

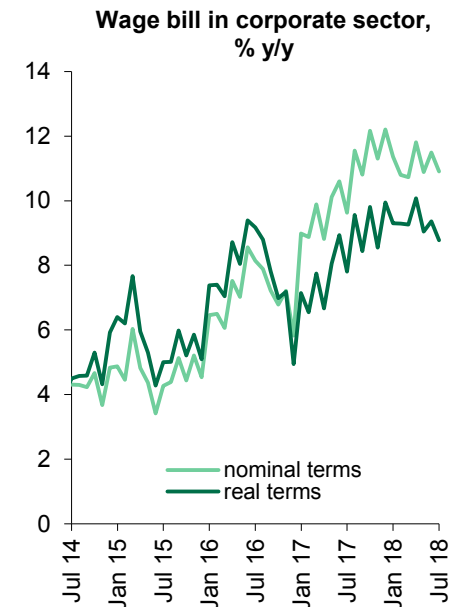
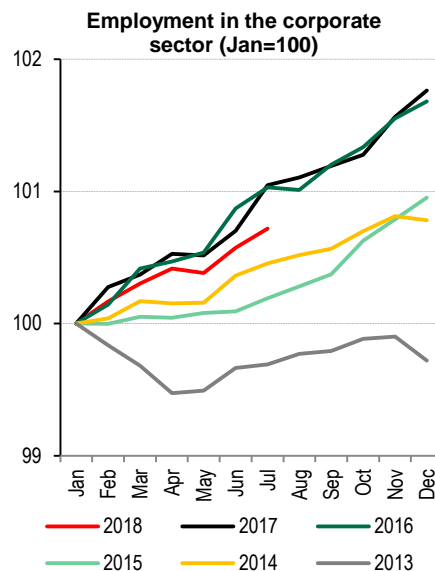
ECONOMIC COMMENT

17 August 2018

Labour market a bit weaker in July

Labour market data for July were in line with our expectations and weaker than the market expected. Employment growth has slowed to 3.5% y/y from 3.7% y/y in June (in line with our call and vs. market consensus at 3.6%), after a rise by 9k m/m. Still, slowdown was mostly due to high base effect (+20k m/m in July 2017), as the newest reading is one of the strongest Julies in the last years. In our view, the demand for labour remains strong. Wages decelerated to 7.2% y/y from 7.5% y/y in June (our forecast: 7.3% y/y, market: 7.6% y/y). June's result was dragged higher by one-off payments in mining, so July saw a mere normalization of wage growth. Detailed data on wage and employment will be released at the end of August. We are expecting the wage growth to gain strength in the months to come. Strong labour market will be supportive for households' disposable incomes and hence private consumption.

Marcin Luziński
tel. 22 534 18 85
marcin.luzinski@bzwbk.pl



This publication has been prepared by Bank Zachodni WBK S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Bank Zachodni WBK S.A., its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Bank Zachodni WBK S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Bank Zachodni WBK S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication. Additional information is available on request. Please contact Bank Zachodni WBK S.A. Financial Management Division, Economic Analysis Department, al. Jana Pawła II 17, 00-854, Warsaw, Poland, phone +48 22 534 18 87, email ekonomia@bzwbk.pl, <http://www.bzwbk.pl>.

ECONOMIC ANALYSIS DEPARTMENT:

al. Jana Pawła II 17, 00-854, Warszawa fax +48 22 586 83 40
email: ekonomia@bzwbk.pl Web site: <http://www.bzwbk.pl>
Piotr Bielski +48 22 534 18 87
Marcin Luziński +48 22 534 18 85
Grzegorz Ogonek +48 22 534 19 23
Konrad Soszyński +48 22 534 18 86
Marcin Sulewski +48 22 534 18 84

TREASURY SERVICES:

Poznań +48 61 856 5814/30
Warszawa +48 22 586 8320/38
Wrocław +48 71 369 9400