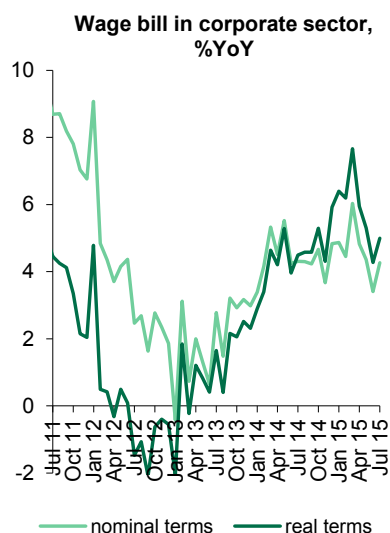
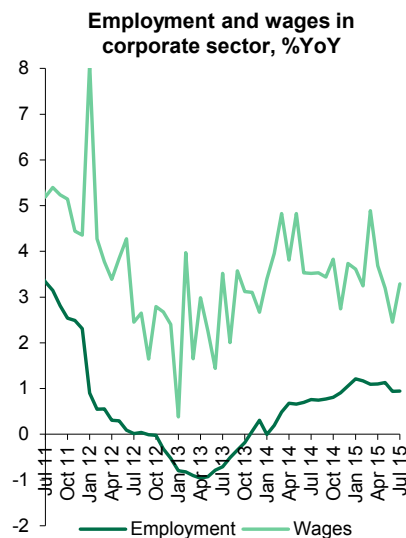


INSTANT COMMENT

18 August 2015

Labour market data positive and line with expectations

Polish July's labour market data were in line with our and the market expectations – wages growth accelerated to 3.3%YoY from 2.5%YoY and employment growth remained at 0.9%YoY seen in June. On monthly basis number of employed rose by as much as 5.6k and this is the best result since 2010. Demand for labour remains strong. We, however, expect some slowdown in the employment growth in the coming months amid lower stock of potential employees. In the medium term, this could lead to a stronger wage pressure. At the beginning of the third quarter data from the labour market confirm that the Polish economy is in good shape and they support our forecast of solid growth in consumer demand.



Polish July's labour market data were in line with our and the market expectations – wages growth accelerated to 3.3%YoY from 2.5%YoY and employment growth remained at 0.9%YoY seen in June.

June's wages growth was artificially lowered by the accelerated bonus payments in mining so the July's rebound to 3.3% is a simply return to the trend. This result is only marginally lower than 3.5% average seen in 1H. It is worth to notice that in the past month the working-day effect was neutral so the July's growth shows general trends in corporate wages. We expect wages growth at a similar pace at least in the remainder of the year.

Employment growth stayed at 0.9%YoY but on monthly basis number of employed rose by as much as 5.6k and this is the best result since 2010. The increase is slightly stronger than in July 2014 (+5.0k), but given the fact that now the total number of employed is more than 50k higher than the last year, this increase should be perceived as a quite strong and confirming high demand for labour. We, however, expect some slowdown in the employment growth in the coming months amid lower stock of potential employees. In the medium term, this could lead to a stronger wage pressure.

Wage bill in the corporate sector increased by 4.3%YoY in nominal terms and by 5% in real terms. At the beginning of the third quarter data from the labour market confirm that the Polish economy is in good shape and they support our forecast of solid growth in consumer demand. If tomorrow's data on output and sales show a similar picture, a negative picture from the weaker-than-expected 2Q GDP figure should be offset.

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