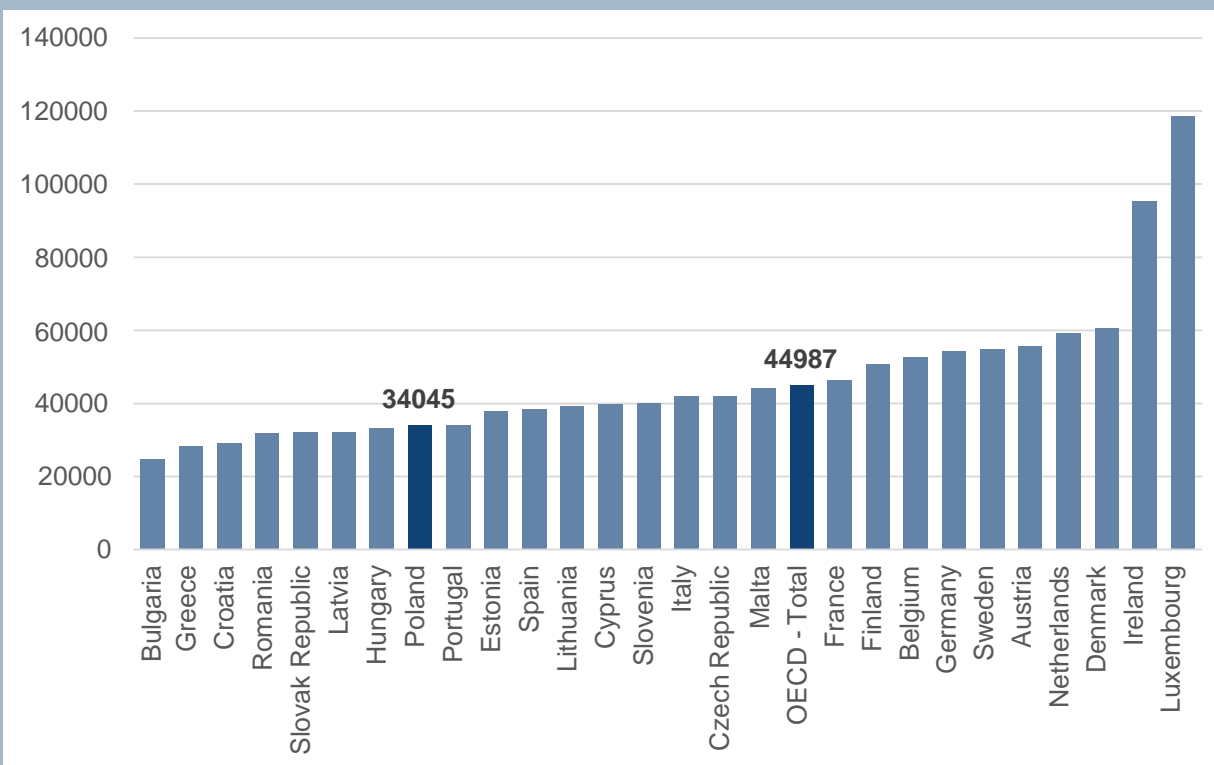


Poland

Poland's GDP in the first half of 2021 has recovered to pre-pandemic levels. Compared to the previous year, GDP grew by 5.3%. This momentum should continue with GDP growth projected to reach 5.2% in 2022. Consumption and investment will drive the recovery, with a sustained withdrawal of savings and the gradual disbursement of EU funds significantly contributing to growth. However, an expanding economy and high energy and food prices as well as a tight labour market will result in inflationary pressure. Economic policy is expected to support sustainable growth. Monetary policy has already begun tightening and additional interest rate increases, clearly communicated, might be necessary should inflationary pressures continue to accumulate. Fiscal support could be reduced at a faster pace than currently planned. Public investment, particularly in energy sector is projected to focus on modern infrastructure and green economy (ESG). Still rising inflation weakened the position of the Polish zloty against the EUR and USD, currently the rate is EUR/PLN - 4.53 USD/PLN - 3.97 The Polish stock market has increased moderately reaching the main WIG index at the level of 73 091,80.

