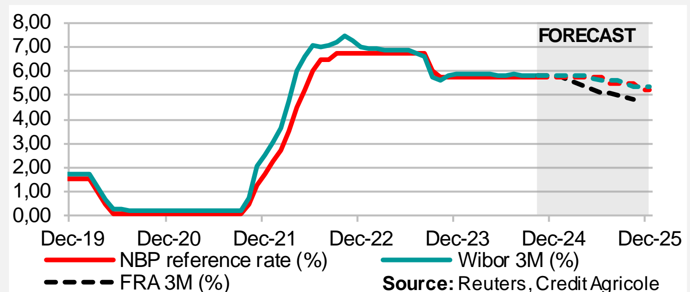
Will the election of Donald Trump slow down the economic growth in China?

This week

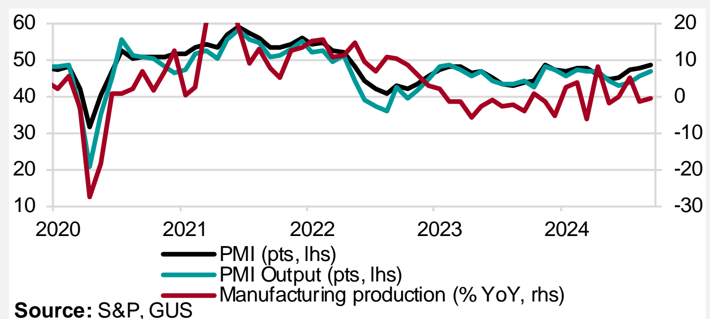
- **The most important event this week will be the US elections scheduled for Tuesday.** Polls show a slight lead for D. Trump over K. Harris in the presidential elections. In addition, according to the polls, the Republican Party is likely to take control in Congress. It should be noted, however, that in both cases the final outcome of the elections is subject to considerable uncertainty. The materialisation of the Republican sweep, which we currently consider to be the most likely scenario (see below for a detailed scenario analysis), would mean increased protectionism in foreign trade and an increased likelihood of fiscal policy easing in the US. This would have an effect of strengthening the dollar, weakening the zloty and pushing up the yields on US and Polish bonds. The timing of the announcement of the final results is unknown due to very close results in many states. It also cannot be ruled out that we will not know the final result until next week. In the coming days, however, we will get to know the partial results, which will encourage increased volatility on financial markets.
- **The next major event this week will be the FOMC meeting scheduled for Thursday.** We expect the Fed to continue its monetary policy easing cycle, lowering the target range for Federal Reserve funds rate volatility by 25bp to [4.50%, 4.75%]. In our view, the recently incoming mixed data from the US indicates that employment growth in the US economy is slowing down. Nevertheless, the labour market situation remains good (see below) and the recently published core inflation data was higher than expected. For this reason, we are of the opinion that a 25bp cut is more likely than another 50bp cut. During the post-meeting press conference, Federal Reserve chief, J. Powell, is most likely to indicate that the scale and pace of further interest rate cuts will depend on the incoming data. We are of the view that we may see an increased volatility in exchange rates and yields on bonds during the conference.
- **Monetary Policy Council to meet on Wednesday.** We expect the MPC to keep interest rates unchanged (NBP reference rate of 5.75%). In support of the status quo in monetary policy are statements made by the NBP Governor at a press conference after the October meeting, who stated at the time that the first interest rate cut could take place in Q2 2025, as long as the results of the March inflation projection indicate the prospect of its decline in subsequent quarters. We expect the post-meeting statement not to change significantly compared to the document published in October. This week, the results of the latest NBP inflation projection will be presented. In our view, due to the lower starting point, the GDP growth forecast is likely to be revised downwards compared to the scenario presented in July. In turn, the path of headline inflation will not change significantly in our view, with a slight upward revision of the core inflation forecast. This week's decision to keep interest rates unchanged will be consistent with market consensus, and hence it should be neutral for the zloty exchange rate and yields on Polish bonds. There will also be a press conference on Thursday with the NBP Governor, which will likely shed more light on the outlook for domestic monetary policy. The information on the possibility of early interest rate cuts will be of particular interest. We are of the opinion that we may see an increased volatility in the zloty and yields on Polish bonds during the conference.



- **China's foreign trade data will be published on Thursday.** We expect the trade balance to have fallen to USD 73.5 bn in October, compared to USD 81.7 bn in September. The import and export data will likely confirm the improvement in domestic and foreign demand seen in the manufacturing survey results (PMI, see below). The published data will also be the first to show

the impact of the September US tariff hike (see below, cf. MACROmap of 21.10.2024). The data from China will in our view be neutral for financial markets.

