation (the ongoing war in Ukraine and the conflict in the Middle East).

According to the budget bill, defence spending in 2024 is projected at PLN 118.1bn (3.1% of GDP, including the amount of the budget reserve for this purpose). In addition, for the purposes of technical modernisation of the Armed Forces in 2024, it is planned to use funds from the BGK-managed Armed Forces Support Fund (FWSZ) in the amount of PLN 39.6 bn. Thus, the total funds earmarked for defence could amount to PLN 157.7bn (4.1% of GDP), of which PLN 84.4bn could be allocated to modernisation and the purchase of new armaments. PLN 44.8bn of this amount will come from the state budget, while the source of the remaining PLN 39.6bn will be the FWSZ, where the funds will be raised through a bond issue by BGK or other debt instruments. An analysis of the expenditure schedule in 2024 (as far as it is possible with limited access to detailed information), as well as BGK's slow pace of meeting FWSZ's borrowing needs, suggest that the final expenditure in 2024 could be as much as around PLN 15bn (0.4% of GDP) lower than assumed in the budget bill and the FWSZ expenditure. Our assessment of BGK's slow pace of meeting FWSZ's borrowing needs is based on data that BGK's cumulative debt issued on behalf of the FWSZ by 30 June 2023 amounted to PLN 18.3bn, and since then the FWSZ has been injected with a further USD 3.0bn, or approximately PLN 12.4bn, from BGK's issuance of USD bonds and a loan from the US government under the Foreign Military Financing programme. Taking into account the Public Finance Sector Debt Management Strategy for 2024-2027, at the end of 2023 the assets of the FWZS should already amount to PLN 47.0bn and at the end of 2024 to PLN 86.6bn, which we assess as unlikely at the current pace of bond issuance and borrowing.

Furthermore, the question arises as to whether, in addition to the aforementioned high probability of incomplete performance of spending plans for modernisation and the purchase of new armaments, the new government will have the opportunity to make defence spending more flexible and rational, which could result in budgetary savings in 2024. To answer this question, we have reviewed a selection of arms supply framework agreements. For this type of contract, there is the greatest room for renegotiation. The main framework agreements for the supply of armaments include:

- Framework agreement with Huta Stalowa Wola S.A. and PGZ S.A. for the delivery of more than 1000 new Borsuk infantry fighting vehicles and more than 300 specialist vehicles based on the Borsuk chassis design. We estimate the maximum value of the contract at PLN 65bn.
- Framework agreement with Lockheed Martin for the delivery of a multiple launch rocket system, ammunition, logistics and training package, and technical support for 27 battalions to use the Homar-A rocket artillery system (based on the US's HIMARS launcher solutions). We estimate the maximum value of the contract at PLN 13bn.
- Framework agreement for the acquisition of a total of 1000 K2/K2PL Black Panther tanks, of which 180 tanks are covered by executive agreements, while conditions for the delivery of 820 K2PL tanks have not been agreed yet. We estimate the maximum value of the contract at PLN 17.5bn.
- Framework agreement with Hanwha Defense for the delivery of 672 K9A1/K9PL Thunder self-propelled gun-howitzers, of which 212 K9A1 gun-howitzers are covered by executive agreements,

while conditions for the delivery of 460 gun-howitzers have not been agreed yet.. We estimate the maximum value of the contract at PLN 6bn.

It should be noted that in addition to these agreements, other agreements are to be negotiated soon, after approval is obtained from the US State Department for sales of military equipment as part of the Foreign Military sales programme. They include:

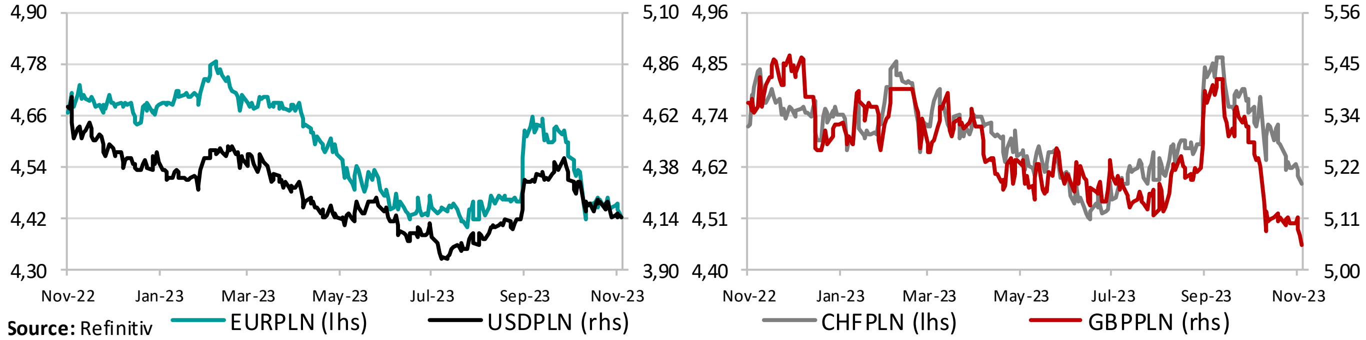
- Agreement for the purchase of a Northrop Grumman's Integrated Battle Command System (IBCS) for the Wisła and Narew air defence programmes. In accordance with the decision issued, the maximum value of the contract is USD 4bn.
- Agreement for the purchase of 96 Boeing's AH-64E Apache Guardian attack helicopters. In accordance with the decision issued, the maximum value of the contract is USD 12bn.

Taking into account the framework nature of the these contracts or future negotiations as to their content, the impression is that the new government will have a relatively large degree of discretion in deciding on the final scale and timing of the contracts. In reality, this freedom will be significantly constrained by geopolitical considerations. Publicly available information indicates that, in general, each of the arms elements covered by the above-mentioned agreements is necessary to increase Poland's defence potential, and the controversies related to them concern primarily the scale and timing of the orders, or the issue of guaranteeing the Polish arms industry the largest possible share in these contracts. We believe that these are areas where the new government will have some room to negotiate and rationalise spending. At the same time, it is worth remembering that, according to the Homeland Defence Act, from 2023 on the value of defence spending cannot be lower than 3% of GDP, which will be the lower limit for possible decisions on spending reductions. Furthermore, due to the framework nature of these agreements, their impact on budget expenditure in 2024 would still be relatively small, as the main expenditure would only be concentrated in the following years (see MACROmap of 14/11/2022). Thus, any decisions by the new government on spending on modernising the army would have a limited impact on the state's borrowing needs in the short term.

In summary, we see only a small amount of space for reduction in defence spending in 2024 and this will be primarily due to slower than assumed expenditure realisation rather than a reduction in procurement plans. This supports our assessment that fiscal policy will remain loose in the short term which significantly limits the room for further interest rate cuts. Given the tone of the statement after the November MPC meeting and the statements made by A. Glapiński at last week's press conference, we have revised our monetary policy scenario (see above). We now forecast a stabilisation of the reference rate at 5.75% until the end of 2024.

Unexpected MPC decision strengthens the PLN

FX rates



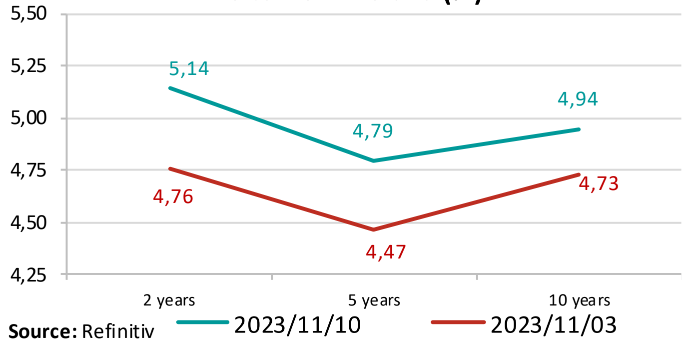
Source: Refinitiv

Last week, the EURPLN rate dropped to 4.4221 (the PLN strengthened by 0.6%). In the first part of last week we saw PLN exchange rates stabilize relatively in anticipation of the MPC meeting. The MPP decided to keep interest rates unchanged, while the consensus was for a 25bp cut, which lead to a strengthening of the PLN on Wednesday. Thursday saw a further decline in the EURPLN exchange rate supported by the hawkish tone of the press conference by NBP Governor A. Glapiński.