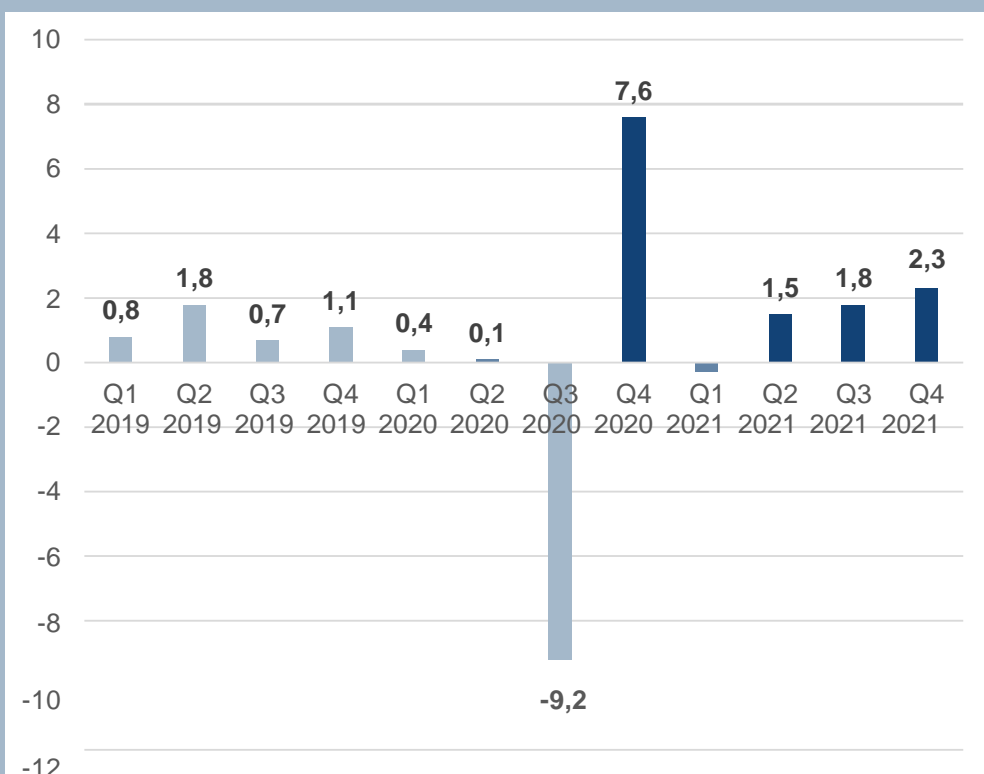
GDP in European Union

Total, US dollars/capita, 2020



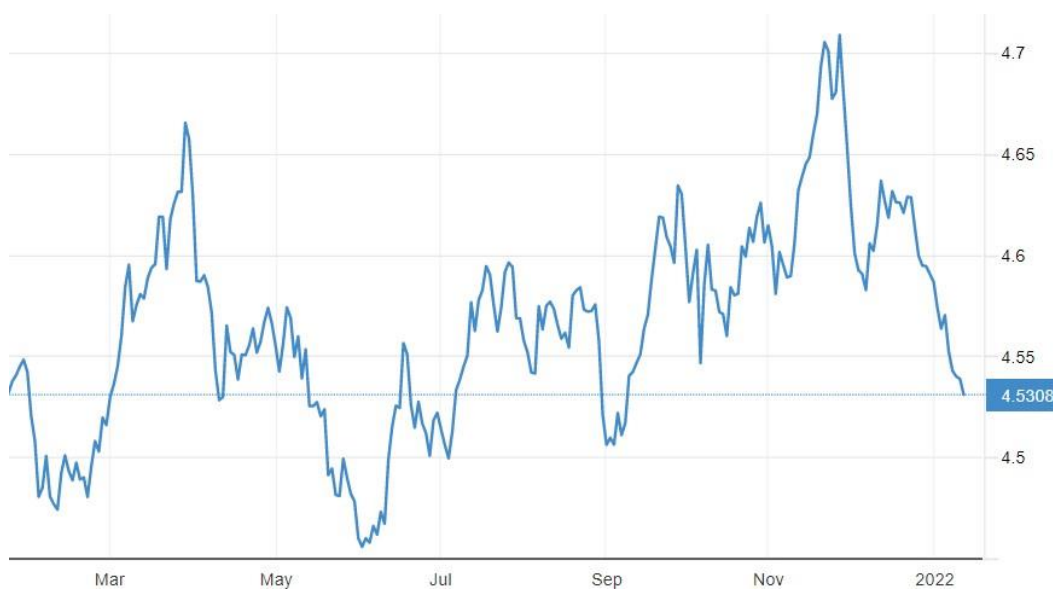
