

31 January 2023

## Eyeopener

### GDP is slowing, but less than expected

Today GDP data in the euro zone and several European states, US Conference Board index  
 Polish GDP increased by 4.9% in 2022  
 Zloty slightly weaker, domestic yields higher

**Today** there are no major domestic data releases on the agenda. Abroad, we will see, among others, GDP and January inflation data from several European countries, the most important of which was supposed to be inflation data from Germany, but unexpectedly its publication was postponed until next week for technical reasons. In the US, the Conference Board consumer confidence index will be released.

**Polish GDP grew by 4.9% in 2022** compared to 6.8% in 2021, slightly better than expected (us and market: 4.8%). Based on the entire-year data, we estimate 4Q2022 growth at 2.2% y/y (range 2.1-2.4% would be consistent with annual results), compared to our forecast of 1.8-1.9% y/y. Investment data surprised on the upside, and rose by 5.2% y/y in 4Q2022, according to our estimates, compared to 2.0% y/y in 3Q2022. Private consumption was roughly in line with our forecasts and declined by 1.6% y/y in 4Q 2022. As we expected, the decline in real wages (the strongest in years), translated into weaker spending. While the data confirm a further slowdown in the economic growth, especially the weakness in consumption, the resilience of investment comes as a surprise. It is noteworthy, however, that the entire-year investment rate stood at 16.8%, and was lower again. The slightly higher GDP, however, implies an upward shift in the starting point for 2023, meaning that economic growth this year will be closer to 1% rather than 0%. The better-than-expected GDP data supports our forecast of a stabilisation of NBP rates this year. More in our [Economic comment](#).

**The NBP Quick Monitoring** report showed that the synthetic business climate index pointed to a further deterioration in the corporate sector in 4Q22. At the same time, there was a slight improvement in the outlook for the overall situation of companies and demand, although it remained at a low level. Optimism among companies improved slightly mainly thanks to better developments in the European energy market. Manufacturers of durable consumer goods are the least optimistic. Demand for labour weakened, with the share of companies reporting vacancies falling below the 5-year average (to 41% in 4Q22 from 46% in 3Q versus an average of 43%). Polish companies also indicated a marked decline in wage pressure, although it remained at a relatively high level. However, the average scale of planned pay rises increased, which may be related to the strong increase in the minimum wage this year. The surveyed companies also showed low interest in new investments and in continuing those already underway. Lower forecasts for raw material and energy prices translated into lower expected producer price inflation, although forecasts remain high.

**International Monetary Fund** has released its updated economic forecasts for the global economy, which are slightly more optimistic: global economic growth will decline from 3.4% in 2022 to 2.9% in 2023 (vs 2.7% previously expected), but the risk of recession in many countries has decreased. The forecast for the US was raised from 1.0% to 1.4%, for the Eurozone from 0.5% to 0.7%, and for China from 4.4% to 5.2%.

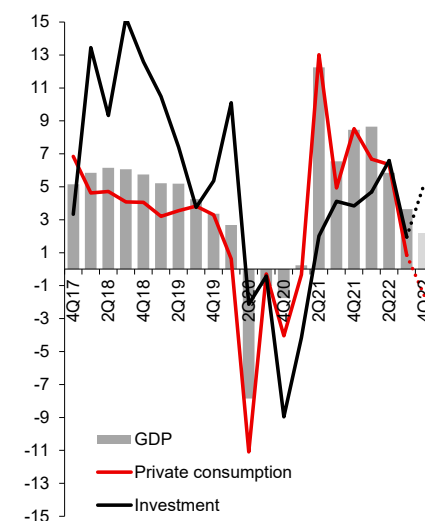
**EURUSD** oscillated around the 1.09 level. Greater volatility in the exchange rate was not supported by mixed data from Germany: GDP grew weaker than expected in 4Q, but the Eurozone economic sentiment indicator for January surprised on the upside.

**EURPLN** fluctuated between 4.69 and 4.72, ending the day higher than it started it. Domestic GDP data did not help the zloty, due to the apparent slowdown in the consumption component. Also, the publication of the National Bank of Poland's synthetic business climate index did not stimulate optimism in the Polish currency market.

**Other CEE currencies:** EURHUF rose above 389 from levels below 388. The forint lost another day after the rating downgrade by S&P. During the bottom, the exchange rate tried to exceed 392, but a slightly better economic sentiment indicator from the GKI Institute in January helped the Hungarian currency recover some of its losses. EURCZK rose from around 23.77 to around 23.84, with the Czech koruna weakening in anticipation of the release of Q4 GDP.

**Debt market:** Domestic yield curve rose by about 10 bps on average. Expectations for a rate hike in the FRA market also grew, especially on longer terms. A slightly higher-than-expected reading of Polish GDP supported market expectations for a slower pace of disinflation.