- **Data from the German economy will be published this week.** Data on industrial new orders will be published on Wednesday. In line with the market consensus, it increased by 1.8% in September, compared to a decline of 5.8% in August. The German foreign trade data will be known on Thursday. According to market consensus, the trade balance fell to EUR 20.9 bn in September, compared to EUR 22.5 bn in August. On the same day, industrial production data will also be published. In line with market consensus, the monthly industrial production growth rate in September fell to -1.0%, compared to 2.9% in August. Hence, the data will confirm the continuing unfavourable situation in German industry, consistent with the pessimistic PMI survey results. In our view the data from Germany will be neutral for financial markets.
- **This week will see important data from the US economy.** On Tuesday, the ISM non-manufacturing index for the US will be published, which we expect to have fallen to 53.8 pts in October from 54.9 pts in September. Despite the index remaining above the 50-pts boundary separating decline and growth in activity, it still reaches values clearly below its long-term average from before to the pandemic. In our view, the preliminary University of Michigan index (71.5 pts in November vs. 70.5 pts in October) will indicate a slight improvement in household sentiment due to the declining inflation. In our view, the US data releases this week will be neutral for financial markets.
- **The PMI index for Polish manufacturing will be published today, which, in our opinion, decreased to 48.3 pts in October against 48.6 pts in September.** The index decline we expect will be consistent with the results of the GUS business survey and the mixed results of the Eurozone and German manufacturing PMIs in October. Our forecast is close to the consensus (48.4 pts.), and hence its materialisation will, in our view, be neutral for financial markets.

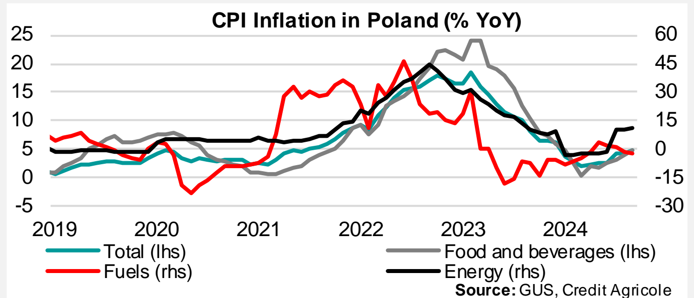


Source: S&P, GUS

- **The publication of an update to Poland's long-term debt rating by Fitch and Standard & Poor's is scheduled for Friday.** In May this year, Fitch maintained Poland's long-term credit rating at A- with a stable outlook. In its justification for the decision, Fitch noted at the time that the current rating on the one hand reflects a diversified economy, a good balance of payments situation and the strong foundations of the Polish economy supported by its EU membership. On the other hand, indicators compiled by the World Bank on the rule of law, the level of public deficit and GDP per capita are at a relatively low level compared to other A-rated countries. Fitch has noted a positive fact about the unblocking of access to EU funds. In May this year, S&P also maintained Poland's long-term rating at A- with a stable outlook. In its report, S&P, like Fitch, noted the positive fact related to the unblocking of the access to EU funds by the new government. At the same time, S&P pointed out that a tight election calendar as well as a polarised political environment will impede economic policy reforms, which, combined with significant planned national defence spending, will limit the decline in the general government deficit. According to S&P, an upgrade of Poland's rating would be possible if a continued improvement in the institutional and rule of law situation was observed, which would contribute to a steady inflow of EU funds and direct foreign investment, and the situation in public finances proved better than the agency's forecasts. We expect both agencies to confirm both Poland's rating and its outlook this week, which will be neutral for the zloty and yields on bonds.

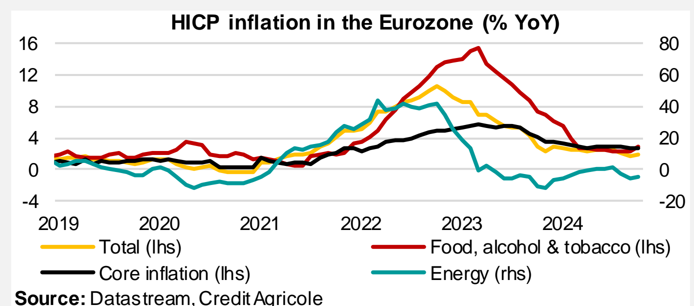
Last week

- **In accordance with the flash estimate, CPI inflation in Poland went up to 5.0% in October vs. 4.9% in September, running in line with market consensus and our forecast.** GUS published partial data on inflation structure, which contained information about price growth rates for the following categories: "food and non-alcoholic beverages", "energy" and "fuels". Inflation was driven up primarily by a stronger price growth in the "fuels" category (-2.0% YoY in October vs. -1.7% in September), which was largely connected with last year's low base effects. Another factor that drove it up was a stronger price growth in "food and non-alcoholic beverages" (4.9% vs. 4.7%, which we believe was largely due to a stronger growth in the prices of fruit, vegetables and butter) and "energy" (11.5% vs. 11.4%) categories. Core inflation, which fell from 4.3% YoY in September to 4.2% in October just as we had expected, had the opposite impact. We estimate that core inflation rose by 0.4% MoM, running above its seasonal pattern (ca. 0.2% for October). In our opinion, it indicates that the inflationary pressure in the Polish economy is still relatively strong. A strong growth in the prices of services keeps core inflation on an elevated level. We expect inflation to run around 5% in the coming months, and to fall markedly only in H2 2025. Consequently, we expect the average annual inflation to print at 3.7% in 2024 (vs. 11.6% in 2023) and then rise to 4.3% in 2025.