Source: OECD.org | DFCM

Poland GDP Growth Rate



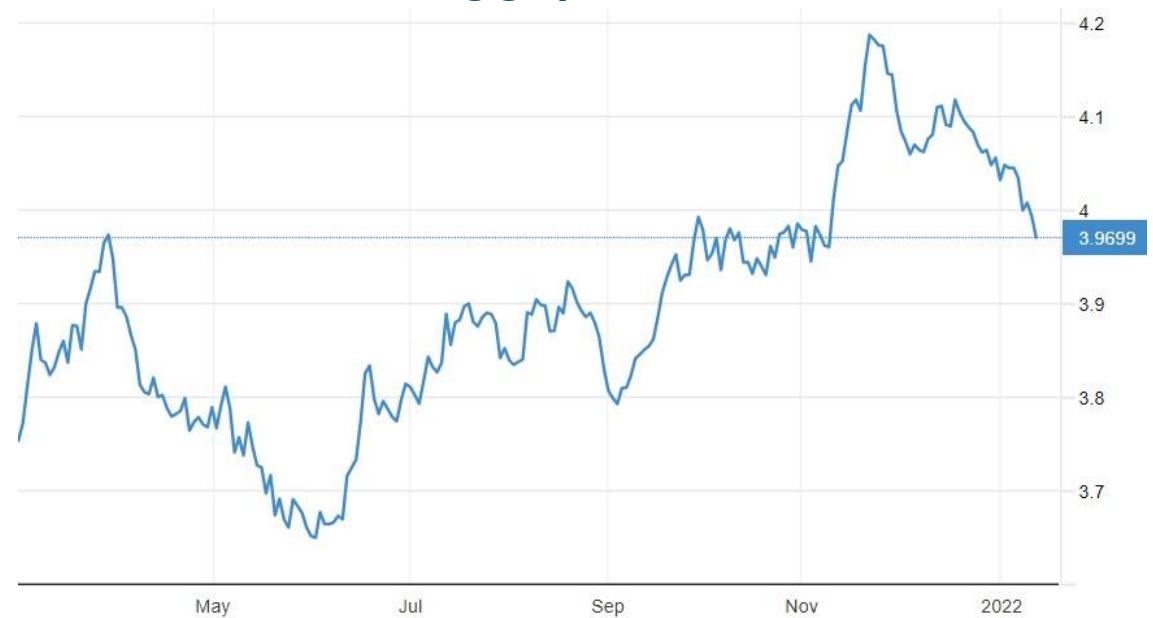
Source: Central Statistical Office of Poland (GUS) | DFCM

