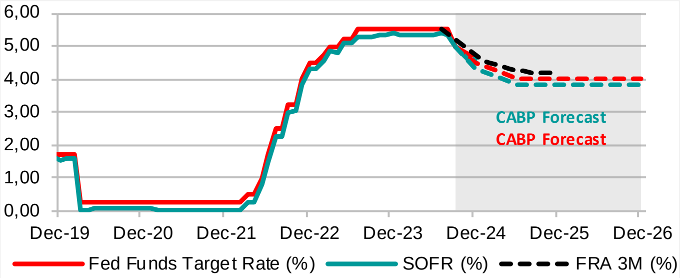
Is the synchronisation of business cycles between Poland and the Eurozone permanent?

This week

- **The key event this week will the FOMC meeting planned for Wednesday.** We expect the Fed to keep easing the monetary policy by lowering the range for Federal Reserve funds by 25bp, to [4.25%, 4.50%]. During the press conference after the meeting, the Federal Reserve Chair J. Powell will most probably emphasise that the scale and the time of further interest rate cuts will depend on the incoming data. The FOMC members' new macroeconomic projection will also be published this week. The median of FOMC members' expectations concerning the interest rates at the end of 2025 will be the most important component of the projection, and in our view, it will be revised upwards by 25bp, to 3.625%. Consequently, it will indicate at further rate cuts totalling 75bp in 2025. In our scenario, we expect the rates to be cut twice, each time by 25bp (in March and June), which will make it possible to achieve the target range of [3.75%, 4.00%]. The continuation of moderately strong economic growth, good situation in the labour market and inflationary pressure in the US economy (see below) will be the arguments in favour of slowing the pace of easing moving forward. We think we may observe an increased volatility in financial markets during the press conference after the meeting.

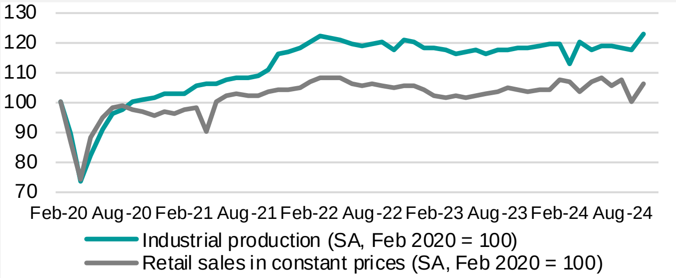


Source: Refinitiv, Credit Agricole

- **The publication of preliminary results of the PMI survey of key European economies, which is planned for today, will be another important event this week.** The market expects the Composite PMI for the Eurozone to have fallen to 48.1 pts in December vs. 48.3 pts in November. This would mean that the PMI would remain below the 50-point mark that separates growth from contraction for the second month running. The results of the survey will most likely confirm that the trends still vary between services and manufacturing sectors. As regards the German manufacturing PMI, the market expects it to grow from 43.0 pts in November to 43.1 pts in December. The Ifo index describing the sentiments of German businesses operating in the manufacturing industry, construction, trade, and services sectors will be released this Tuesday, and it will provide more information about the situation in Germany. The market expects the index to have decreased from 85.7 in November to 85.6 in December. A strong competition from the Chinese industry, particularly in such areas as car and machinery production, where Germany has had a very strong position in the global market so far, continues to be a serious problem for the German manufacturing sector. Higher tariffs imposed on Chinese cars by the EU in late October, which had been strongly objected to by the German industry may have a significant depressive impact on sentiment in the German manufacturing sector. We believe that the release of business survey results for the Eurozone (including Germany) will be neutral for financial markets.
- **Some significant data on US economy will be released this week.** We expect PCE inflation to have gone up from 2.3% YoY in October to 2.5% in November, with core inflation staying at 2.8% YoY. The final estimate of US Q3 GDP will be released on Thursday. We forecast that the annualised US GDP growth rate to have gone down from 3.0% YoY in Q2 to 2.8% YoY in Q3, in line with the second estimate. We expect the nominal retail sales to have gone up by 0.4% MoM in November, keeping the same rate of growth as in October. Once again, in our opinion, the sales were largely driven up by an increase in the sales of cars, but we also think that growth in other categories in November was stronger than in October (0.3% MoM vs. 0.1% MoM). We expect the industrial production growth rate to have gone up from -0.4% in October to 0.3% in November, which will be consistent with the sentiment survey results for the industrial manufacturing sector. We expect the combined data on housing starts (1,311k in October vs.

1,311k in September), building permits (1,426k vs. 1,419k) and existing home sales (4.12m vs. 3.96m) to show a further slowdown in the US housing market, and particularly a reduced supply in the pre-owned property market caused by unwillingness to refinance mortgage loans given the high interest rate. The final University of Michigan index will also be released this week. Our forecast is that it will print slightly ahead of the flash estimate of 74.0 pts, standing at 75.0 pts (up from 71.8 pts in November), and showing that the US consumers' sentiments are still poor. The release of US data will be neutral for the PLN and the debt market in our view.

