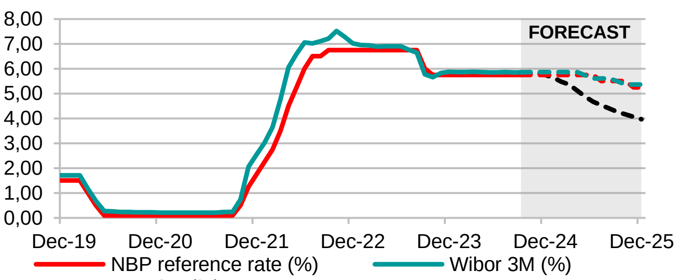
What impact will flood have on Poland's economic growth?

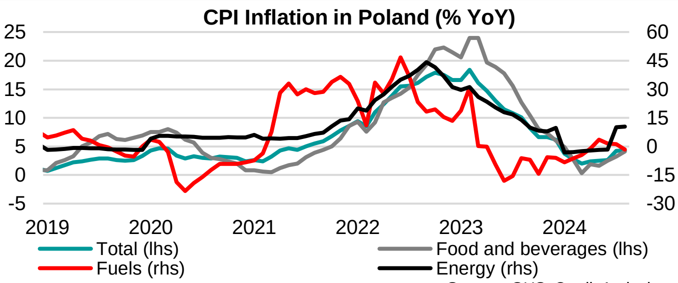
This week

- **This week's most important event will be the Monetary Policy Council meeting scheduled for Wednesday.** We expect the MPC to keep interest rates unchanged (NBP reference rate of 5.75%). We are of the opinion that the statement after the meeting will not change significantly compared to the document published in September. This week's decision to keep interest rates unchanged will be consistent with market consensus, and therefore should be neutral for the zloty exchange rate and yields on Polish bonds. Thursday will also see a press conference with the NBP Governor, which will shed more light on the outlook for domestic monetary policy. During the last conference, A. Glapiński said that a discussion on monetary policy adjustment may be justified before inflation returns to the target, probably in H2 2025, although an earlier cut is not ruled out. We are of the view that we may see increased volatility in the PLN and yields on Polish bonds during the press conference.



Source: Reuters, Credit Agricole

- **Another important event this week will be today's publication of preliminary data on September inflation in Poland.** In our view, it increased to 4.8% YoY, up from 4.3% in August. Higher inflation in September will be mainly due to an increase in food prices related to the poor fruit and vegetables harvest this year. Moreover, core inflation, in our view, increased to 4.0% YoY in September compared to 3.7% in August due to effects of a low base. Our forecast is below the market consensus (4.9%) and hence its materialisation will, in our view, be slightly negative for the PLN and the yields on Polish bonds.



Source: GUS, Credit Agricole

- **This week we will have important data from the US economy.** The most important release will be Friday's US non-farm employment data. We forecast that it increased by 145k people in September, compared to an increase of 142k in August, with the unemployment rate remaining at 4.2%. Ahead of Friday's release, additional labour market information will be provided by ADP's private sector employment report (the market expects an increase of 140k in September vs. an increase of 99k in August). The ISM index for manufacturing will also be published on Tuesday. In our view, it increased to 47.5 pts in September from 47.2 pts in August, for the sixth consecutive month remaining below the 50-pts mark separating growth from decline in activity. On the other hand, on Friday we will know the ISM non-manufacturing index for the US, which in our opinion increased in September to 51.7 pts from 51.5 pts in August. Despite the index returning above the 50-pts threshold separating decline and growth in activity, it will still be markedly lower than in 2023 and at the beginning of this year. This signals a high probability of a slowdown in US economic growth in H2 2024. In our opinion, the US data releases this week will be neutral for financial markets.
- **On Tuesday, the preliminary estimate of HICP inflation in the Eurozone will be published.** We expect the annual rate of price growth to have slowed in September to 1.7% YoY, compared to 2.2% in August, driven by lower food and energy prices as well as core inflation. Today, the preliminary estimate of HICP inflation in Germany will provide additional information on inflation in the Eurozone. We forecast that it decreased to 1.7% YoY in September, down from

2.0% in August. Our Eurozone inflation forecast is below consensus (1.9%), and hence its materialisation will be slightly positive for the PLN and debt prices.