EUR/PLN



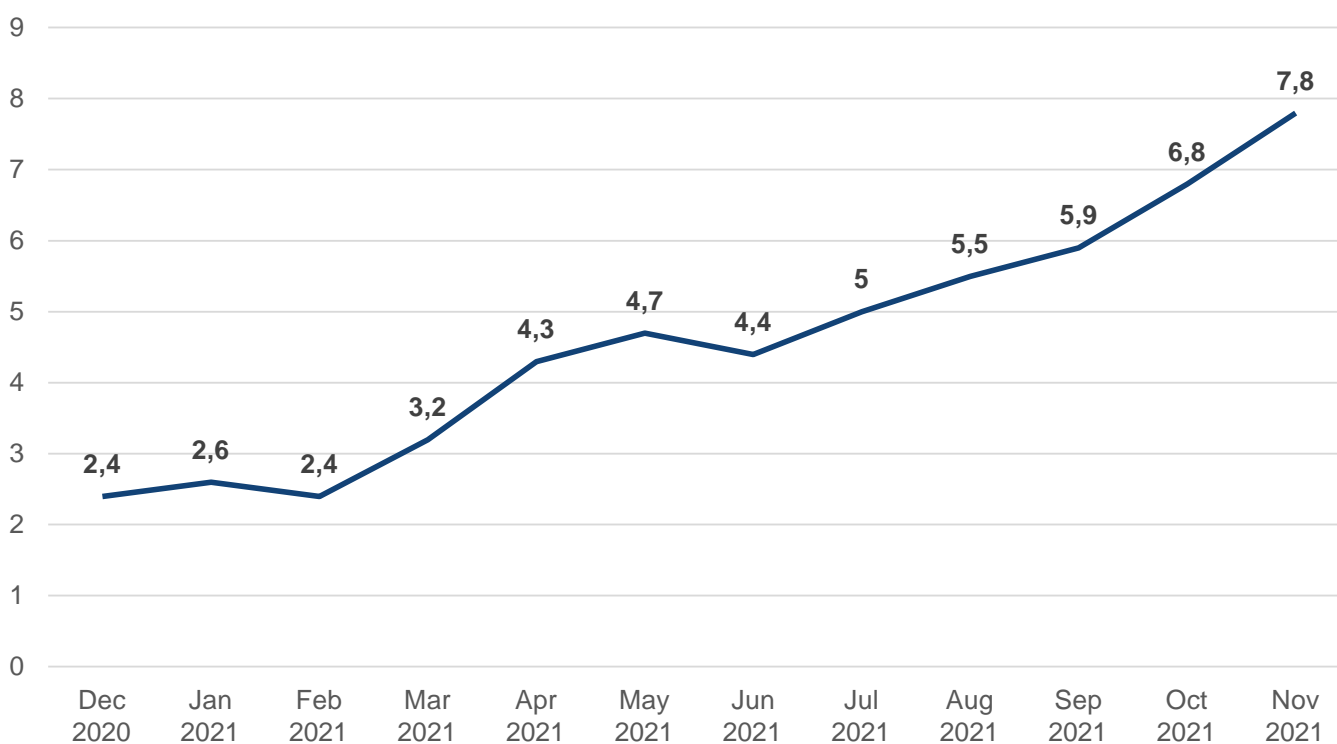
Source: <https://tradingeconomics.com> | DFCM