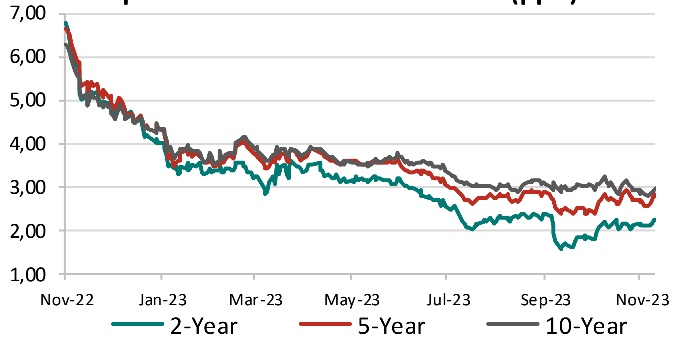
Friday's decision by Fitch to maintain Poland's rating and its outlook is neutral for the Polish currency. This week, the publication of Poland's preliminary GDP estimate in Q3 scheduled for Tuesday will be crucial for the PLN. Our forecast is above the market expectations, hence its materialization might result in the strengthening of the PLN. The publication of data from China, scheduled for Wednesday, may also push the EURPLN exchange rate down. We believe that data releases from the Polish and global economies scheduled for this week will be neutral for the PLN.

Domestic GDP data in the spotlight

IRS curve in Poland (%)



Spread: Polish vs. German bonds (ppt.)



Source: Refinitiv

Last week, 2-year IRS rates increased to 5.14 (up by 38bp), 5-year rates to 4.79 (up by 32bp) and 10-year ones to 4.94 (up by 21bp). IRS rates rose last week in response to the MPC's unexpected decision to keep interest rates unchanged, while the consensus was for a 25bp cut. The hawkish tone of NBP Governor A. Glapinski's conference also pushed IRS rates up. The FRA contract market is currently pricing reductions of around 100bp in total by the end of 2024.

Friday's decision by Fitch to maintain Poland's rating and outlook is neutral for IRS rates. This week's key focus for investors will be the publication of preliminary domestic GDP data, which we believe could push IRS rates higher. We believe that 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	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	Nov-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	6,00	5,75	5,75
EURPLN*	4,71	4,67	4,69	4,71	4,70	4,68	4,59	4,53	4,43	4,40	4,47	4,63	4,45	**4,45**
USDPLN*	4,77	4,48	4,38	4,33	4,45	4,31	4,16	4,23	4,06	4,00	4,12	4,37	4,21	**4,20**
CHFPLN*	4,76	4,74	4,72	4,70	4,72	4,71	4,66	4,64	4,52	4,59	4,66	4,78	4,62	**4,60**
CPI inflation (% YoY)	17,9	17,5	16,6	16,6	18,4	16,1	14,7	13,0	11,5	10,8	10,1	8,2	**6,4**	
Core inflation (% YoY)	11,0	11,4	11,5	11,7	12,0	12,3	12,2	11,5	11,1	10,6	10,0	8,4	**8,1**	
Industrial production (% YoY)	6,6	4,4	0,9	1,8	-1,0	-3,1	-6,0	-2,8	-1,1	-2,3	-1,9	-3,1	**-0,5**	
PPI inflation (% YoY)	23,1	21,1	20,5	20,1	18,2	10,3	6,2	2,8	0,3	-2,1	-2,9	-2,8	**-3,6**	
Retail sales (% YoY)	18,3	18,4	15,5	15,1	10,8	4,8	3,4	1,8	2,1	2,1	3,1	3,6	**3,0**	
Corporate sector wages (% YoY)	13,0	13,9	10,3	13,5	13,6	12,6	12,1	12,2	11,9	10,4	11,9	10,3	**11,8**	
Employment (% YoY)	2,4	2,3	2,2	1,1	0,8	0,5	0,4	0,4	0,2	0,1	0,0	0,0	**-0,1**	
Unemployment rate* (%)	5,1	5,1	5,2	5,5	5,6	5,4	5,3	5,1	5,1	5,0	5,0	5,0	**5,0**	
Current account (M EUR)	-439	283	-2635	2381	1738	1355	529	1479	2431	566	-202	**940**		
Exports (% YoY EUR)	23,2	24,2	10,6	15,7	14,7	18,1	2,6	3,3	1,7	1,3	-1,2	**0,1**		
Imports (% YoY EUR)	24,1	18,3	11,3	7,4	3,9	-1,4	-8,9	-6,3	-5,8	-8,9	-11,8	**-13,7**		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland

Indicator	2023				2024				2022	2023	2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	-0,3	-0,6	0,5	1,9	2,3	2,6	2,9	3,3	5,3	0,5	2,8
Private consumption (% YoY)	-2,0	-2,8	1,2	2,3	2,5	3,0	3,3	3,5	5,2	-0,3	3,1
Gross fixed capital formation (% YoY)	6,8	10,5	8,0	7,2	5,2	2,1	2,4	2,0	4,9	8,0	2,7
Export - constant prices (% YoY)	3,8	-3,2	1,1	3,7	3,9	5,0	4,3	4,5	6,7	1,3	4,4
Import - constant prices (% YoY)	-3,2	-6,8	0,8	4,3	4,6	5,6	6,0	5,5	6,8	-1,0	5,4
GDP growth contributions: Private consumption (pp)	-1,3	-1,6	0,7	1,2	1,5	1,7	1,9	1,8	2,9	-0,2	1,7
GDP growth contributions: Investments (pp)	0,9	1,5	1,3	1,6	0,7	0,3	0,4	0,5	0,8	1,3	0,5
GDP growth contributions: Net exports (pp)	4,6	2,1	0,2	-0,3	-0,1	0,0	-1,0	-0,5	0,2	1,5	-0,4
Current account (% of GDP)***	-0,7	-0,1	0,6	0,8	1,0	0,5	-0,3	-1,0	-2,4	0,8	-1,0
Unemployment rate (%)**	5,4	5,1	5,0	5,3	5,4	4,5	5,0	5,2	5,2	5,3	5,2
Non-agricultural employment (% YoY)	1,5	1,1	0,5	0,0	0,0	-0,5	-0,6	-1,0	0,6	0,8	-0,5
Wages in national economy (% YoY)	14,3	13,8	11,4	9,9	9,5	8,6	8,8	9,0	12,1	12,3	9,0
CPI Inflation (% YoY)*	17,0	13,1	9,7	6,4	5,5	4,6	5,2	5,3	14,3	11,6	5,2
Wibor 3M (%)**	6,89	6,90	5,77	5,88	5,88	5,88	5,88	5,88	7,02	5,88	5,88
NBP reference rate (%)**	6,75	6,75	6,00	5,75	5,75	5,75	5,75	5,75	6,75	5,75	5,75
EURPLN**	4,68	4,43	4,63	4,44	4,50	4,48	4,46	4,44	4,69	4,44	4,44
USDPLN**	4,31	4,06	4,37	4,11	4,13	4,11	4,17	4,23	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 11/13/2023				
14:00	**Poland**	**Current account (M EUR)**	**Sep**	**-202**	**940**	**-100**
		Tuesday 11/14/2023				
10:00	**Poland**	**Flash GDP (% YoY)**	**Q3**	**-0,6**	**0,5**	**0,3**
11:00	Eurozone	GDP flash estimate (% YoY)	Q3	0,1		0,1
11:00	Eurozone	Preliminary GDP (% QoQ)	Q3	-0,1	0,0	-0,1
11:00	Germany	ZEW Economic Sentiment (pts)	Nov	-1,1		5,0
14:30	USA	CPI (% MoM)	Oct	0,4	0,1	0,1
14:30	USA	Core CPI (% MoM)	Oct	0,3	0,3	0,3
		Wednesday 11/15/2023				
3:00	China	Retail sales (% YoY)	Oct	5,5	7,5	7,0
3:00	China	Urban investments (% YoY)	Oct	3,1	3,1	3,1
3:00	China	Industrial production (% YoY)	Oct	4,5	4,8	4,3
10:00	**Poland**	**CPI (% YoY)**	**Oct**	**6,5**	**6,4**	**6,5**
11:00	Eurozone	Industrial production (% MoM)	Sep	0,6		-0,7
14:30	USA	NY Fed Manufacturing Index (pts)	Nov	-4,6		-2,6
14:30	USA	Retail sales (% MoM)	Oct	0,7	-0,2	-0,1
16:00	USA	Business inventories (% MoM)	Sep	0,4		0,3
		Thursday 11/16/2023				
14:00	**Poland**	**Core inflation (% YoY)**	**Oct**	**8,4**	**8,1**	**8,0**
14:30	USA	Philadelphia Fed Index (pts)	Nov	-9,0		-11,0
15:15	USA	Capacity utilization (%)	Oct	79,7		79,4
15:15	USA	Industrial production (% MoM)	Oct	0,3	-0,3	-0,4
		Friday 11/17/2023				
10:00	Eurozone	Current account (bn EUR)	Sep	27,7		
11:00	Eurozone	HICP (% YoY)	Oct	2,9	2,9	2,9
14:30	USA	Building permits (k)	Oct	1471	1430	1450
14:30	USA	Housing starts (k MoM)	Oct	1358	1335	1345

*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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