- **Data on Polish industrial production in November will be released on Thursday.** We expect the industrial production growth rate to have fallen from 4.7% YoY in October to -2.0% YoY in November. In our view, the slowdown that we expect to have taken place between October and November was an adjustment after the one-off spike seen in October, and it will be consistent with the PMI readings for November, which were indicative of a slowdown in manufacturing (see MACROmap of 02/12/2024). Unfavourable calendar effects were another factor driving the production down. Our forecast is below the market consensus (-0.2%), thus, its materialisation would be slightly negative for the PLN and yields on Polish bonds.

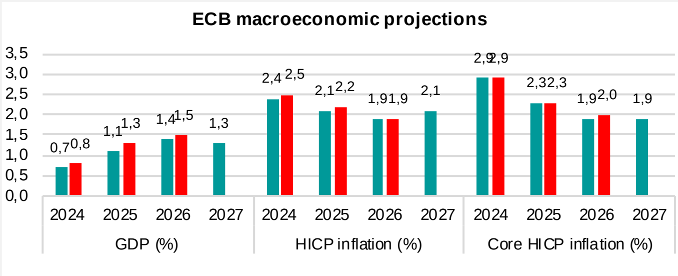


Source: GUS, Credit Agricole

- **Poland's retail sales figures will be released on Friday.** We expect the retail sales in constant prices to have gone down from 1.3% YoY in October to 0.5% in November. We believe the slowdown in sales was driven by depressed consumer sentiment, with customers becoming more inclined to saving in particular, as shown by the survey. Our forecast is below the market consensus (1.0%), thus, its materialisation would be slightly negative for the PLN and yields on Polish bonds.
- **Thursday will also see the release of data on employment and average wages in Poland's business sector for November.** We expect the employment to have dropped from -0.5% YoY in October to -0.6% in November. In our view, the drop was driven by restructuring processes in the manufacturing sector and retiring employees' departures. The average wage growth, in turn, remained strong (10.2% YoY, no change between October and November). In our opinion, the release of data on employment and the average wage in the business sector will be neutral for the PLN and the debt market.
- **Significant data from China has been released today.** Industrial production growth accelerated from 5.3% YoY in October to 5.4% in November due to favourable calendar effects (market consensus: 5.3%). Despite the positive impact of stimulating measures taken by the Chinese government, the urban investment growth slowed slightly down, from 3.4% YoY in October to 3.3% in November, printing slightly below the market expectations (3.4%). Sales growth figures printed markedly below the market consensus of 4.6%, going down from 4.8% YoY in October to 3.0% in November. We believe that the sales growth slowdown was transitional, given the measures taken by the government to stimulate the internal demand in China. Today's data has no impact on our forecast, in which the economic growth in China will print at 4.8% YoY in 2024 vs. 5.2% in 2023, but we can see a significant downside risk to our GDP growth scenario for the years to come, given the increase in tariffs on goods imported from China to the US, which has been announced by D. Trump (see below).

Last week

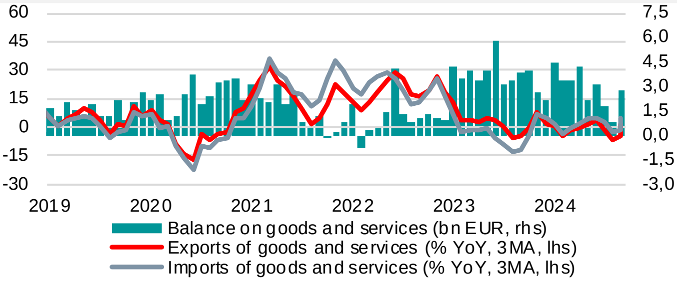
- **The ECB met last week.** The ECB has cut interest rates by 25bp in line with market expectations and our forecast. Consequently, the ECB's key interest rate currently stands at 3.15%, with the deposit rate reaching 3.00%. In accordance with the press release published after the meeting, inflation fall continuing amidst weaker economic activity was an argument in favour of interest rate cuts. The press release once again contained the passage saying that future decisions concerning interest rates will be based on the assessment of the inflation outlook in the light of the incoming economic and financial data, the dynamics of underlying inflation and the strength of monetary policy transmission. At the same time, the passage concerning the ECB's readiness to keep restrictive interest rates for as long as necessary to curb the inflationary pressure has been removed. In our opinion, this indicates that the ECB's stance is becoming markedly less rigid. ECB's December projection was also released after the meeting. The inflation path was adjusted slightly downwards, as was the GDP growth forecast. During the press conference after the meeting, the ECB Governor Ch. Lagarde made it clear that when it comes to the interest rate path for the coming quarters, all options are on the table, and all further decisions will depend on the incoming data. She also hinted that the target interest rate may be set somewhere between 1.75% and 2.50%, but gave no specific value. In our opinion, the ECB's decision to cut interest rates is a sign that the Governing Council is becoming increasingly concerned about the economic growth outlook getting poorer for the Eurozone. We believe this will be another argument to keep on easing the monetary policy. We do not change our scenario, in which the ECB is to cut interest rates by 25bp in each subsequent meeting until the deposit rate finally reaches 2.25% (April 2025). Nonetheless, we think there is a risk that the ECB may decide to keep on easing the monetary policy in H2 2025 as well if the outlook for economic growth badly worsens.