Source: GUS, Credit Agricole

- **In accordance with the flash estimate, inflation in the Eurozone went up to 2.0% YoY in October vs. 1.7% in September, running above the market expectations (1.9%) and our forecast (1.8%).** Inflation was driven up by a stronger growth in the prices of energy (-4.6% YoY in October vs. -6.1% in September) and food (2.9% vs. 2.4%). Core inflation did not change between September and October, and stood at 2.7% YoY. The data also highlight the persistently high growth rate of prices in services and the markedly lower growth rate of goods prices. We expect core inflation to fall gradually in the coming months, but the process will be very slow, and the core inflation will only reach ca. 2% in Q2 2025. Such inflation path is consistent with our scenario, in which the ECB will keep on easing its monetary policy in the meetings to come, and will each time cut their interest rates by 25bp, until they ultimately reach their target level in April 2025 (2.25% for the deposit rate).



Source: Datastream, Credit Agricole

- **In accordance with the flash estimate, quarterly GDP growth in the Eurozone accelerated from 0.2% in Q2 to 0.4% in Q3.** This means that it printed above market consensus (0.2%), but in line with our forecast. YoY GDP growth in the Eurozone went up from 0.6% YoY in Q2 to 0.9% in Q3. As regards the key Eurozone economies, acceleration in QoQ GDP growth was recorded in Germany (0.2% QoQ in Q3 vs. -0.1% in Q2, with our forecast at 0.1%) and in France (0.4% vs. 0.2%, in line with our forecast). GDP growth in Spain remained flat between Q2 and Q3 at 0.8% (with our forecast at 0.3%), but slowed down in Italy (0.0% vs. 0.2%, with our forecast at 0.2%). However, given the incoming business survey results for the Eurozone (see MACROmap of

28/10/2024), we can see a downside risk to our scenario in which the quarterly GDP growth in the Eurozone is to slow to 0.3% in Q4 and accelerate by 0.8% YoY in 2024 (vs. +0.5% in 2023).

- **Some significant data on the US economy was released last week.** Non-farm payrolls rose by 12.0k in October vs. 233k in September (downward revision from 254k), printing markedly below market expectations (125k) and our forecast (110k). We believe that the hurricanes can only be blamed to a certain extent for such a negligent increase in the number of employed, and in our view, the data for October combined with downward revisions totalling 112k for the previous two months are indicative of a downturn in the US labour market. The strongest growth in employment was recorded in education and health services (+57.0k), the government sector (+40.0k), and wholesale trade (+10.4k). In turn, the strongest drop in employment was seen in business services (-47.8k), manufacturing (-46.0k) and retail trade (-6.4k). The unemployment rate did not change between September and October, and printed at 4.1%, in line with market expectations but below our forecast (4.2%). Therefore, unemployment in the US has remained slightly above the natural rate of unemployment, which is assessed by the Fed to be 4.0%, for the fifth month running. The labour force participation rate dropped from 62.7% in September to 62.6% in October, thus remaining below the pre-COVID level (63.3%). The hourly wage growth accelerated from 3.9% YoY in September (downward revision from 4.0%) to 4.0% in October. In our opinion, it suggests that the wage pressure in the US economy is still elevated. However, it is worth noting that wage growth in October was driven up by the hurricanes, which hampered employment growth particularly strongly in relatively poorly-paid sectors such as tourism. The first estimate of the US GDP in Q3 was also published last week, with the annual GDP growth slowing from 3.0% in Q2 to 2.8%. The slowdown resulted from a lower contribution of inventories and investments, with an opposite impact coming from a higher contribution of private consumption, government expenses and net exports. Consequently, like in Q2, also in Q3 private consumption was the main driver of GDP growth. Last week also saw the release of PCE inflation data, with PCE inflation going down from 2.3% YoY in August to 2.1% in September in line with market expectations. At the same time, core inflation did not change between August and September, and once again printed at 2.7%. Nonetheless, seasonally-adjusted monthly inflation growth accelerated from 0.2% MoM in August to 0.3% MoM in September, indicating that the elevated inflationary pressure still persists in the US economy. Last week also saw the release of business survey results. The ISM index for manufacturing dropped from 47.2 pts to 46.5 pts in October, running below market expectations (47.6 pts), and showing that the business sentiment in the manufacturing sector has worsened. The index was driven down by lower contributions of 3 out of its 5 components (delivery times, current output, and inventories), with an opposite impact coming from higher contributions of employment and new orders. However, it is worth noting that both current output and new orders are well below the 50-point mark, which is indicative of continuing contraction in the manufacturing sector in the US. It is consistent with the strong drop in employment seen in that sector in October (see above). The Conference Board index went up from 99.2 pts in September to 108.7 pts in October, printing markedly ahead of market expectations (99.5 pts), and showing that households' sentiments in the US have improved. The increase in the index was due to an increase in its components for both the assessment of the current situation and expectations. The improvement in sentiments is somewhat surprising given the increased uncertainty connected with the presidential election in the US. A favourable situation in the US labour market has a significant positive impact on consumer confidence. The data released last week underpins our scenario of the Fed cutting the interest rates by 50bp this year (25bp in both November and December). At the same time, we do not think that the FOMC will see the markedly weaker-than-expected non-farm payrolls data for October as a sufficient argument to cut interest rates by 50bp in November.
- **Caixin PMI for Chinese manufacturing was also released last week. It increased from 49.3 pts in September to 50.3 pts in October, printing ahead of market consensus (49.6 pts).** The index was driven up by higher contributions of 2 out of its 5 components (new orders and current