USD/PLN



Source: <https://tradingeconomics.com> | DFCM

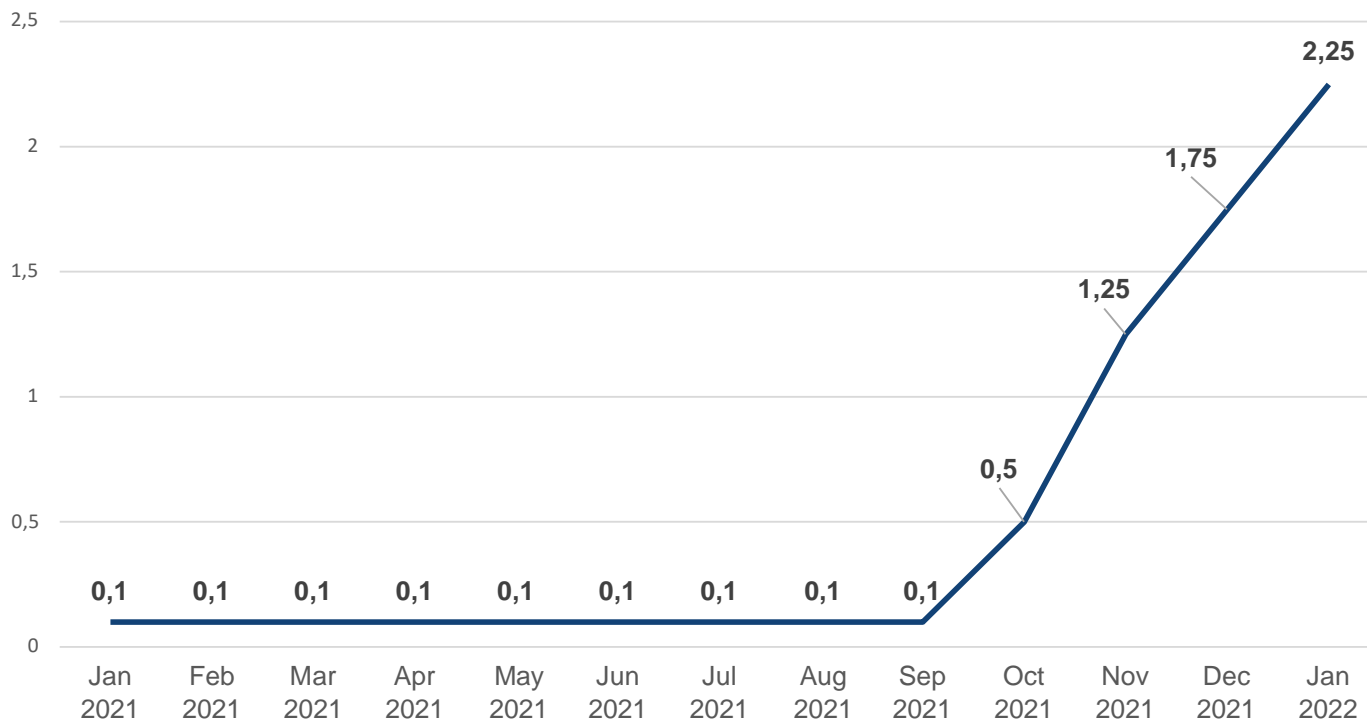
Poland Inflation Rate



Source: Central Statistical Office of Poland (GUS) | DFCM

Poland's annual inflation rate accelerated for the sixth straight month to 8.6 percent in December of 2021, from 7.8 percent in the prior month and above market expectations of 8.3 percent as prices of energy, food and transportation continued to surge and the zloty depreciated sharply. It was the highest inflation rate since December of 2000. As a measure against inflation, the Central Bank responded by raising interest rates. We predict that this process will continue into Q1 2022.