- **The PMI for Polish manufacturing will be published on Tuesday.** We forecast that it decreased in September to 47.6 pts from 47.8 pts in August. The main factor influencing the index's decline was the downturn in Poland's main trading partners (see below). Our forecast is close to the market consensus (47.3 pts), and hence we are of the opinion that the publication of the PMI for Poland will be neutral for the PLN and the yields on Polish bonds.
- **This morning, we got to know the Caixin PMI index for Chinese manufacturing, which declined to 49.3 pts in September, compared to 50.4 pts in August, printing well below market expectations (50.5 pts).** The downward direction of the index was influenced by lower contributions from 4 of its 5 components (for employment, new orders, output and delivery times), while the opposite effect was exerted by a higher contribution from the component for inventories. Particularly noteworthy in the data was the strong decline in the new orders subindex, which fell well below the 50-pts threshold, reaching its lowest value since September 2022. According to the press release, the companies surveyed explained the decrease in orders by falling domestic demand, increased competition and a weak overall economic situation. There was also a decline in the subindex for export orders in September, which was explained by the worsening economic outlook in foreign markets. In contrast, a slight improvement in Chinese manufacturing was indicated by the NBS PMI index released today, which rose to 49.8 pts in September, up from 49.1 pts in August, coming in above the market consensus (49.5 pts). We notice a slight downside risk to our forecast that China's GDP will increase by 4.6% in Q3, compared to 4.7% growth in Q2, and grow by 4.7% in 2024 as a whole, compared to 5.2% in 2023. Economic growth may slow down more sharply even despite the significant stimulus package announced in September (focused on further monetary and fiscal easing, as well as stimulating activity in the real estate market). We view the data from China as slightly negative for the PLN.

Last week

- **Retail sales in Poland shrank from 5.0% YoY in July to 3.2% YoY in August, running markedly below our forecast that was consistent with market consensus (4.2%).** The growth in retail sales in constant prices slowed from 4.4% YoY in July to 2.6% in August, running markedly below market consensus (3.4%) and our forecast (3.5%). Seasonally-adjusted retail sales in constant prices in August went up by 1.9% MoM. This means that the sales are still following a mild upward trend, suggesting that there is still some moderate recovery in consumer demand. Real retail sales growth slowed in most categories, hampered by the statistical effect of an unfavourable difference in the number of working days. Consequently, the growth that we assessed for the so-called core sales, i.e. sales excluding motor vehicles, fuels and foods sold in specialised stores, went down from 2.7% YoY in July to 1.4% in August, and has been following the downward trend since last June (see MACROpulse of 23/09/2024). Retail sales data combined with consumer sentiment survey results are therefore consistent with our scenario of a gradual decline in consumption in the quarters to come (3.3% YoY in Q3 and 2.9% in Q4 vs. 4.7% in Q2 and 4.6% in Q1).
- **Construction and assembly production in Poland shrank to -9.6% YoY in August comparing to -1.4% in July, printing below the market consensus (-7.2%) and our forecast (-8.5%).** Seasonally-adjusted construction and assembly production shrank by 0.5% MoM in August, and followed a clear downward trend. Construction and assembly production growth (without seasonal adjustment) between July and August was driven down by the statistical effect of the unfavourable difference in the number of working days. Consequently, the annual construction and assembly production growth slowed strongly in 2 out of 3 reported categories: "specialised

construction activities" and "civil engineering works". A slight acceleration was seen only in the "construction of buildings" category, driven by the recovery in activity in the housing construction sector observed over the last couple of months (see MACROpulse of 25/09/2024). We continue to believe that housing constructions will be stimulating the activity in the construction sector in the coming months, the current activity being strongly hampered by the reduced absorption of EU funds. The impact of this factor will be increasingly boosted by projects delivered as part of the National Recovery Plan. The impact of the recovery may be smaller than we expected, though, as the government has already announced that the funds initially intended to be used as part of the borrower support scheme (the so-called 0% loan) will be allocated elsewhere to support those affected by the recent flood (see below).

According to preliminary data, the Eurozone's composite PMI (for manufacturing and service sector) fell to 48.9 pts in September, compared to 51.0 pts in August, coming in well below market expectations (50.5 pts). The reduction in the composite PMI was due to declines in its components for both manufacturing output and business activity in services. Geographically, the downturn was recorded in France, Germany and the other Eurozone economies surveyed. It is worth noting that there was a particularly large decline in the PMI for services in France (48.3 pts against 55.0 pts), due to the fading of the effect associated with the organisation of the Olympic Games in Paris. The PMI for German manufacturing, which is crucial from the point of view of the situation of Polish exports, decreased in September to 40.3 pts compared to 42.4 pts in August, clearly below the market consensus (42.3 pts). It hence reached its lowest value since September 2023. Lower contributions from 4 of its 5 components (for employment, output, new orders and inventories acted in the direction of the index's decline, while a higher contribution from the component for delivery times had the opposite effect. According to the statement, the effect of the reduction in activity in German manufacturing is the continued decline in employment, which in September reached its fastest pace since 2009 (excluding the initial phase of the pandemic), which was linked to large layoffs in the automotive industry. The weak sentiment in German manufacturing was reflected in a further decline in the index for expected output at a 12-month horizon, which fell below the 50-pts limit for the first time since February 2024. According to the statement, a significant source of the deterioration in the expectations of German companies related to the incoming media reports about Volkswagen's problems, which could spill over onto other automotive-related sectors of German manufacturing. Last week we also saw the Ifo index reflecting sentiment in German manufacturing, construction, trade and services, which fell to 85.4 pts in September compared to 86.6 pts in August, coming in below market expectations (86.0 pts). The decrease in the index was due to a reduction in its components for both the assessment of the current situation as well as expectations. In sectoral terms, the downturn was broad-based, and was recorded in 3 of the 4 economic sectors surveyed (manufacturing, services, trade), while construction saw an improvement. The average value of the composite PMI for the Eurozone decreased in Q3 to 50.0 pts compared to 51.6 pts in Q2, supporting our revised Eurozone growth scenario (see below).