Source: EBC, Credit Agricole

- **According to final data, Poland's CPI inflation shrank to 4.7% YoY in November vs. 5.0% in October, running above the flash estimate provided by GUS (4.6%).** Inflation was primarily driven down by a slower price growth in the "fuels" category (-6.0% YoY in November vs. 0.0% in October), largely due to last year's high base effects. Another factor driving the inflation down was a slightly slower growth in the prices of food and non-alcoholic beverages (4.8% vs. 4.9%). A slower growth in the prices of vegetables was the main reason behind the inflation fall in this category, also due to last year's high base effects, just as it was the case with the prices of fuels. A stronger price growth in "meat" and "milk, cheese and eggs" categories had the opposite impact (see MACROpulse of 13/12/2024). A stronger price growth in the "energy" category (11.7% vs. 11.5%) and higher core inflation, which we expect to have gone up from 4.1% YoY in October to 4.4% in November had the opposite impact on inflation. We estimate that core inflation rose by 0.3% MoM, running markedly above its seasonal pattern (ca. 0.0% for a November). In our opinion, it indicates that the inflationary pressures in the Polish economy are still relatively strong. The continuing, strong growth in the prices of services (7.2% in November vs. 6.7% in October; strongest since January 2024), which is much in contrast to the slowing growth in the prices of goods (3.8% YoY vs. 4.3%) is the reason why the core inflation remained elevated and sticky. Last week's data published by Statistics Poland (GUS) are consistent with our scenario, in which inflation will remain above the upper band for deviations from the inflation target (2.5% +/- 1 pp.) until June 2025 (see MACROmap of 09/12/2024). We believe that it will reach its local peak in March 2025 at 5.5%, and will begin to gradually decrease thereafter. Our scenario assumes that inflation will stay close to the upper band for deviations from the inflation target (3.5%) despite a strong decline in H2 2025.

- **Poland's current account balance rose to EUR 1,064m in October from EUR -1,434m in September, running markedly above market expectations (EUR -200m) and our forecast (EUR 75m).** The increase in the current account balance is accounted for by higher services, primary and secondary income balances (up by EUR 520m, EUR 1,931m and EUR 97m, respectively, from September), while an opposite impact came from a lower trade balance (down by EUR 50m). At the same time, both exports and imports growth accelerated in October (from 0.5% to 1.5% YoY and from 5.1% to 6.6% YoY, respectively), driven by the statistical effect of a favourable difference in the number of business days. Particularly noteworthy about the data is the persisting gap between imports and exports in terms of the growth momentum. On the one hand, imports growth is accelerated by an internal demand recovery in Poland, which is showing through an increase in the volume of imported consumer goods as reported by the NBP, but on the other hand, exports are still being curbed by poor external demand. We believe that the trade turnover deficit might shrink in the quarters to come due to a slowdown in private consumption growth that we expect to see in Poland amidst the slight upturn in external demand. Last week's data pose an upside risk to our forecast according to which the relation of the accumulated balance on the current account for the last 4 quarters to the GDP will increase in Q4 to 1.0% vs. +0.5% in Q3.



Source: NBP, Credit Agricole

- **China's trade balance increased to USD 97.4bn in November from USD 95.7bn in October, outperforming market expectations of USD 95.1bn.** The export growth rate fell from 12.7% YoY in October to 6.7% YoY in November, while the import growth rate fell from -2.3% to -3.9%, with both values coming in below expectations (8.5% and 0.3%, respectively). The slowdown in export growth in November was broad-based, both geographically and across product categories. Notably, in the case of cars – one of the sectors most impacted by the tariff hikes introduced by the US and EU this autumn – the export growth rate turned negative. A sharp decline in the export growth rate was also observed in categories such as grains, steel, machinery, household appliances and integrated circuits. This largely reflects the persistent slump in global trade. The slowdown in import growth is also broad-based, signaling further weakening of China's domestic demand, similarly to the decline in imports of raw materials. The key factor for the outlook of Chinese exports in the coming quarters will be US trade policy. We estimate that if 60% tariffs were imposed on Chinese goods in H1 2025, as promised by D. Trump before the election, Chinese GDP would decline by 0.4 pp in 2025, and by approximately 0.8-1.0 pp in 2026. As a result, we see a significant downside risk to our scenario for China's economic growth rate in the coming years (4.2% in 2025 vs. 4.8% in 2024).
- **US CPI inflation fell to 2.7% YoY in November from 2.6% in October, in line with market expectations.** Inflation was primarily driven up by higher energy and food price growth. Core inflation, on the other hand, was unchanged from October at 3.3% YoY. Its monthly growth rate also remained stable at 0.3%, once again pointing to elevated inflationary pressures in the US economy. Last week's data on the US economy aligns with our forecast of the Fed cutting interest rates by 25bp in its December meeting (see above). Our forecast is further supported by recent data signaling a gradual slowdown in US economic activity (see MACROmap of 09/12/2024).
- **Last week also saw the release of data on German foreign trade. The trade balance declined from EUR 17.0bn in September to EUR 13.4bn in October, coming in below market expectations of EUR 15.8bn.** At the same time, exports growth slowed from -1.7% MoM in September to

-2.8% in October, and imports from 2.1% to -0.1%, the former printing below and the latter above of market expectations (-2.0% and -0.6%, respectively). The decline in export growth reflects competitiveness challenges for the Germany industry amid high energy prices (see MACROmap of 09/12/2024). Meanwhile, lower imports point to weakening domestic demand in Germany. October's data signals a slight downside risk to our forecast, which projects German quarterly GDP growth to rise to 0.2% in Q4 (compared to 0.1% in Q3), and German GDP to expand by 0.1% in 2024, following a 0.3% contraction in 2023.