output), with an opposite impact coming from lower contributions of delivery times, employment and inventories. What is particularly noteworthy about the data is a strong growth in current output and new orders (including export orders). In our opinion, foreign companies played a substantial role in component values going up, having increased their order volumes ahead of the expected introduction of new, higher tariffs on Chinese goods by the US and the EU among others. The NBS PMI index has also suggested some improvement in the Chinese manufacturing sector, going up from 49.8 pts in September to 50.1 pts in October, and printing ahead of market consensus (49.9 pts). We expect the Chinese GDP to grow by 4.8% YoY in Q4 compared to a 4.6% growth in Q3, and by 4.8% in 2024 vs. a 5.2% growth in 2023.

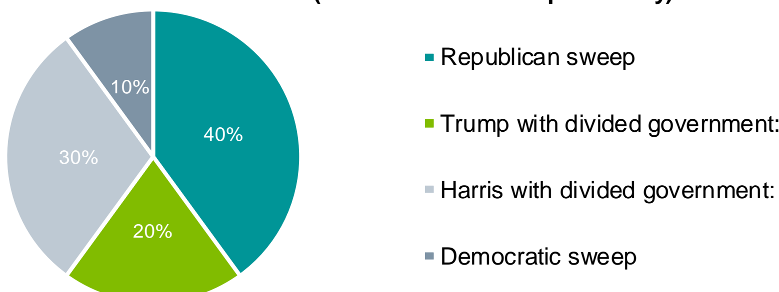
- **We have revised our GDP growth structure forecast for Q3.** We have not changed our annual GDP growth scenario of 2.7%. However, due to a strong drop in retail sales in September (see MACROpulse of 22/10/2024), we have adjusted our consumption growth forecast down to 2.1% YoY vs. 4.7% in Q2. At the same time, the released data suggested that public and household investments were probably higher than we had previously thought. Consequently, we have revised our gross fixed capital formation forecast up to 2.2% YoY vs. 2.7% in Q2.

Will the election of Donald Trump slow down the economic growth in China?

This week, elections will be held in the USA. These will elect both the next US President and the makeup of the next Congress. Their outcome will not only affect the US economy, but will also have global implications. In particular, it will be important for the further development of relations between the US and China and, consequently, for China's foreign trade and economic prospects.

In national polls, after two months of a clear lead for the Vice President K. Harris over D. Trump, October saw a strong convergence of the average level of support for both candidates and a levelling off of both results. Equally importantly, in swing states, i.e. states that, unlike the “safe states”, do not have a strong permanent favourite, the polls are also very close, making the outcome of the presidential elections difficult to predict. Congressional elections remain an additional factor of uncertainty in terms of economic policy. These are key from the perspective of a possible cooperation between the lawmakers and the president. Currently, the Democrats have an advantage in the Senate and the Republicans in the House of Representatives.

USA 2024 election (scenarios and their probability)



Source: Credit Agricole

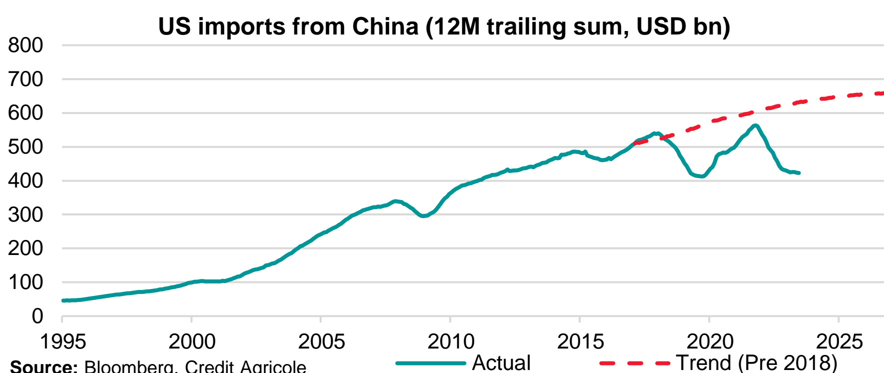
Given the increased uncertainty outlined above, we can see four possible scenarios in the context of the US election results:

- The first scenario, which we consider to be the most likely (around 40% probability), leads to a Republican sweep, i.e. D. Trump's victory in the presidential elections combined with the Republican party's advantage in both houses of Congress (Senate and House of Representatives). This would mean freedom of action for D. Trump in terms of the implementation of his election promises and, consequently, the biggest changes in terms of economic policy compared to the current administration. In this scenario, we can expect, among other things, an aggressive fiscal policy (through tax cuts), an aggressive tariff policy and a reduction in the influx of immigrants. In the market context, the materialisation of this scenario would involve a strengthening of the dollar and

a rise in yields on US bonds. It would also have an impact in the direction of a clear increase in inflation (pro-inflationary impact of tariffs, fiscal expansion and reduced immigration influx).

- In the second scenario, the probability of which we estimate at 20%, D. Trump also wins, but at least one of the Houses of Congress goes to the Democrats. In this scenario, the direction of economic policy remains similar to scenario one, but the possibilities for its implementation are tempered by the need to negotiate with the Democrats in Congress. The materialisation of this scenario would also contribute to a strengthening of the dollar and an increase in yields on US bonds, but to a lesser extent than in the first scenario. This scenario would also be pro-inflationary, but to a lesser extent than the first scenario.
- In the third scenario, the probability of which we estimate at 30%, K. Harris wins the presidential elections and the Republicans control at least one of the Houses of Congress. This would be the scenario most similar to the current situation and can be expected to continue the current administration's economic policies. It would involve limited changes to immigration and protectionist policies and fiscal easing. This scenario would have an effect of weakening the dollar and increasing the price of US debt and would have a limited impact on inflation given the status quo on economic policy.
- In contrast, the fourth scenario, which we consider the least likely (10%), leads to a Democratic sweep - K. Harris wins the presidential elections and the Democrats take control in both Houses of Congress. This would imply an aggressive fiscal policy in terms of spending, the increase in which would be partially offset by a tax increase. Its materialisation would have an impact in the direction of a weaker dollar and an increase in yields on US bonds and a slight increase in inflation (due to the pro-inflationary impact of fiscal policy).

A key area dependent on the outcome of the elections is the development of further relations between China and the US. Trade between the two countries is highly imbalanced, resulting in a high surplus for China and a commensurate deficit on the US side. During his first presidency, in 2018, D. Trump introduced a series of tariffs on Chinese goods, which were then maintained and extended (see MACROmap of 14.10.2024), hence becoming the subject of cross-party consensus. It must be reckoned, however, that a win by D. Trump, especially in a Republican sweep scenario, will be associated with a significant increase in the severity of US tariff policy towards China. One of D. Trump's key election promises has been the introduction of a broad 60% tariff on all Chinese goods, combined with the retention of the already existing increased tariffs on certain goods (such as a 100% tariff on electric cars). Depending on the legislative path chosen, increased tariffs on selected goods could come into effect even as early as Q1 2025, particularly for groups of goods for which an investigation of the impact of tighter protectionist measures has already been conducted. In addition, Trump's election agenda also includes blocking Chinese investment in real estate and industry within the US. An accelerated expansion of the existing list of sanctioned entities could be another tool to put pressure on China.

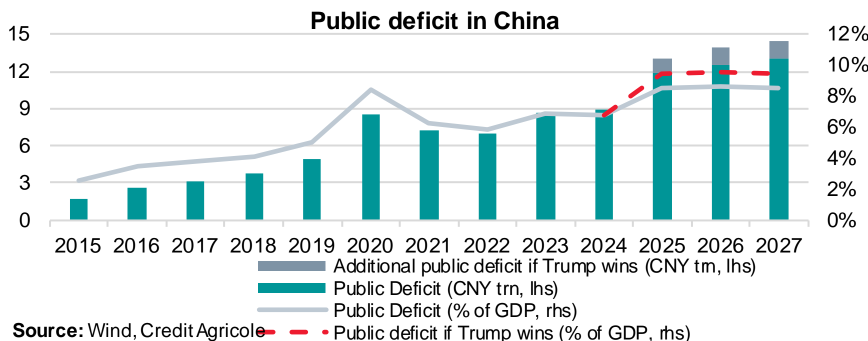


Source: Bloomberg, Credit Agricole

Should the increased tariffs come into effect, a significant reduction in China's GDP growth rate is expected. According to our estimates, this negative impact could reach 0.4 pp in 2025 and 0.8-1.0 pp in 2026. This impact will be significantly stronger than in the case of tariffs introduced in 2018 (0.2 pp in 2018 and 0.4 pp in 2019), which contributed to a marked reduction in Chinese imports to the US (see chart). At the same time, it is important to mention several factors softening the economic consequences of increased US protectionism compared to the situation

of 2018. The share of the US as a recipient of Chinese exports has decreased from 19% in 2018 to 15% today, reducing China's exposure to the risk related to tariffs. In addition, the relocation of global supply chains has been going on for many years and has intensified after the pandemic and, consequently, the importance of foreign direct investment in China has decreased and that of investment from China in other countries has increased. In addition, the People's Bank of China (PBC) can be expected to be more active in the foreign exchange market in order to reduce the volatility of the Chinese yuan.