Polish GDP growth, % y/y



Source: Refinitiv, Santander

#### Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa  
 email: ekonomia@santander.pl  
 website: [santander.pl/en/economic-analysis](https://santander.pl/en/economic-analysis)  
**Piotr Bielski** +48 691 393 119  
**Jarostaw Kosaty** +48 887 842 480  
**Marcin Luzziński** +48 510 027 662  
**Grzegorz Ogonek** +48 609 224 857

**FX market**

**Today's opening**

EURPLN	4.7103	CZKPLN	0.1972
USDPLN	4.3429	HUFPLN*	1.2108
EURUSD	1.0846	RUBPLN	0.0617
CHFPLN	4.6960	NOKPLN	0.4360
GBPPLN	5.3570	DKKPLN	0.6322
USDCNY	6.7520	SEKPLN	0.4179

\*for 100HUF

**Last session in the FX market 30/01/2023**

	min	max	open	close	fixing
EURPLN	4.7036	4.7160	4.7042	4.7105	4.716
USDPLN	4.3122	4.3400	4.3283	4.3349	4.3258
EURUSD	1.0851	1.0913	1.0868	1.0863	-

**Interest rate market 30/01/2023**

**T-bonds on the interbank market\*\***

Benchmark (term)	%	Change (bps)
PS1024 (2Y)	6.00	10
DS0727 (5Y)	5.90	9
DS0432 (10Y)	5.92	12

**IRS on the interbank market\*\***

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	6.97	2	5.07	2	3.28	5
2L	6.36	7	4.50	4	3.31	7
3L	5.79	8	4.08	4	3.14	8
4L	5.52	8	3.84	5	3.03	8
5L	5.39	9	3.71	5	2.97	8
8L	5.28	8	3.53	3	2.90	8
10L	5.33	10	3.50	3	2.90	7

**WIBOR rates**

Term	%	Change (bps)
O/N	6.78	24
T/N	6.71	-3
SW	6.82	0
2W	6.85	0
1M	6.84	-5
3M	6.95	1
6M	6.99	0
1Y	7.10	0

**FRA rates on the interbank market\*\***

Term	%	Change (bps)
1x4	6.92	-1
3x6	6.94	2
6x9	6.89	9
9x12	6.42	2
3x9	6.96	3
6x12	6.89	9

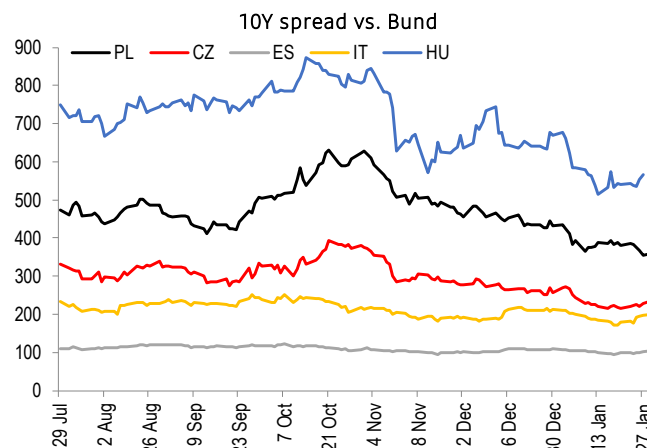
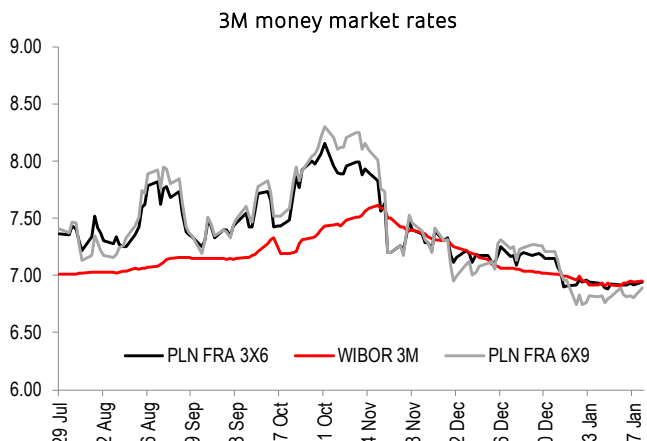
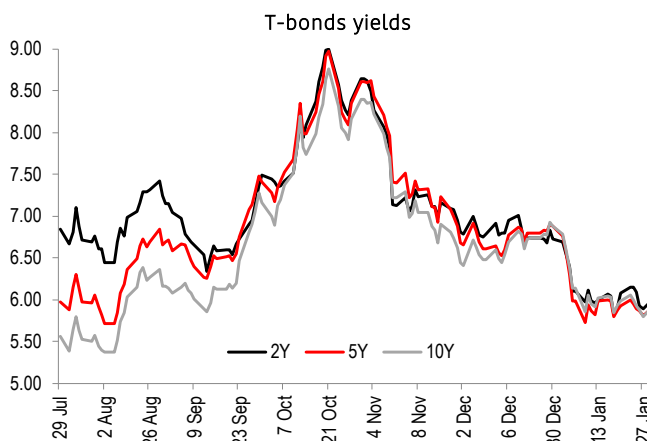
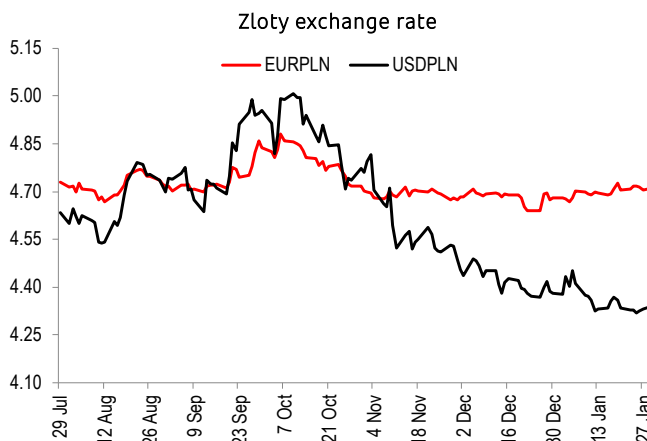
**Measures of fiscal risk**

