

NUMBER 875, SEPTEMBER 30, 2024

Overview of the week

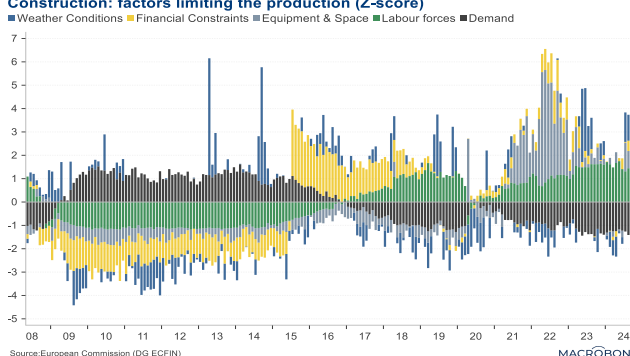
- After last Monday when we wrote about trends in issued building permits, the number of which increased by 19.4% year-on-year in July, this time we are dealing with the volume index of construction works. According to the data of the Central Bureau of Statistics published last week, the volume of construction works in July, according to calendar-adjusted data, increased by 17.2% year-on-year, with an increase of 24% recorded in building construction, while an increase in civil engineering works amounted to 6.4%. Compared to the previous month, activity increased by 5.1% in July (buildings +6.7%, civil engineering works +2.8%), which more than compensated for the decline in activity recorded in June (-1.3%), and the monthly growth rate itself is one of the highest recorded in the last few years. On average, in the first seven months of the current year, the volume of construction works increased by 14.9%, with building construction increasing by 20.7% and civil engineering works by 4.8%. The structure of hours worked reveals that the largest part is related to newbuilds: 39.6% on buildings and 22.2% on civil engineering works, while other works (reconstructions/repairs/maintenance) accounted for 21.2% of hours worked on civil engineering works, and 17% on buildings. Based on the trends in building permits issued described in the past Weekly Analyses, as well as planned public and private investments, and the movements in business optimism in the construction sector, which, according to the latest available data, remained above the long-term average in September, we are still optimistic about developments in the sector.

**Strong growth
in the volume of
construction works**

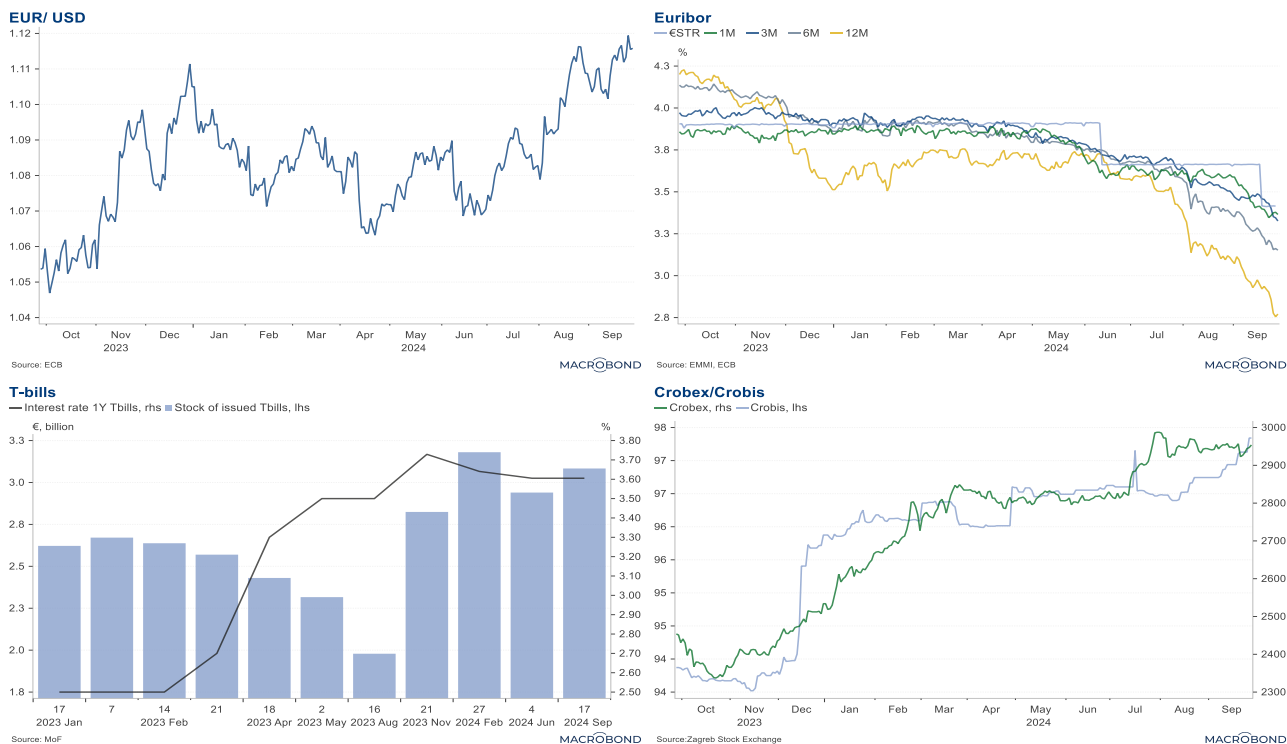
Construction works index



Construction: factors limiting the production (Z-score)



- The EUR/USD exchange rate continued to move in a narrow range, following the US data and closing the week at \$1.1158 per euro, slightly down by 0.1% week-on-week.
- Euribor maintained its downward trend, thus 3M and 6M stood at 3.3 and 3.2%, respectively, on Friday, down by 0.1 p.p., i.e. unchanged week-on-week.
- Crobex recovered and achieved a 1.1% weekly increase to 2,954 points. Sectoral indices recorded a mixed performance (CROBEXindustry +0.6% to 2,240, CROBEXnutris -0.8% to 892, CROBEXtourist +1.3% to 4,323). Crobis rose by 0.2% to 97.3 points.



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