We are of the view that China's response to increased protectionism from the US will be concentrated in two areas. On the one hand, retaliatory tariffs on US goods are likely to be introduced - but unlike the tariffs introduced by the US side, these are likely to be focused on specific product categories where it is relatively easy to source them from another supplier. However, for many US products (e.g. advanced machinery, precision instruments, pharmaceuticals) there is no such an option. A possible response is also to restrict exports of certain rare minerals.



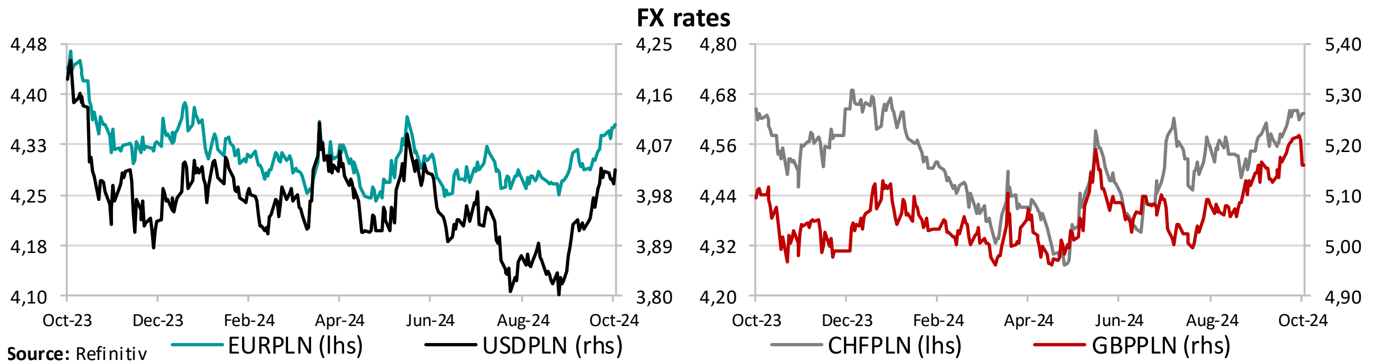
Source: Wind, Credit Agricole

The most important element of China's response, however, will be changes in domestic economic policy to support domestic demand to offset the negative impact of falling exports. A key aspect of such a policy will be interest rate cuts by the PBC, continuing the ongoing trend in this regard. Further expansion of the Chinese government's fiscal policy to stimulate consumption and a distressed property market can also be expected. We are of the opinion that in the Republican sweep scenario, China's general government deficit as a share of GDP will increase to around 9.5% in 2025-2027, compared to around 6.8% in 2024. In the event of a victory for K. Harris, we estimate that the deficit would be in the area of 8.6% of GDP in 2025-2027.

The election result will also have a significant impact on the yuan's exchange rate against the dollar. We can already see a significant increase in its volatility in the pre-election period. In the event of the “Republican sweep” scenario and the associated tariff hike, we can expect the USDCNY exchange rate to rise to around 7.30 by the end of 2024 and 7.50 in H2 2025. We are of the opinion that currency interventions by the PBC will be a mitigating factor for yuan depreciation.

Regardless of the outcome of the US elections, China will have to face a number of other issues. Exports, which have been one of the main pillars of China's GDP growth for years, remain a strength of China’s economy, especially within the “new three” - electric cars, solar panels and batteries. However, it is these products that are at the centre of newly introduced tariff barriers (not only from the US but also from the EU), and China's exports are increasingly seen as a threat to local producers and a source of imbalance in many countries' balance of payments. The second pillar of China's GDP growth has traditionally been investment in infrastructure, including the real estate sector, which has been in an unfavourable situation in recent years. The importance of this sector and its problems for China’s economy can be seen in the decline of its share of GDP from arounf 25% in 2020 to around 16% today. Such a trend has been observed along with a sharp decline in property prices and a series or bakruptcies and insolvencies of key developers. For this reason, this market is likely to be one of the main beneficiaries of expansionary fiscal policy in the near term. We will publish our revised forecasts for economic growth in China once we get to know the results of the US elections.