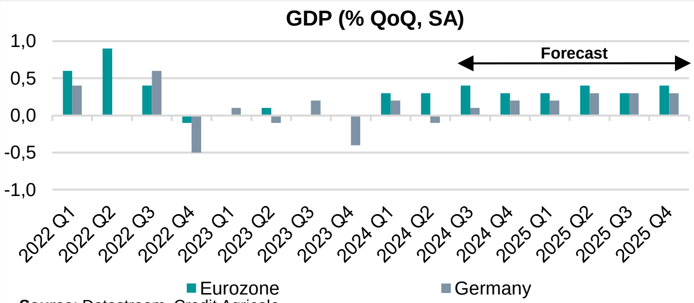
PMI for German manufacturing (pts)

Source: S&P, Credit Agricole

Last week we got to know important data from the US economy. According to the third estimate, the annualized US GDP growth rate in Q2 was unchanged from the second estimate and stood at 3.0%. This was due to higher contributions from inventories and government spending and lower contributions from private consumption, net exports and investment. Thus, the third estimate confirmed that private consumption was the main source of growth in the US economy in Q2, as in Q1. Last week, we also saw data on PCE inflation, which decreased in August to 2.2% YoY against 2.5% in July, coming in below market expectations (2.3%). At the same time, core inflation increased to 2.7% YoY in August, compared to 2.6% in July. However, the seasonally adjusted monthly core price growth declined to 0.1% MoM in August, compared to 0.2% in July, indicating weakening inflationary pressures in the US economy. Durable goods orders growth slowed to 0.0% MoM in August, compared to 9.9% in July (upward revision from 9.8%) and was above market expectations (-2.6%). Excluding transport means, the monthly growth rate of orders for durable goods increased to 0.5% in August compared with -0.1% in July. At the same time, the growth rate of orders for non-defence capital goods increased to 0.2% YoY in August, compared to -0.2% in July. Its 3-month moving average also rose slightly, indicating a slight improvement in the US investment outlook. Last week also saw the publication of data on new home sales (716k in August versus 751k in July). Taking into account the data published two weeks ago on new building permits, housing starts and existing home sales (see MACROmap of 23.09.2024) we estimate that activity in the US real estate market remains subdued. Last week we also got to know the results of the consumer sentiment survey. The deterioration in US household sentiment was indicated by the Conference Board index, which declined to 98.7 pts in September, compared to 105.6 pts in August, printing well below market expectations (104.0 pts). The decline in the index was due to lower values of its components for both the assessment of the current situation as well as expectations. In contrast, the final University of Michigan index increased to 70.1 pts in September, compared to 67.9 pts in August and 69.0 pts in the preliminary estimate. The increase in the index was due to an increase in its components for both the assessment of the current situation as well as expectations. We forecast that the annualized US GDP growth will slow down to 1.7% in Q3 from 3.0% in Q2. At the same time, according to our scenario, for the whole of 2024, US GDP will increase by 2.5% compared to 2.9% growth in 2023.

- **A meeting of the Swiss National Bank (SNB) took place last week.** The SNB decided to cut the main interest rate by 25bp to 1.00%, which was in line with market consensus. Once again, the cut was justified by the statement that inflationary pressures had eased since the last meeting of the central bank. The statement also indicated that further cuts in the interest rate may be necessary in the coming quarters if price stabilisation in the medium term so required. The SNB also reiterated its readiness to intervene in FX market if necessary, noting the ongoing appreciation of the Swiss franc. Last week also saw the publication of the SNB's latest macroeconomic projections. The inflation path for the following years was revised downwards to 1.2% in 2024 (1.3% in the June projection), 0.6% in 2025 (1.1%) and 0.7% in 2026 (1.0%), which was justified by the lower starting point due to the appreciation of the Swiss franc and the drop in oil prices as well as the reduction in electricity prices announced for early 2025. Last week's SNB decision is consistent with our forecast for EURCHF (0.94 at the end of 2024 and 0.98 at the end of 2025) and CHFPLN (4.51 at the end of 2024 and 4.29 at the end of 2025). We are of the opinion that increased geopolitical uncertainty (US elections, recessionary trends from the US and the Eurozone) will have an impact on the appreciation of the Swiss franc in the coming quarters.