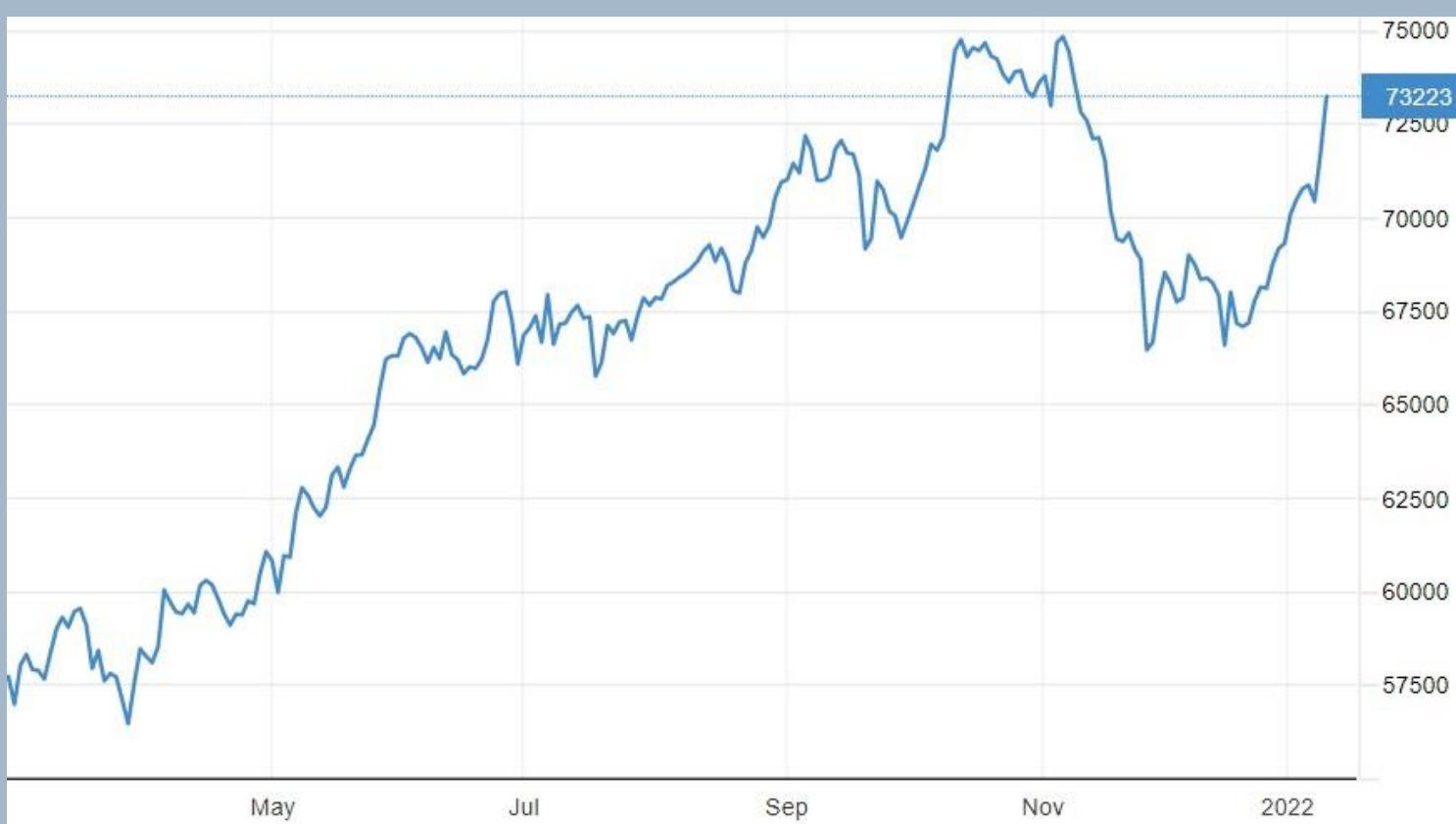
Poland Interest Rate



Source: National Bank of Poland | DFCM

The National Bank of Poland raised its benchmark reference rate by 50bps to 2.25% on January 4th, in line with market expectations. It was the fourth consecutive increase of the main rate, as the NBP aims to ease inflationary pressures. The country's consumer prices inflation rose to 7.8 percent in December according to official estimates, the highest reading since December of 2000 and above the central bank's target range of 2.5% (+/- 1 p.p.)