FOMC meeting in the spotlight

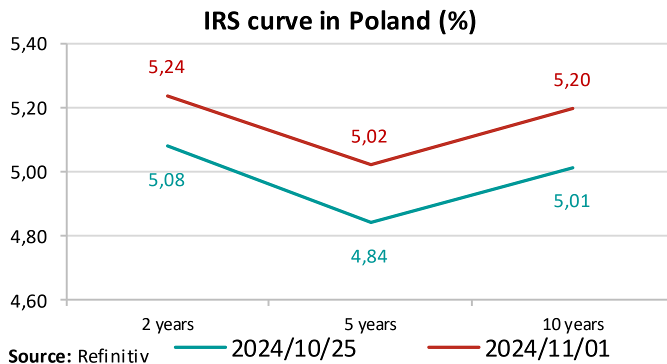


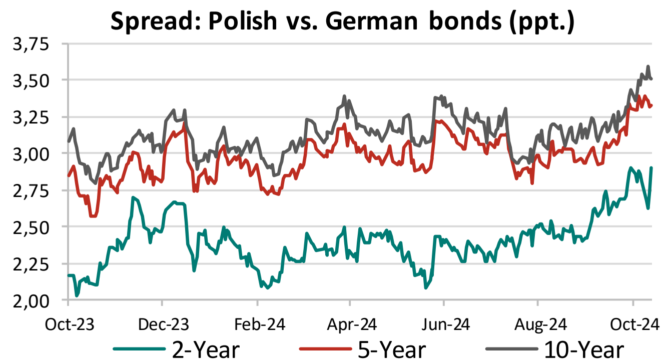
Source: Refinitiv

Last week, the EURPLN rate rose to 4.3591 (a 0.4% weakening of the PLN). The beginning of last week brought a slight strengthening of the PLN, which should be interpreted as an adjustment after the marked rise in the EURPLN seen over the last couple of weeks (see MACROmap of 28/10/2024). However, Wednesday saw the PLN weaken again, driven down by better-than-expected GDP data for the Eurozone. The same factor was conducive to the EUR appreciation against the USD. US non-farm payrolls data released on Friday drove the EURUSD temporarily up.

Today's publication of the PMI for Polish manufacturing sector will be neutral for the PLN in our view. The FOMC meeting planned for Wednesday will be of key importance for investors, and it may increase the volatility of the Polish currency. A usual press conference that will be held by the NBP Governor A. Glapiński may have a similar impact. Simultaneously, some investors expect D. Trump to win the presidential election in the US, and those expectations may be conducive to PLN depreciation. The developments in the Middle East will be of key importance to the PLN again. Should the tension grow stronger, this may drive the EURPLN rates up. Friday's update of the Polish rating by Fitch and S&P will be announced after the closure of European markets, hence their impact on the PLN will not materialize until next week.

US presidential election will drive the IRS rates up





Source: Refinitiv

Last week, 2-year IRS rates increased to 5.24 (up by 16bp), 5-year rates to 5.02 (up by 18bp) and 10-year ones to 5.20 (up by 19bp). Last week saw a rise in IRS rates across the curve. Yields in core markets are driven up by growing expectations of some investors with regard to D. Trump's victory in the presidential election in the US. The release of better-than-expected GDP data for the Eurozone drove the yields up in Germany.

Today's publication of the PMI for Polish manufacturing sector will be neutral for the curve in our view. The FOMC meeting planned for Wednesday will be in the spotlight this week, and it may increase the volatility of the IRS rates. The usual press conference that will be held by the NBP Governor A. Glapiński may have a similar impact. Simultaneously, some investors expect D. Trump to win the presidential election in the US, and those expectations may drive the IRS rates up. Further developments in the Middle East will remain a key factor for the curve. Should the tension grow stronger, this may drive the IRS rates up. Friday's update of the Polish rating by Fitch and S&P will be announced after the closure of European markets, hence their impact on the IRS rates will not materialize until next week.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	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	Nov-24
NBP reference rate (%)	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	5,75
EURPLN*	4,45	4,35	4,33	4,32	4,31	4,29	4,33	4,27	4,30	4,29	4,28	4,28	4,35	4,37
USDPLN*	4,21	4,00	3,93	4,00	3,99	3,97	4,06	3,94	4,02	3,96	3,87	3,85	4,01	4,08
CHFPLN*	4,62	4,56	4,64	4,64	4,52	4,40	4,41	4,36	4,47	4,50	4,56	4,54	4,63	4,70
CPI inflation (% YoY)	6,6	6,6	6,2	3,7	2,8	2,0	2,4	2,5	2,6	4,2	4,3	4,9	5,0	
Core inflation (% YoY)	8,0	7,3	6,9	6,2	5,4	4,6	4,1	3,8	3,6	3,8	3,7	4,3	4,2	
Industrial production (% YoY)	2,0	-0,3	-3,5	3,0	3,2	-5,7	7,8	-1,6	0,0	5,3	-1,3	-0,4	1,8	
PPI inflation (% YoY)	-4,2	-5,1	-6,9	-10,6	-10,0	-9,9	-8,5	-7,0	-5,8	-5,1	-5,5	-6,3	-6,3	
Retail sales (% YoY)	4,8	2,6	0,5	4,6	6,7	6,0	4,3	5,4	4,7	5,0	3,2	-2,2	1,3	
Corporate sector wages (% YoY)	12,8	11,8	9,6	12,8	12,9	12,0	11,3	11,4	11,0	10,6	11,1	10,3	10,1	
Employment (% YoY)	-0,1	-0,2	-0,1	-0,2	-0,2	-0,2	-0,4	-0,5	-0,4	-0,4	-0,5	-0,5	-0,5	
Unemployment rate* (%)	5,0	5,0	5,1	5,4	5,4	5,3	5,1	5,0	4,9	5,0	5,0	5,0	5,0	
Current account (M EUR)	2121	1182	-102	1575	1752	1239	623	-451	485	-1116	-2827	-1955		
Exports (% YoY EUR)	2,1	-2,0	-6,3	-3,1	2,0	-8,7	7,5	-6,0	-7,3	4,7	-3,3	1,4		
Imports (% YoY EUR)	-6,0	-6,1	-9,3	-4,1	2,1	-7,2	4,7	0,1	0,6	9,1	4,9	7,6		