- **Due to the worsening economic situation in the Eurozone (see above), as well as the better-than-expected Q2 GDP data last week, we revised our forecasts for the single currency area.** We now expect Eurozone GDP to grow by 0.4 QoQ in Q3 and 0.3% in Q4 (0.5% and 0.4% respectively before the revision). We have also slightly lowered our GDP path in 2025. As a consequence, taking into account the higher starting point in Q2, we now forecast that for the whole of 2024, GDP in the



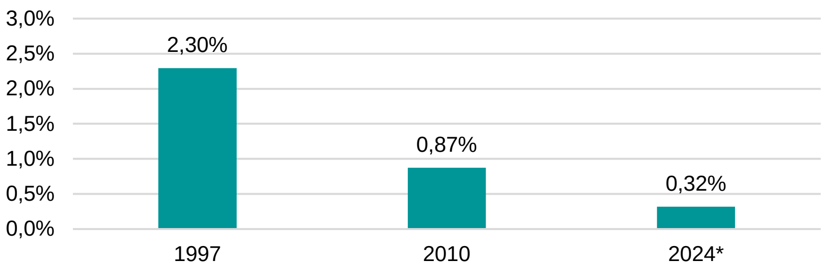
Source: Datastream, Credit Agricole

Eurozone will increase by 0.8% YoY in 2024 and by 1.3% in 2025 (0.8% and 1.5% respectively before the revision). We are of the opinion that the main source of GDP growth in 2024 will be net exports, while in 2025 it will be consumption. We have also revised our GDP forecasts for Germany. We forecast GDP in Germany to increase by 0.1% QoQ in Q3 and by 0.2% in Q4 (0.3% in Q3 and Q4 before the revision). We have also revised the projected GDP profile in 2025. We now expect GDP growth in early 2025 to be lower than we had previously forecasted, but to accelerate to 0.3% QoQ in H2 2025 (we had previously forecasted 0.2%). As a result, GDP in Germany will increase by 0.1% YoY in 2024 as a whole and by 0.8% in 2025 (0.1% and 1.1% respectively before the revision). The main source of GDP growth in Germany in 2024 will be, as for the Eurozone as a whole, net exports, while in 2025 it will be consumption. Our forecast for a smaller scale of economic recovery in the Eurozone in the coming quarters, including Germany, is consistent with our GDP growth scenario for Poland (2.3% YoY in 2024 and 3.5% in 2025).

What impact will flood have on Poland's economic growth?

Two weeks ago, the south-west of Poland was struck by a flood that devastated a number of areas in the region, bringing forward the likelihood of a significant increase in public expenditure, driven by the need to recover the damaged property and infrastructure. In this analysis, we have provided our estimates for the losses caused by flooding, their implications for the budget and their potential impact on Poland's GDP in the years to come.

Losses sustained during floods in Poland (% PKB)



*First estimate, no data for Silesian Voivodship and some affected towns
Source: press releases, Datastream, Credit Agricole

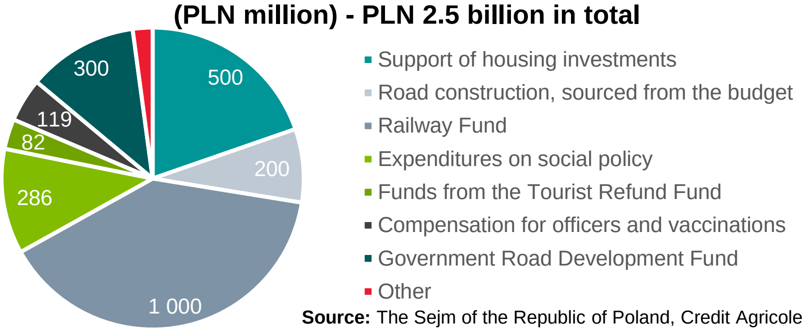
The flood of September 2024 was not the first disaster of this kind in the history of post-Communist Poland. Fourteen years ago, in 2010, the country had been struck by a flood that badly damaged large areas of the Vistula river basin. Earlier still, in 1997, parts of Poland had been inundated by the so-called "Millennium Flood", which had been one of the most dramatic episodes the country has experienced over the last couple of decades. The losses resulting from the flood damage are estimated to have stood at PLN 12bn in 1997 (2.5% of the then GDP) and 12.5bn in 2010 (0.9% of the GDP).