- **Last week, a meeting of the Swiss National Bank (SNB) was held.** The SNB decided to cut the policy rate by 50bp to 0.50%, while the market had expected a 25bp move. Once again, the SNB justified its decision to lower interest rates, citing declining inflationary pressures since its last meeting. The press release accompanying the decision also noted that further rate cuts may be necessary in the coming quarters if required to stabilise prices in the medium term. The SNB reiterated its readiness to intervene in the F/X market if needed, highlighting the ongoing appreciation of the Swiss franc. The SNB also published its latest macroeconomic projections last week. The inflation trajectory for the coming years was revised downward to 1.1.% in 2024 (compared to 1.2% in the September projection), and to 0.8% for both 2025 and 2026. This revision was attributed to lower-than-expected price increases in food and oil-based products. The GDP growth forecast for 2024 remained unchanged at 1.0%, while the 2025 GDP projection was revised down to 1.0%-1.5% (from the earlier point estimate of 1.5%). The SNB's decision last week poses an upside risk to our forecast for the EURCHF exchange rate (0.94 at the end of 2024 and 0.97 at the end of 2025) and a downside risk for the CHFPLN rate (4.63 at the end of 2024 and 4.38 at the end of 2025).
- **Last week, an article by NBP Governor A. Glapiński was published in the *Dziennik Gazeta Prawna* daily.**The NBP Governor reiterated his position, previously expressed at the last press conference, that there are currently no grounds for changing interest rates. He noted that the horizon for inflation returning to the target has moved further away. He cited NBP projections according, to which, assuming unchanged interest rates, inflation will return to around 2.5% only at the end of 2026. He emphasized that any potential rate cut "in the coming months or quarters" would delay inflation returning to the target possibly even until 2027. While he argued that regulatory factors, which are beyond the control of monetary policy, play a significant role in keeping inflation above the target, he stressed that the MPN "cannot ignore the risk of high inflation becoming persistent. This holds particularly true amid widespread expectations of accelerated economic growth in Poland, historically low unemployment and double-digit wage growth." The NBP Governor also pointed out that another factor limiting the scope for interest rate cuts is the governments expansionary fiscal policy. The position presented in A. Glapiński's article is consistent with our scenario of interest rates stabilising over the next few quarters. At the same time, we maintain our forecast that the first interest rate cut (by 25bp) will occur in Q3 2025 (see MACROpulse of 04/12/2024). The NBP Governor's comments last week are positive for bond yields and the EURPLN exchange rate.

Is the synchronisation of business cycles between Poland and the Eurozone permanent?

A significant factor limiting the scale of economic recovery in Poland is the persistently weak economic conditions in the Eurozone. This is attributable to the strong synchronisation of business cycles between Poland and the common currency area. One source of this synchronisation is Poland's deep integration with the Eurozone through international value chains, reflected in the high intensity of intra-industry trade. This intra-industry trade intensity serves as a key indicator of an economy's susceptibility to asymmetric shocks (situations where a macroeconomic shock affects two economies unevenly) and, consequently, the sustainability of business cycle synchronisation. The degree of this synchronisation influences the convergence of cycles of interest rate policies pursued by the National Bank of Poland and the European Central Bank and, indirectly, the PLN exchange rate. This analysis evaluates how the structure of trade links between Poland and the Eurozone has evolved in recent years.

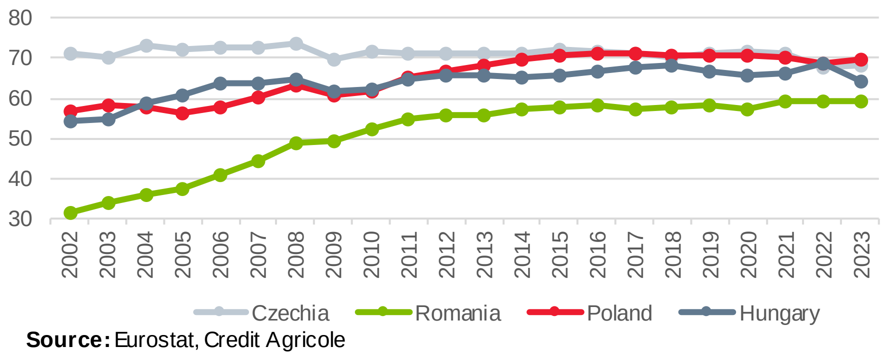
To assess intra-industry trade between Poland and the Eurozone, we used the Grubel-Lloyd (GL) index, defined by the following formula:

$$Indeks\ GL = \left(1 - \frac{\sum_{i=1}^{n} |EX_{ic} - IM_{ic}|}{\sum_{i=1}^{n} (EX_{ic} + IM_{ic})}\right) * 100$$

where EX_{ic} represents the value of exports in product group i from country c to the Eurozone, while IM_{ic} represents the value of imports in product group i to country c from the Eurozone. If a country belongs to the Eurozone, then trade with other countries in the single currency area is considered. The GL index ranges from 0 to 100, with higher values indicating a greater degree of intra-industry trade between the given country and the Eurozone, indicative of strong links within value chains.