*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	2,7	2,5	3,1	3,3	3,4	3,6	0,1	2,6	3,5
Private consumption (% YoY)	4,6	4,7	2,1	2,9	2,5	2,1	2,0	1,8	-0,3	3,6	2,2
Gross fixed capital formation (% YoY)	-1,8	2,7	2,2	-5,8	5,5	7,5	8,4	8,7	12,6	-1,4	7,7
Export - constant prices (% YoY)	0,5	3,4	1,5	2,5	5,3	5,7	4,3	7,1	3,7	2,0	5,5
Import - constant prices (% YoY)	-0,1	5,4	4,9	4,7	5,1	5,3	4,3	3,9	-1,5	3,7	4,6
GDP growth contributions: Private consumption (pp)	2,7	2,7	1,2	1,4	1,5	1,2	1,2	0,9	-0,2	2,0	1,3
GDP growth contributions: Investments (pp)	-0,2	0,4	0,4	-1,4	0,7	1,2	1,3	2,0	2,1	-0,3	1,3
GDP growth contributions: Net exports (pp)	0,4	-0,8	-1,6	-0,9	0,4	0,5	0,2	1,8	3,2	-0,8	0,7
Current account (% of GDP)***	1,5	1,4	1,2	1,0	1,0	0,9	0,8	0,8	1,6	1,0	0,8
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	4,5	4,8	5,2	4,9	3,5	3,5	11,6	3,7	4,3
Wibor 3M (%)**	5,88	5,85	5,85	5,85	5,85	5,60	5,48	5,35	5,88	5,85	5,35
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	4,28	4,28	4,25	4,24	4,23	4,22	4,33	4,28	4,22
USDPLN**	3,97	4,02	3,85	3,96	3,94	3,89	3,85	3,77	3,93	3,96	3,77

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
		Monday 11/04/2024				
9:00	**Poland**	**Manufacturing PMI (pts)**	**Oct**	**48,6**	**48,3**	**48,4**
9:55	Germany	Final Manufacturing PMI (pts)	Oct	42,6	42,6	42,6
10:00	Eurozone	Final Manufacturing PMI (pts)	Oct	45,9	45,9	45,9
10:30	Eurozone	Sentix Index (pts)	Nov	-13,8		-12,5
16:00	USA	Factory orders (% MoM)	Sep	-0,2		-0,4
		Tuesday 11/05/2024				
16:00	USA	ISM Non-Manufacturing Index (pts)	Oct	54,9	53,8	53,8
		Wednesday 11/06/2024				
8:00	Germany	New industrial orders (% MoM)	Sep	-5,8		1,8
10:00	Eurozone	Services PMI (pts)	Oct	51,2	51,2	51,2
10:00	Eurozone	Final Composite PMI (pts)	Oct	49,7	49,7	49,7
11:00	Eurozone	PPI (% YoY)	Sep	-2,3		-3,5
	Poland	**NBP rate decision (%)**	**Nov**	**5,75**	**5,75**	**5,75**
		Thursday 11/07/2024				
8:00	Germany	Industrial production (% MoM)	Sep	2,9		-1,0
8:00	Germany	Trade balance (bn EUR)	Sep	22,5		20,9
11:00	Eurozone	Retail sales (% MoM)	Sep	0,2		0,5
13:00	UK	BOE rate decision (%)	Nov	5,00		4,75
16:00	USA	Wholesale inventories (% MoM)	Sep	-0,1		-0,1
16:00	USA	Wholesale sales (% MoM)	Sep	-0,1		
20:00	USA	FOMC meeting (%)	Nov	5,00	4,75	4,75
	China	Trade balance (bn USD)	Oct	81,7		75,1
		Friday 11/08/2024				
16:00	USA	Initial U. of Michigan Sentiment Index (pts)	Nov	70,5	71,5	71,0

*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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MACRO MAP

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