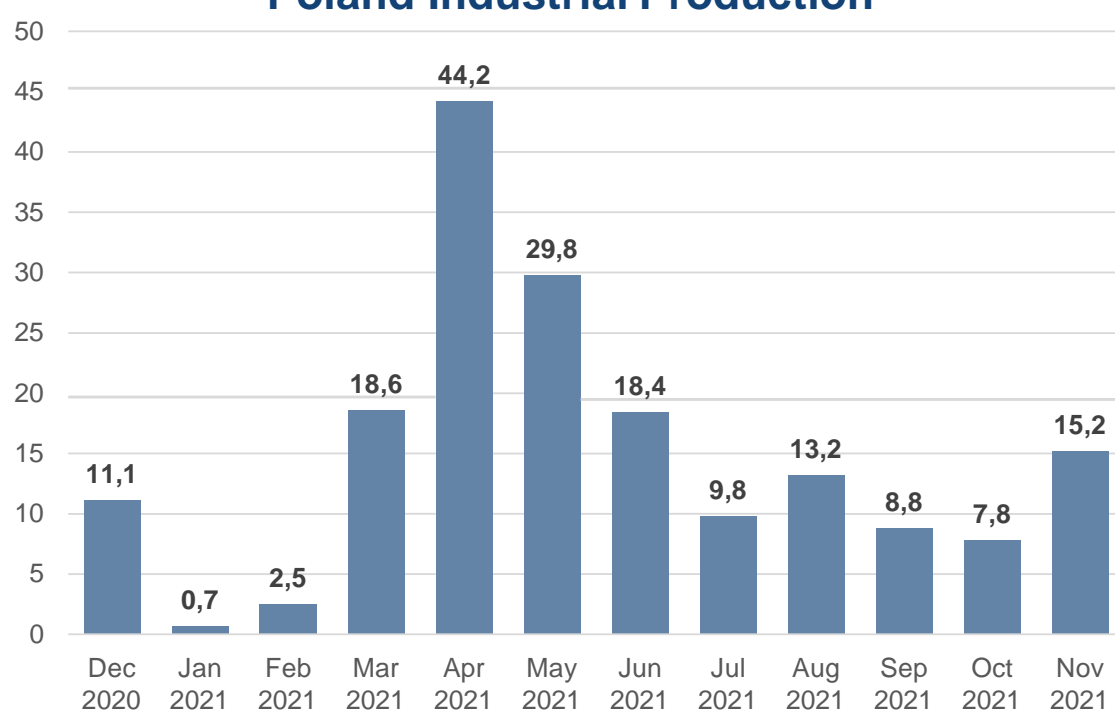
Warsaw Stock Exchange WIG Index



Source: <https://tradingeconomics.com> | DFCM

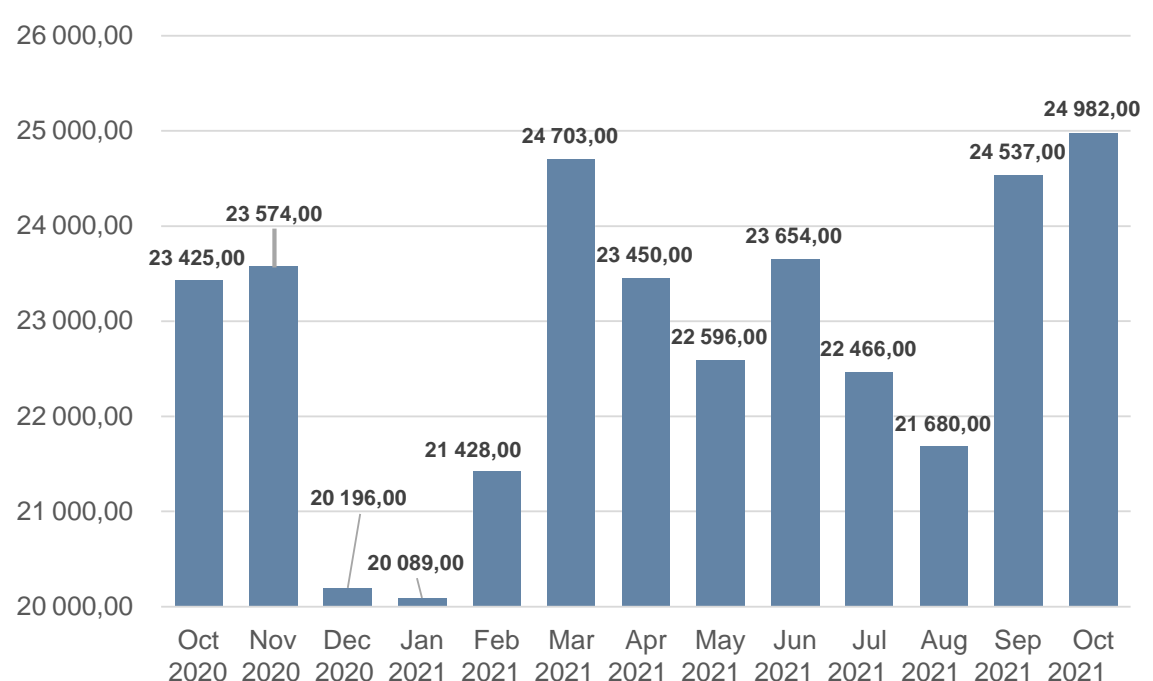
The Warsaw Stock Exchange General Index (WIG) is a major stock market index which tracks the performance of all domestic companies (investment funds are excluded) listed on the main market of The Warsaw Stock Exchange. The WIG increased 3208 points or 4.63% since the beginning of 2022, according to trading on a contract for difference (CFD) that tracks this benchmark index from Poland.

Poland Industrial Production



Source: Central Statistical Office of Poland (GUS) | DFCM

Poland Exports



Source: National Bank of Poland | DFCM

Poland's industrial production surged 15.2 percent year-on-year in November of 2021, picking up from a 7.8 percent increase in the previous month and hugely surpassing market expectations. Industrial output accelerated for all sub-industries, including manufacturing (13 percent vs 5.5 percent in October), electricity and gas. Exports increased to 24,9 EUR Bn in October from 24,5 EUR Bn in September of 2021. From the beginning of the past decade, Poland's foreign trade turnover increased almost ten-fold as a result of a strong industrial base accelerated by large investments coming from the EU, US and Asia. Poland is a net exporter of processed fruit and vegetables, meat, and dairy products. Poland is also a strong exporter of electromechanical products (42% of total export): vehicles, aircraft and vessels. Poland's industrial production and export growth promises to be strong in the coming 2022, with government investments and FDI inflows expected in the manufacturing sector.