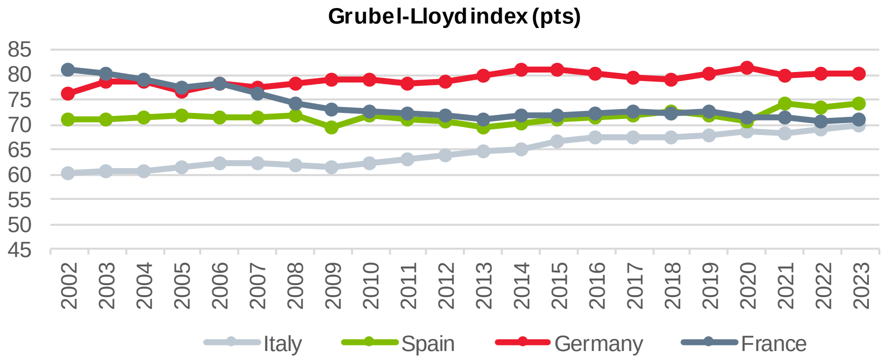
Our calculations were based on annual Eurostat data from 2002-2023, using the CPA (Classification of Product by Activity) trade classification. This approach enables a relatively high level of data disaggregation (our calculations spanned 490 product categories), which is essential for the precision of GL index calculations. It also allows for the assignment of PKD (Polish Classification of Activity) sectors to the analysed product groups.

Grubel-Lloyd index (pts)



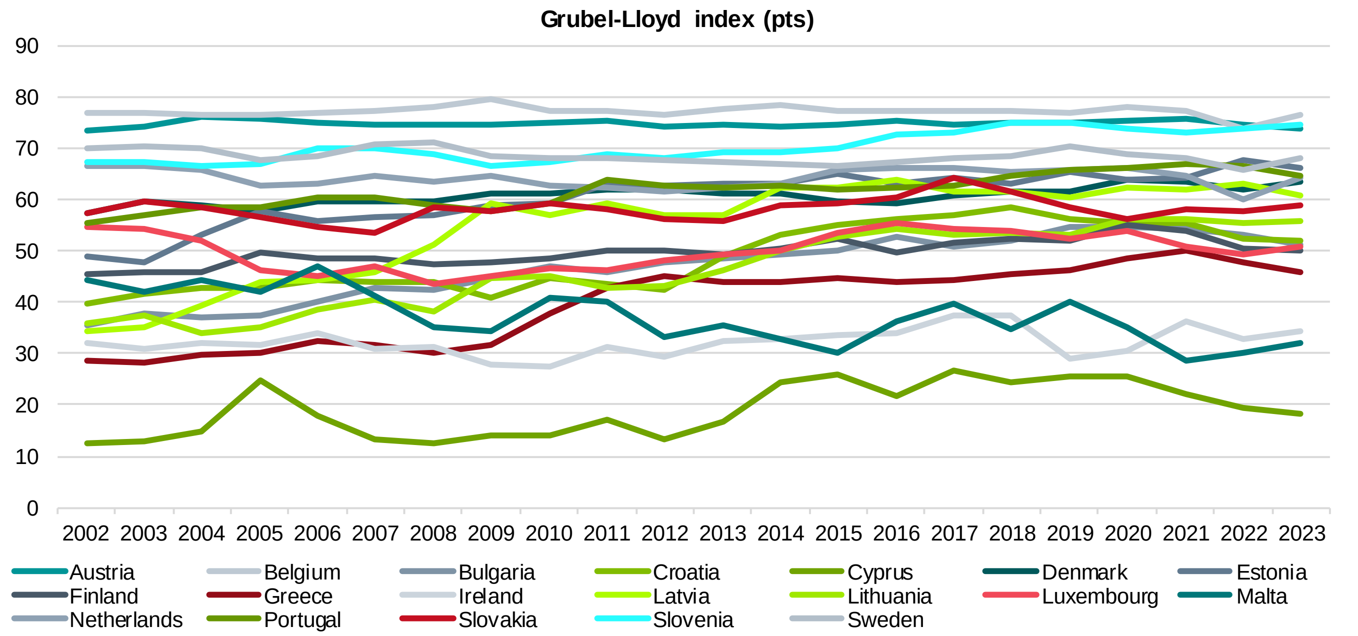
Source: Eurostat, Credit Agricole

Our results show that the GL index increased significantly after Poland's accession to the EU, peaking in 2017 (71.3 pts). Since then, the index has not shown any notable trends. Poland has the highest GL index among the other CE-4 countries, slightly ahead of the Czech Republic, indicating that Poland's trade with the Eurozone is predominantly intra-industry. This underscores the high sensitivity of Poland's economic activity to fluctuations in the Eurozone's business cycle.



