

## Poland: Solid industrial performance in November

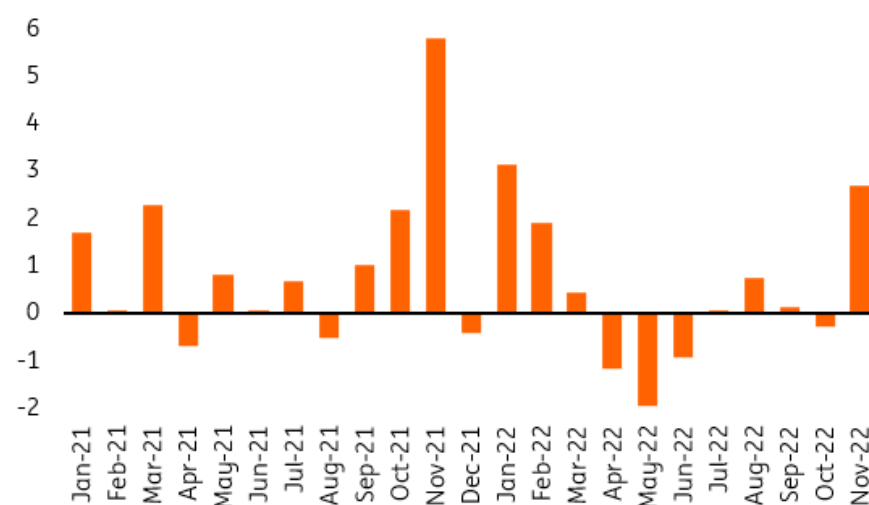
Industrial output rose 4.6% year-on-year in November (consensus: 2.2%; ING: 0.7%), following an increase of 6.6% in October (revised). Power generation turned out stronger than we expected while the decline in manufacturing production is gradual, which is consistent with the recent improvement in economic indicators in Germany and the eurozone



European industry has been supported by the better availability of components amid improvements in supply chains in recent months as well as reduced concern about possible gas shortages due to favourable weather conditions at the beginning of the heating season in Europe. As a result, domestic industries with a large share of production for export - (1) machinery and equipment, (2) electrical equipment, (3) automobile manufacturing - performed solidly. This does not change the fact that the performance of industry is expected to deteriorate in the coming quarters.

## Industrial output (month-on-month, SA)

Solid activity amid improving euro area leading indicators



Further disinflation is evident in producer prices. PPI slowed to 20.8% YoY in November from 23.1% YoY in October. On a monthly basis, the PPI index declined for the first time since August 2020. Prices in the energy supply section increased on a MoM basis after two months of marked declines. Energy prices are now about 60% higher than a year ago. In manufacturing, the deepest year-on-year price decline was in the production of coke and refined petroleum products (-7.6% YoY). Prices also fell in the production of metals and electronics.

The end of the year looks relatively favourable for domestic manufacturing, which is entering the slowdown quite gently, accompanied by a decline in inflationary pressures, although PPI inflation remains high. Domestic manufacturing once again confirms solid resilience to external shocks. Tomorrow's retail sales data will provide a better assessment of the health of the service sector in 4Q22. We currently forecast GDP growth in the current quarter of around 2.5% YoY.

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