

Currency market

According to the data of Eurostat, in 2012 Polish economy grew at a rate of 1.9% per annum. This time Poland did not qualify to the group of fastest developing countries in Europe, as was the case in 2011. It is worth noting, however, that Poland's growth rate is by far higher than the aggregated, nominal GDP-weighted average (-0.2%) and median (0.3%) of all the EU member states. An analysis of the components of Poland's gross domestic product shows a marked slowdown in consumption dynamics, which used to be the main growth engine for the entire economy in recent years. Another factor with a negative impact on the economic growth was a decline in investments, to some extent compensated for by net exports.

Overall, 2012 saw appreciation of zloty both versus US dollar and euro. According to the official fixings of the NBP, zloty strengthened versus US dollar during the year from PLN 3.4454 to 3.0996 and versus EUR from 4.4640 to 4.0882. Fortunately, unfavourable movements in FX rates from the point of view of competitiveness of the Polish economy, did not inhibit growth of exports, as confirmed by the results of a survey carried out by the NBP among entrepreneurs. For the USD/PLN, the annual average threshold at which entrepreneurs considered exports sales as unprofitable was 2.9072 while for EUR the corresponding value was 3.8560. During the year, the local maximum and minimum for the currency pair USD/PLN amounted to 3.5575 and 3.0690, respectively. For EUR, the corresponding values were 4.5135 and 4.0465. The strengthening of the zloty did not result only from positive investment sentiment to emerging markets but was also a consequence of data weaker than the consensus reported by the economies of the US and the Eurozone. Worth noting are also the fiscal problems and the interest rate disparities which those countries had to face despite commencement of the Polish monetary easing cycle at the end of the year. Investors looking for attractive investment opportunities focus on real interest rates which, unlike in Poland, remained negative both in the United States and in the EU. Thanks to a higher rate of inflation decrease in the second half of the year, real interest rates in Poland improved considerably, triggering growth in the volume of foreign investments in Poland and, consequently, strengthening of the zloty. The inflow of capital had also a positive impact on the Polish debt market which at the end of 2012 recorded the lowest rates of return in the history.



Source: NBP, KGHM