For this year's flood, the initial estimates provided by province governors stand at PLN 4.2bn (0.3% of the GDP), but more data are still to come, predominantly from the Śląskie Province and several towns that have been particularly badly affected by flooding. Nonetheless, even if we assume that the figures will grow, it can be seen that the losses are much smaller comparing to the earlier floods (see chart), the main reason being that no province capital has been affected by flooding this time, and Jelenia Góra stood out as the only major city that has suffered some damage. In the past, flooding had stricken parts of Wrocław and Opole to mention just those two cities, while this year fewer people have been affected by the disaster. The state of emergency called because of this year's flooding was introduced in full scope and effect in 29 poviats and 9 communes located in four provinces, but major damage occurred only in 21 communes inhabited by less than 400,000 people (1.1% of Poland's population according to GUS). The Head of the Chancellery of the Prime Minister J. Grabiec estimates that the number of those who were most severely affected by this year's flooding stands at 57,000 (0.2% of the population).

The greatest damage was inflicted to real properties, including public buildings such as a hospital in Nysa, as well as road and railway infrastructure. Residential buildings have also been badly affected. Production infrastructure suffered no major damage, which allows us to assume that production will not be affected by any major downtime. Flooding affected 120k ha of arable lands (0.8% of their total area, which means that the share of the flooded lands is relatively low), of which 27k ha (0.3% of the crops planted, mainly corn, soy, potatoes and sugar beet) were not harvested yet. The impact of flood on the Polish agriculture seems to be limited then, and as such it should not drive the food prices up. To sum up, we do not think the flood has affected production capacities in such a way that a medium-term outlook for economic growth would deteriorate. Services are the sector where the impact of flood was relatively stronger (predominantly in accommodation and recreation), but even there the impact on GDP growth will be negligible.

It is not quite certain yet how much money the government intends to allocate for rebuilding in the aftermath of flood, but decisions are expected to be taken soon. Prime Minister D. Tusk declared the government may set aside PLN 23bn for that purpose, but he made it clear that the said amount would not necessarily have to be spent in its entirety. The Minister of Finance A. Domański announced that PLN 2bn have been set aside in this year's budget as of now, but this amount can be increased. During the weekend, the Council of Ministers has adopted amendments to the Budget Bill for 2025, which include increasing the specific provision for prevention and mitigation of damage caused by natural disasters from PLN 1bn to PLN 3.19bn. During the press conference, the Minister of Finance A. Domański added that, in 2025, the government will transfer PLN 738m from the general grant reserve to local governments in flood-affected areas. The government's financing efforts are strongly leveraged by the European Commission, with the EC President U. von der Leyen having pledged EUR 5bn from the cohesion fund for flood recovery for Poland. It should be noted, though, that Poland would be entitled to receive those funds anyway under the seven-year financial perspective. However, it can be expected that this money will be spent earlier than initially planned. The EC President has announced that spending rules will change: the expenses will be pre-financed, and not refunded as it has been the case so far. Furthermore, the co-financing principle has been waived, which means that public entities will now be able to finance their endeavours using the EU funds exclusively, without having to bring their own financial contribution.

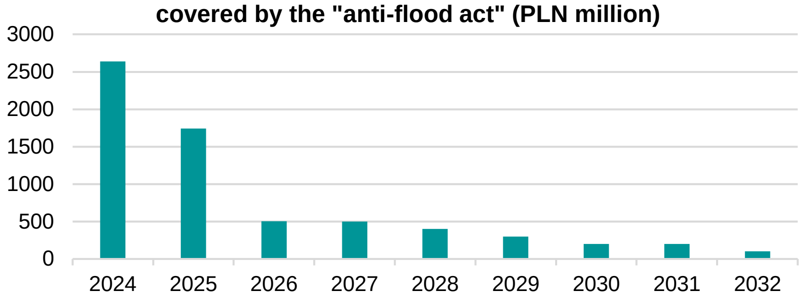
Budget expenditure in 2024 included in the "anti-flood act" (PLN million) - PLN 2.5 billion in total



Source: The Sejm of the Republic of Poland, Credit Agricole

The total negative impact of the government aid that is to be provided under the so-called "Flood Act" on the public finances is estimated to be PLN 6.6bn over the next 10 years. However, most of the spending will be done in 2024 (PLN 2.6bn; 0.08% of the GDP) and 2025 (PLN 1.7bn; 0.05% of the GDP). For example, in 2024, PLN 1bn will be used for railway infrastructure recovery, PLN 0.5bn will support housing investments, PLN 0.2bn will be spent on roads, while PLN 0.3bn will be distributed using the Government's Fund for Road Development. In 2025, money will be spent on roads. It is worth noting, though, that in the coming months we should expect more legal acts allocating further funds for recovery and prevention, so the total scale of the expenditure can be much bigger than that specified directly in the Flood Act, and at the end of the day, it can come close to the PLN 23bn amount mentioned by Prime Minister D. Tusk. However, the impact of any further expenditure will be distributed over years given that it takes a lot of time to complete construction works, especially when it comes to large hydrological projects.