Source: Eurostat, Credit Agricole

When compared to major Eurozone economies, Poland's intra-industry trade intensity with the Eurozone is relatively high (similar to France and Italy), but lower than that of Germany and Spain. This suggests limited potential for further substantial increases in trade intensity with Eurozone countries and thus stronger business cycle synchronisation. The analysis of the GL index for other EU countries, where Poland ranks seventh in terms of intra-industry trade intensity, offers similar conclusions



Source: Eurostat, Credit Agricole

Sector	[1-|Ex-Im|/(Ex+Im)]*100	Share in total Poland's exports to the Eurozone
2910 Motor vehicles	98,4	7,1%
2042 Perfumes and toilet preparations	96,3	1,3%
1413 Other outerwear	96,3	1,9%
2790 Other electrical equipment	94,5	1,2%
2221 Plastic plates, sheets, tubes and profiles	93,2	1,1%
2059 Other chemical products n.e.c.	90,0	1,2%
2229 Other plastic products	89,9	1,3%
2825 Non-domestic cooling and ventilation equipment	86,0	1,2%
1011 Processed and preserved meat, excluding poultry	85,5	1,2%
2620 Computers and peripheral equipment	83,6	2,4%

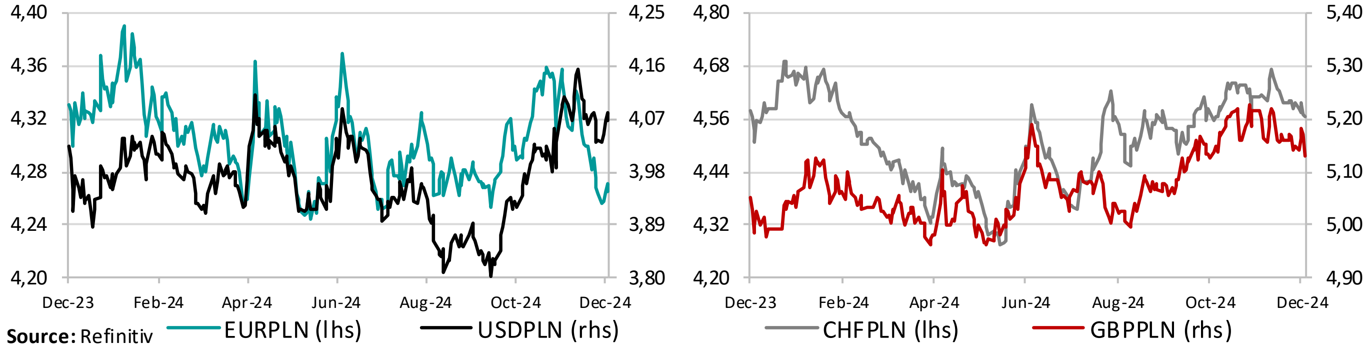
Source: Eurostat, Credit Agricole

In the next step of our analysis, based on 2023 data, we identified categories with the highest share in Poland's exports to the Eurozone, where trade with the Eurozone is largely intra-industry. We presented the results in the table below. These include the "manufacture of engines for motor vehicles" and "manufacture of computers and peripheral devices", which together account for nearly 10% of Poland's exports to the Eurozone. We believe that these two sectors will be most affected by the slowdown in Eurozone activity due to their high mutual dependence.

In conclusion, our findings confirm that Poland's trade with the Eurozone is largely intra-industry, although growth trends in this area have stalled in recent years. The data thus point to a strong synchronisation of business cycles between Poland and the Eurozone, This signals that the current economic slowdown in the Eurozone will continue to hinder economic recovery in Poland. Sectors such as "manufacture of engines for motor vehicles" and "manufacture of computers and peripheral devices", which together account for nearly 10% of Poland's exports to the Eurozone, are particularly exposed to declining activity in the Eurozone. However, domestic factors may offset the negative impact of the Eurozone's slowdown on Poland's economic growth. The expected recovery in domestic investment, supported by the launch of investments within the framework of the National Recovery Program (see MACROmap of 12/11/2024) will likely reduce the synchronisation of business cycles between Poland and the Eurozone. Thus, we maintain our forecast that Poland's GDP growth rate will reach 2.6% in 2024 and accelerate to 3.5% in 2025, compared to 0.8% and 1.3% in the Eurozone, respectively.

Domestic production and sales data may weaken PLN

FX rates

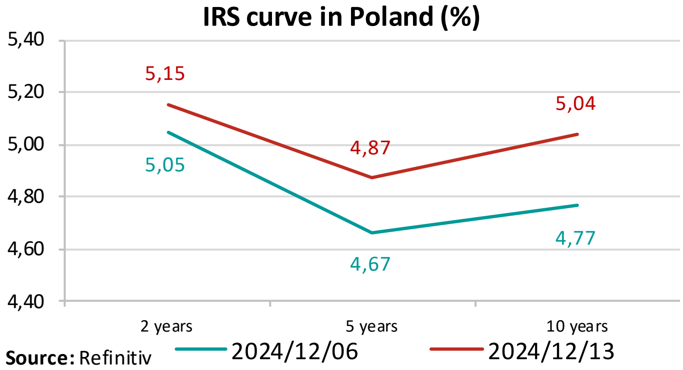


Source: Refinitiv

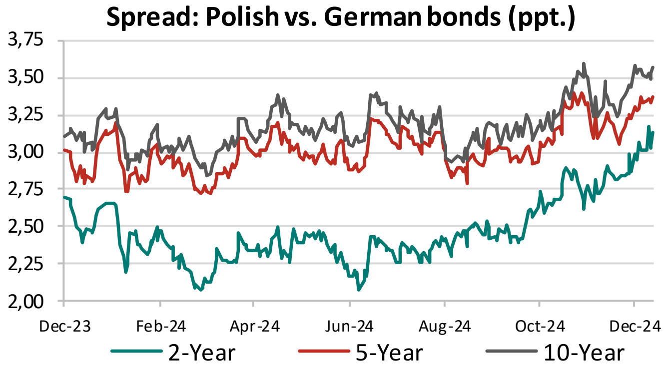
Last week the EURPLN exchange rate stood at 4.2645 (no change from the level seen two weeks ago). Last week the EURPLN rate followed a mild upward trend, driven by the depreciation of the EUR relative to the USD, marking a correction after the rise in the EURUSD rate observed two weeks ago. A key factor contributing to the weakening of the EUR against the USD was the dovish tone of last Thursday's ECB meeting.

