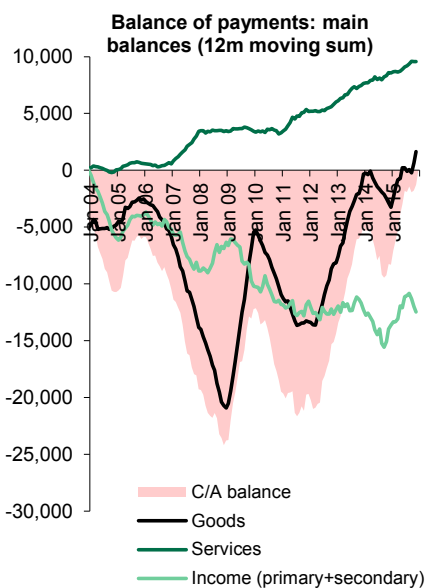


INSTANT COMMENT

13 January 2016

Big trade surplus thanks to high exports

Balance of payments data for November surprised showing €620m surplus (vs. market consensus -€230m). Export growth accelerated sharply to 12.6%YoY, while import growth reached 5.4%YoY. The data suggest that external demand for Polish goods remains strong, probably supported by accelerating growth in the euro zone and weak zloty. They also imply that the GDP growth in 4Q15 may be higher than expected, near 4%YoY, as the net exports' contribution will be probably higher than anticipated.



Poland's November balance of payments data surprised well to the upside. The current account showed a €620mn surplus while the market expected -€230mn and we forecasted -€380mn. The main source of the surprise was the trade balance as the exports' growth accelerated by 12.6% YoY (the strongest rise since March) while imports grew 5.4% YoY. These data point to a revival of the foreign demand for the Polish goods which is probably supported by accelerating economic growth in the euro zone and the weaker zloty (detailed data of the statistics office and Eurostat with the geographical breakdown have been showing trade's revival with the Western Europe for already several months). We assume that the positive tendencies in exports will be continued, as the economic growth in Europe (including Germany) will remain solid in the months to come. At the same time, the moderate growth rate of imports is suggesting no (as for the time being) significant changes in the domestic demand. This can change in 2H2016, when households will disburse means from the 500+ child benefit programme.

The significantly better-than-expected balance of foreign trade in November, in our view, implies an upward risk for GDP forecasts for 4Q2015. Probably the balance of goods and services throughout Q4 will turn out better than expected, resulting in clearly higher positive contribution of the net exports to the GDP growth, and as a consequence GDP growth may accelerate to nearly 4%YoY.

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