Expenditures of the public finance sector related to activities covered by the "anti-flood act" (PLN million)

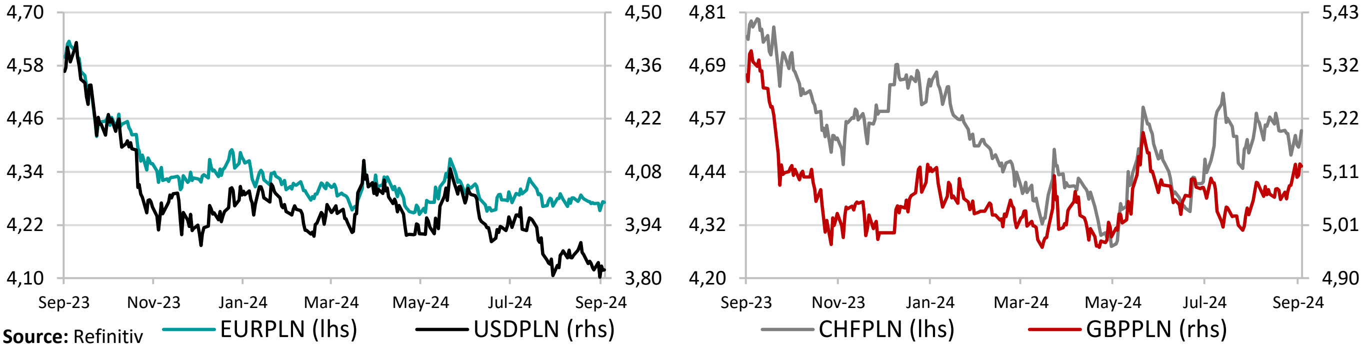


*Does not include expenses connected to the issue of treasury securities (GRDF)
Source: The Sejm of the Republic of Poland, Credit Agricole

Similarly to the damage caused by the flood, the time profile and the scale of the government's planned expenditure will have a limited impact on the outlook for economic growth in the coming quarters. At the same time, some of the losses will be covered by compensations paid out by insurers, which S&P estimates might amount to approx. PLN 2.9bn (0.08% of the GDP). Furthermore, we can expect a transitional growth in demand for durable consumer goods such as vehicles, furniture, consumer electronics, home appliances or other goods that would normally be purchased later but need to be replaced now, having been damaged in the flooding. It is worth noting that the recovery of infrastructure and housing constructions in 2025 will additionally accelerate the activity in the construction sector during the expected construction boom related to the EU fund absorption cycle. Given the construction companies' limited production capacities, this factor will drive the prices of construction materials strongly up, and will also cause the duration of investment projects to increase. Taking the outlined trends into account, we believe that the impact of both losses from flood and the recovery on the economic growth outlook for the coming quarters will be negligible. Consequently, we have not made any changes to our GDP growth forecast for 2024 and 2025 (2.3% and 3.5%, respectively). The impact will be negligible even if the PLN 23bn expenditure scenario were to materialise.