This week, the FOMC meeting scheduled for Wednesday will be crucial for the PLN. In our view, it may encourage increased volatility in the PLN exchange rate. In the upcoming week, domestic industrial data (Thursday) and retail sales date (Friday) will also be important for the PLN exchange. If they materialise, they may lead to a weakening of the PLN. We believe that other publications from the Polish and global economies planned for this week will not have any significant impact on the PLN. Further developments in the Middle East and Ukraine will remain a key factor for the PLN.

FOMC meeting set to induce higher volatility of IRS rates



Source: Refinitiv



Last week, 2-year IRS rates increased to 5.15 (up by 10bp), 5-year rates to 4.87 (up by 20bp) and 10-year ones to 5.04 (up by 27bp). Last week, IRS rates rose across the entire curve following the core markets. We believe that the narrowing room for interest rate cuts in the US, as perceived by some investors, had an upward effect on yields in the core markets.

This week, the spotlight will be turned on the FOMC meeting planned for Wednesday, as it may drive increased volatility of IRS rates. Moreover, we believe that publications of domestic industrial production (Thursday) and retail sales (Friday) data may have a downward effect on IRS rates. In our opinion, other data releases from the Polish and global economies scheduled for this week will be neutral for IRS rates. However, further developments in the Middle East and Ukraine will remain a key factor for the curve.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland

Indicator	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	Dec-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*	4,35	4,33	4,32	4,31	4,29	4,33	4,27	4,30	4,29	4,28	4,28	4,35	4,30	**4,35**
USDPLN*	4,00	3,93	4,00	3,99	3,97	4,06	3,94	4,02	3,96	3,87	3,85	4,00	4,06	**4,10**
CHFPLN*	4,56	4,64	4,64	4,52	4,40	4,41	4,36	4,47	4,50	4,56	4,54	4,64	4,60	**4,63**
CPI inflation (% YoY)	6,6	6,2	3,7	2,8	2,0	2,4	2,5	2,6	4,2	4,3	4,9	5,0	4,7	
Core inflation (% YoY)	7,3	6,9	6,2	5,4	4,6	4,1	3,8	3,6	3,8	3,7	4,3	4,1	**4,4**	
Industrial production (% YoY)	-0,3	-3,5	3,0	3,2	-5,7	7,8	-1,6	0,0	5,3	-1,3	-0,5	4,7	**-2,0**	
PPI inflation (% YoY)	-5,1	-6,9	-10,6	-10,0	-9,9	-8,5	-7,0	-5,8	-5,1	-5,5	-6,2	-5,2	**-3,9**	
Retail sales (% YoY)	2,6	0,5	4,6	6,7	6,0	4,3	5,4	4,7	5,0	3,2	-2,2	2,3	**1,0**	
Corporate sector wages (% YoY)	11,8	9,6	12,8	12,9	12,0	11,3	11,4	11,0	10,6	11,1	10,3	10,2	**10,2**	
Employment (% YoY)	-0,2	-0,1	-0,2	-0,2	-0,2	-0,4	-0,5	-0,4	-0,4	-0,5	-0,5	-0,5	**-0,6**	
Unemployment rate* (%)	5,0	5,1	5,4	5,4	5,3	5,1	5,0	4,9	5,0	5,0	5,0	4,9	**4,9**	
Current account (M EUR)	1182	-102	1575	1752	1239	623	-451	485	-1116	-2731	-1434	1064		
Exports (% YoY EUR)	-2,0	-6,3	-3,1	2,0	-8,7	7,5	-6,0	-7,3	4,7	-3,3	0,5	1,5		
Imports (% YoY EUR)	-6,1	-9,3	-4,1	2,1	-7,2	4,7	0,1	0,6	9,1	4,9	5,1	6,6		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland

Indicator	2024				2025				2024	2025	2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	2,1	3,2	2,7	**2,5**	**3,1**	**3,3**	**3,4**	**3,6**	**2,6**	**3,5**	**3,3**
Private consumption (% YoY)	4,4	4,6	0,3	**2,5**	**2,5**	**2,1**	**2,0**	**1,8**	**2,9**	**2,2**	**2,9**
Gross fixed capital formation (% YoY)	1,9	3,2	0,1	**-5,8**	**5,6**	**7,7**	**8,9**	**8,8**	**-1,2**	**8,1**	**7,3**
Export - constant prices (% YoY)	2,1	2,9	-0,7	**1,8**	**4,6**	**5,7**	**4,3**	**7,1**	**1,6**	**5,3**	**5,5**
Import - constant prices (% YoY)	2,3	5,7	1,9	**3,5**	**4,9**	**5,3**	**4,3**	**3,9**	**3,3**	**4,5**	**4,6**
GDP growth contributions: Private consumption (pp)	2,7	2,6	0,2	**1,3**	**1,5**	**1,2**	**1,2**	**0,9**	**1,7**	**1,3**	**1,7**
GDP growth contributions: Investments (pp)	0,2	0,5	0,0	**-1,4**	**0,7**	**1,2**	**1,4**	**2,0**	**-0,2**	**1,4**	**1,2**
GDP growth contributions: Net exports (pp)	0,0	-1,3	-1,5	**-0,7**	**0,1**	**0,5**	**0,1**	**1,8**	**-0,9**	**0,6**	**0,7**
Current account (% of GDP)***	1,6	1,3	0,4	**1,0**	**1,0**	**0,9**	**0,8**	**0,8**	**1,0**	**0,8**	**0,1**
Unemployment rate (%)**	5,3	4,9	5,0	**5,0**	**5,3**	**4,9**	**4,9**	**4,9**	**5,0**	**4,9**	**4,8**
Non-agricultural employment (% YoY)	-0,2	0,9	1,5	**0,5**	**-0,4**	**-0,5**	**-0,5**	**-0,5**	**0,7**	**-0,5**	**-0,5**
Wages in national economy (% YoY)	14,4	14,7	13,4	**12,8**	**10,1**	**8,3**	**7,1**	**6,5**	**13,8**	**8,0**	**6,0**
CPI Inflation (% YoY)*	2,8	2,5	4,5	**4,8**	**5,2**	**5,1**	**3,6**	**3,6**	**3,7**	**4,4**	**3,1**
Wibor 3M (%)**	5,88	5,85	5,85	**5,85**	**5,85**	**5,60**	**5,48**	**5,35**	**5,85**	**5,35**	**4,35**
NBP reference rate (%)**	5,75	5,75	5,75	**5,75**	**5,75**	**5,75**	**5,50**	**5,25**	**5,75**	**5,25**	**4,25**
EURPLN**	4,29	4,30	4,28	**4,35**	**4,40**	**4,35**	**4,30**	**4,25**	**4,35**	**4,25**	**4,21**
USDPLN**	3,97	4,02	3,85	**4,10**	**4,19**	**4,18**	**4,10**	**3,97**	**4,10**	**3,97**	**3,83**

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

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST* CA	FORECAST* CONSENSUS**
		Monday 12/16/2024				
3:00	China	Retail sales (% YoY)	Nov	4,8	5,2	4,6
3:00	China	Urban investments (% YoY)	Nov	3,4	3,5	3,4
3:00	China	Industrial production (% YoY)	Nov	5,3	5,2	5,3
9:30	Germany	Flash Manufacturing PMI (pts)	Dec	43,0		43,1
10:00	Eurozone	Flash Services PMI (pts)	Dec	49,5		49,5
10:00	Eurozone	Flash Manufacturing PMI (pts)	Dec	45,2		45,3
10:00	Eurozone	Flash Composite PMI (pts)	Dec	48,3		48,2
14:00	**Poland**	**Core inflation (% YoY)**	**Nov**	**4,1**	**4,4**	**4,2**
14:30	USA	NY Fed Manufacturing Index (pts)	Dec	31,2		12,0
		Tuesday 12/17/2024				
10:00	Germany	Ifo business climate (pts)	Dec	85,7		85,6
14:30	USA	Retail sales (% MoM)	Nov	0,4	0,4	0,5
15:15	USA	Industrial production (% MoM)	Nov	-0,3	0,3	0,3
		Wednesday 12/18/2024				
14:30	USA	Building permits (k)	Nov	1419	1426	1431
14:30	USA	Housing starts (k MoM)	Nov	1311	1331	1342
20:00	USA	FOMC meeting (%)	Dec	4,75	4,50	4,50
		Thursday 12/19/2024				
10:00	**Poland**	**Industrial production (% YoY)**	**Nov**	**4,7**	**-2,0**	**-0,2**
10:00	**Poland**	**PPI (% YoY)**	**Nov**	**-5,2**	**-3,9**	**-3,9**
10:00	**Poland**	**Corporate sector wages (% YoY)**	**Nov**	**10,2**	**10,2**	**9,9**
10:00	**Poland**	**Employment (% YoY)**	**Nov**	**-0,5**	**-0,6**	**-0,6**
13:00	UK	BOE rate decision (%)	Dec	4,75		4,75
14:30	USA	Final GDP (% YoY)	Q3	2,8	2,8	2,8
14:30	USA	Philadelphia Fed Index (pts)	Dec	-5,5		2,7
16:00	USA	Existing home sales (M MoM)	Nov	3,96	4,12	4,05
		Friday 12/20/2024				
10:00	**Poland**	**Retail sales - current prices(% YoY)**	**Nov**	**2,3**	**1,0**	**2,1**
10:00	**Poland**	**Retail sales - constant prices (% YoY)**	**Nov**	**1,3**	**0,5**	**1,0**
14:30	USA	PCE Inflation (% YoY)	Nov	2,3	2,5	2,5
14:30	USA	PCE core inflation (% YoY)	Nov	2,8	2,8	2,9
16:00	USA	Final U. of Michigan Sentiment Index (pts)	Dec	74,0	75,0	74,0

*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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