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	110	0	361	6
France	10	0	47	0
Hungary	194	2	0	-567
Spain	45	0	104	2
Italy	45	0	201	2
Portugal	30	0	93	1
Ireland	15	0	49	5
Germany	11	0	-	-

\* 10Y treasury bonds over 10Y Bunds

\*\*Information shows bid levels on the interbank market at the end of the trading day

Source: Refinitiv, Datastream



## Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		ACTUAL VALUE	LAST VALUE*	
				MARKET	SANTANDER			
<b>FRIDAY (27 January)</b>								
14:30	US	Personal Spending	Dec	% m/m	-0.1	-	-0.2	0.1
14:30	US	Personal Income	Dec	% m/m	0.2	-	0.2	0.3
14:30	US	PCE Deflator SA	Dec	% m/m	-	-	0.1	0.1
16:00	US	Michigan index	Jan	pts	64.6	-	64.9	59,7
16:00	US	Pending Home Sales	Dec	% m/m	-1.0	-	2.5	-2.6
<b>MONDAY (30 January)</b>								
10:00	PL	<b>GDP</b>	2022	% y/y	<b>4.8</b>	<b>4.8</b>	<b>4.9</b>	<b>6.8</b>
10:00	DE	GDP WDA	4Q	% y/y	1.3	-	1.1	1.4
11:00	EZ	ESI	Jan	pct.	97	-	99.9	97.1
<b>TUESDAY (31 January)</b>								
08:00	DE	Retail Sales	Dec	% m/m	-0.2	-	-	1.1
09:00	CZ	GDP SA	4Q	% y/y	0.2	-	-	1.5
11:00	EZ	GDP SA	4Q	% y/y	-	-	-	2.3
14:00	DE	HICP	Jan	% y/y	9.9	-	-	9,6
16:00	US	Consumer Conference Board	Jan	pts	109.4	-	-	108.3
<b>WEDNESDAY (1 February)</b>								
09:00	PL	<b>Poland Manufacturing PMI</b>	Jan	pts	-	<b>46.0</b>	-	<b>45.6</b>
09:55	DE	Germany Manufacturing PMI	Jan	pts	47.0	-	-	47.1
10:00	EZ	Eurozone Manufacturing PMI	Jan	pts	48.8	-	-	47.8
11:00	EZ	Flash HICP	Jan	% y/y	9.1	-	-	9.2
11:00	EZ	Unemployment Rate	Dec	%	6.5	-	-	6.5
14:15	US	ADP report	Jan	k	160	-	-	235
16:00	US	ISM manufacturing	Jan	pts	48.2	-	-	48.4
20:00	US	FOMC decision			4.75	-	-	4.5
<b>THURSDAY (2 February)</b>								
08:00	DE	Exports SA	Dec	% m/m	-	-	-	0.4
14:15	EZ	ECB Main Refinancing Rate		%	-	-	-	2.5
14:30	US	Durable Goods Orders	Dec	% m/m	2.5	-	-	5.6
14:30	US	Initial Jobless Claims	week	k	205.0	-	-	186.0
14:30	CZ	Central Bank Rate Decision			7.0	-	-	7.0
16:00	US	Factory Orders	Dec	% m/m	1,2	-	-	-1.8
<b>FRIDAY (3 February)</b>								
02:45	CN	Caixin China PMI Services	Jan	pts	-	-	-	48.0
09:55	DE	Markit Germany Services PMI	Jan	pts	50.4	-	-	49,2
10:00	EZ	Eurozone Services PMI	Jan	pts	50.7	-	-	49,8
14:30	US	Change in Nonfarm Payrolls	Jan	k	175,0	-	-	223
14:30	US	Unemployment Rate	Jan	%	3,6	-	-	3.5
16:00	US	ISM services	Jan	pts	50.5	-	-	49.2

Source: Santander Bank Polska. Bloomberg. Parkiet

\* in the case of a revision the data is updated

This publication has been prepared by Santander Bank Polska 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. Santander Bank Polska S.A. its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Santander Bank Polska 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 Santander Bank Polska 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 Santander Bank Polska 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@santander.pl, http://www.santander.pl.