Preliminary inflation data for Poland and Eurozone in the spotlight

FX rates



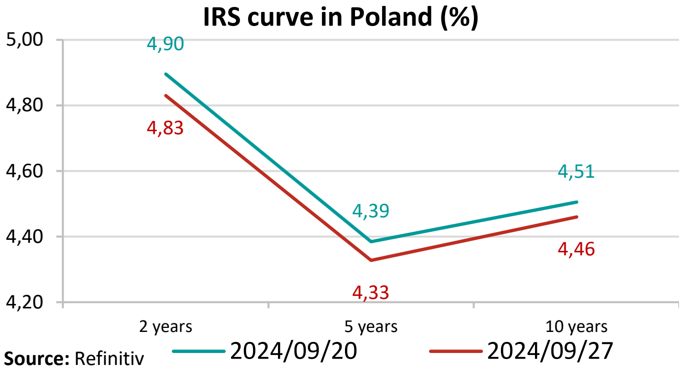
Source: Refinitiv

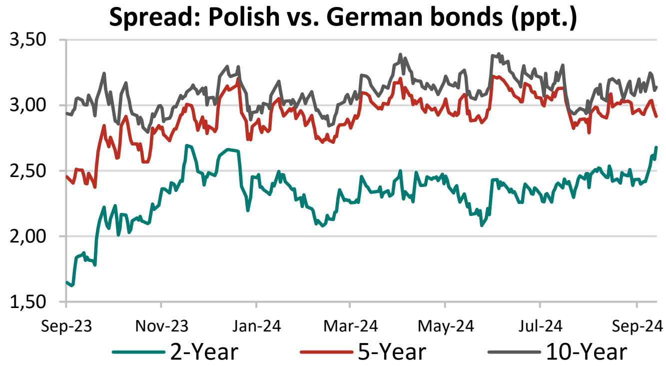
Last week, the EURPLN rate increased to 4.2714 (the PLN weakened by 0.1%). In the first part of the week, the PLN strengthened against the EUR, driven to a large extent by the release of weaker-than-expected PMIs for the Eurozone and Germany, which increased some investors' expectations with regard to ECB rate cuts. After the adjustment in the second half of the week, the EURPLN went up, and stood close to the level seen on Monday.

Weaker-than-expected business survey results for the Eurozone were also conducive to the EUR depreciation against the USD. However, after the adjustment in the second part of the week, the EURUSD went up, following the trend observed two weeks ago (see MACROmap of 23/09/2024).

Today's data for the Chinese manufacturing sector is slightly negative for the PLN. Of key importance for the investors this week will be the press conference of the NBP Governor A. Glapiński, which is planned for Thursday and may be conducive to the increased volatility of the PLN. Should our lower-than-consensus forecast materialise, today's release of the preliminary inflation data for Poland may turn out to be slightly negative for the PLN. On the other hand, the release of the preliminary HICP inflation data for the Eurozone, which is scheduled for Tuesday, may result in the appreciation of the PLN. We believe that other publications from the Polish and global economies planned for this week will be neutral for the PLN.

NBP Governor's press conference may support increased volatility of IRS rates





Source: Refinitiv

Last week the 2-year IRS rates decreased to 4.83 (down by 7bp), 5-year rates to 4.33 (down by 6bp), and 10-year rates to 4.46 (down by 5bp). At the beginning of the week IRS rates went up, following the trends observed two weeks ago. Then the rates went down mid-week, following the core markets. IRS rates in core markets were driven down by investors' increased expectations with regard to ECB rate cuts, which were additionally enhanced by the release of the worse-than-expected business survey results for the Eurozone.

This week, the spotlights will be turned on the NBP Governor's press conference planned for Thursday, which may be conducive to an increased volatility of IRS rates. The publication of the preliminary inflation data for Poland and 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-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
NBP reference rate (%)	6,00	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	**5,75**
EURPLN*	4,63	4,45	4,35	4,33	4,32	4,31	4,29	4,33	4,27	4,30	4,29	4,28	4,27	**4,27**
USDPLN*	4,37	4,21	4,00	3,93	4,00	3,99	3,97	4,06	3,94	4,02	3,96	3,87	3,82	**3,83**
CHFPLN*	4,78	4,62	4,56	4,64	4,64	4,52	4,40	4,41	4,36	4,47	4,50	4,56	4,54	**4,54**
CPI inflation (% YoY)	8,2	6,6	6,6	6,2	3,7	2,8	2,0	2,4	2,5	2,6	4,2	4,3	**4,8**	
Core inflation (% YoY)	8,4	8,0	7,3	6,9	6,2	5,4	4,6	4,1	3,8	3,6	3,8	3,7	**4,0**	
Industrial production (% YoY)	-3,3	2,0	-0,3	-3,5	3,0	3,2	-5,7	7,8	-1,6	0,0	5,3	-1,6	**0,5**	
PPI inflation (% YoY)	-2,7	-4,2	-5,1	-6,9	-10,6	-10,0	-9,9	-8,5	-7,0	-5,8	-5,1	-5,1	**-5,7**	
Retail sales (% YoY)	3,6	4,8	2,6	0,5	4,6	6,7	6,0	4,3	5,4	4,7	5,0	3,2	**2,8**	
Corporate sector wages (% YoY)	10,3	12,8	11,8	9,6	12,8	12,9	12,0	11,3	11,4	11,0	10,6	11,1	**10,9**	
Employment (% YoY)	0,0	-0,1	-0,2	-0,1	-0,2	-0,2	-0,2	-0,4	-0,5	-0,4	-0,4	-0,5	**-0,5**	
Unemployment rate* (%)	5,0	5,0	5,0	5,1	5,4	5,4	5,3	5,1	5,0	4,9	5,0	5,0	**5,0**	
Current account (M EUR)	1184	2240	1196	165	1584	1722	1357	-13	168	588	-1462	**-1046**		
Exports (% YoY EUR)	-4,0	2,1	-2,0	-6,2	-3,3	1,8	-8,5	6,5	-6,5	-6,0	4,6	**-2,5**		
Imports (% YoY EUR)	-13,8	-7,1	-7,2	-10,6	-4,6	1,7	-7,6	7,0	-1,8	-0,2	10,5	**1,6**		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland

Indicator		2024				2025				2023	2024	2025
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)		2,0	3,2	2,1	2,2	3,1	3,3	3,4	3,6	0,2	2,3	3,5
Private consumption (% YoY)		4,6	4,7	3,3	2,9	2,5	2,1	2,0	1,8	-1,0	3,9	2,2
Gross fixed capital formation (% YoY)		-1,8	2,7	-4,1	-5,8	5,5	7,5	8,4	8,7	13,1	-2,9	7,7
Export - constant prices (% YoY)		0,5	3,4	1,5	2,5	5,3	5,7	4,3	7,1	3,4	2,0	5,5
Import - constant prices (% YoY)		-0,1	5,4	4,9	4,7	5,1	5,3	4,3	3,9	-2,0	3,7	4,6
GDP growth contributions	Private consumption (pp)	2,7	2,7	1,9	1,4	1,5	1,2	1,2	0,9	-0,5	2,2	1,3
	Investments (pp)	-0,2	0,4	-0,7	-1,4	0,7	1,2	1,3	2,0	2,1	-0,5	1,3
	Net exports (pp)	0,4	-0,8	-1,6	-0,9	0,4	0,5	0,2	1,8	3,3	-0,8	0,7
Current account (% of GDP)***		1,5	1,4	1,2	0,8	0,8	0,7	0,6	0,6	1,6	0,8	0,6
Unemployment rate (%)**		5,3	4,9	5,0	5,0	5,3	4,9	4,9	4,9	5,1	5,0	4,9
Non-agricultural employment (% YoY)		-0,2	0,9	0,3	0,1	-0,4	-0,5	-0,5	-0,5	0,8	0,3	-0,5
Wages in national economy (% YoY)		14,4	14,7	14,3	14,2	10,1	8,3	7,1	6,5	12,8	14,4	8,0
CPI Inflation (% YoY)*		2,8	2,5	4,4	5,2	5,5	5,2	3,6	3,4	11,6	3,7	4,4
Wibor 3M (%)**		5,88	5,85	5,85	5,86	5,86	5,61	5,49	5,36	5,88	5,86	5,36
NBP reference rate (%)**		5,75	5,75	5,75	5,75	5,75	5,75	5,50	5,25	5,75	5,75	5,25
EURPLN**		4,29	4,30	4,27	4,24	4,23	4,22	4,21	4,20	4,33	4,24	4,20
USDPLN**		3,97	4,02	3,83	3,93	3,92	3,87	3,83	3,75	3,93	3,93	3,75

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST* CA	FORECAST* CONSENSUS**
		Monday 09/30/2024				
3:30	China	NBS Manufacturing PMI (pts)	Sep	49,1		49,5
3:45	China	Caixin Manufacturing PMI (pts)	Sep	50,2		50,5
10:00	**Poland**	**Flash CPI (% YoY)**	**Sep**	**4,3**	**4,8**	**4,9**
14:00	Germany	Preliminary HICP (% YoY)	Sep	2,0	1,70	1,90
15:45	USA	Chicago PMI (pts)	Sep	46,1		46,7
		Tuesday 10/01/2024				
9:00	**Poland**	**Manufacturing PMI (pts)**	**Sep**	**47,8**	**47,6**	**47,3**
9:55	Germany	Final Manufacturing PMI (pts)	Sep	40,3	40,3	40,3
10:00	Eurozone	Final Manufacturing PMI (pts)	Sep	44,8	44,8	44,8
11:00	Eurozone	Preliminary HICP (% YoY)	Sep	2,2	1,7	1,9
15:45	USA	Flash Manufacturing PMI (pts)	Sep	47,0		
16:00	USA	ISM Manufacturing PMI (pts)	Sep	47,2	47,5	47,5
		Wednesday 10/02/2024				
11:00	Eurozone	Unemployment rate (%)	Aug	6,4		6,4
14:15	USA	ADP employment report (k)	Sep	99		120
	Poland	**NBP rate decision (%)**	**Oct**	**5,75**	**5,75**	**5,75**
		Thursday 10/03/2024				
10:00	Eurozone	Services PMI (pts)	Sep	50,5	50,5	50,5
10:00	Eurozone	Final Composite PMI (pts)	Sep	48,9	48,9	48,9
11:00	Eurozone	PPI (% YoY)	Aug	-2,1		-2,4
16:00	USA	Factory orders (% MoM)	Aug	5,0	-0,4	0,0
16:00	USA	ISM Non-Manufacturing Index (pts)	Sep	51,5	51,7	51,5
		Friday 10/04/2024				
14:30	USA	Unemployment rate (%)	Sep	4,2	4,2	4,2
14:30	USA	Non-farm payrolls (k MoM)	Sep	142	145	135

*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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