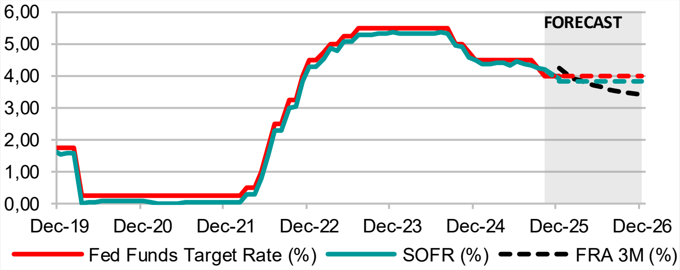
This week

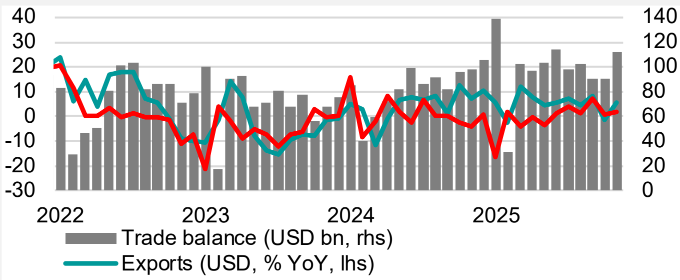
- **The most important event this week will be the FOMC meeting scheduled for Wednesday.** Our official forecast remains unchanged: the target range for federal funds will stay as it was, though we can see a significant risk that the Fed will decide to cut rates by 25bp. The easing scenario would be consistent with the futures contract valuation and market consensus. If the rate cut materialises this week, we believe that the tone of the Fed Chairman's communication will still be hawkish in order to cool market expectations concerning further easing of the monetary policy. New inflation and unemployment forecasts are unlikely to be significantly revised relative to those published in September. In our view, the level of interest rates the FOMC members expect to see at the end of 2026 will not change, which implies one more rate cut next year as opposed to two currently expected by the market. Consequently, the projection may cool the investors' expectations concerning a strong monetary policy easing, which would be negative for the PLN and the prices of Polish bonds.



Source: Refinitiv, Credit Agricole

- **Industrial production data for Germany has been published today.** Industrial production in Germany went up by 1.8% MoM in October, compared with a 1.1% growth in September, coming in markedly ahead of market expectations (+0.4%). Industrial production growth resulted primarily from stronger growth in the construction sector, while growth in manufacturing slightly slowed. Last week also saw the release of Germany's manufacturing orders figures, which show that growth in orders slowed to 1.5% MoM in October vs. 2.0% in September, which was still markedly above the market expectations (0.3%). The decline reflected lower foreign orders and higher domestic orders. Notably, the decline in foreign orders was caused by a drop in orders from non-Eurozone countries, while orders from the Eurozone went slightly up. In accordance with the press release, the reason behind the substantial, stronger-than-expected growth in orders was the increase in orders in the "other transport equipment" category (+87.1% MoM) that comprises, among others, aircraft, vessels, trains and military vehicles. It must be noted, though, that this category is subject to relatively high volatility due to a substantial share of large one-off orders, hence the October headline orders data should be interpreted with caution.". Tuesday will also see the release of data on German foreign trade. The consensus is that its balance edged down to EUR 15.2bn in October, from EUR 15.3bn in September. In our view, the data from Germany will be neutral for financial markets.

- **Data on Chinese foreign trade was released today.** China's trade balance increased in November to USD 111.7bn vs. USD 90.1bn in October, which is below the market expectations (USD 100.2bn). A strong acceleration of Chinese exports was driven by their progressing geographic reorientation, including to the EU countries, amidst the continuing trade tensions between the US and China. We do not expect the Chinese GDP growth figures to change between 2024 and 2025, so the GDP growth will stay at 5.0%.

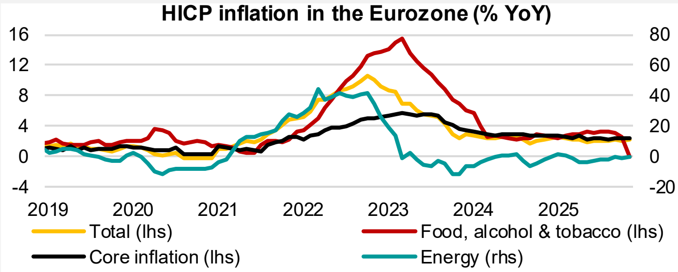


Source: Datastream, Credit Agricole

Last week

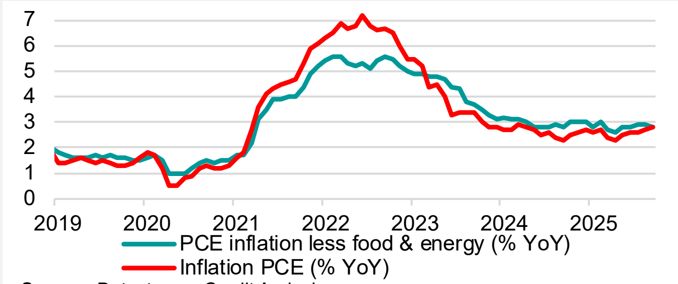
- **In accordance with the final estimate, GDP growth in Poland increased from 3.3% YoY in Q2 to 3.8% YoY in Q3, coming in slightly above the flash estimate (3.7%) and below our forecast (4.0%).** Seasonally-adjusted GDP growth accelerated from 0.8% in Q2 to 0.9% in Q3. Consequently, GDP reached an all-time high in Q3. Supported by rapid growth in the wage bill and falling inflation, consumption was the main driver of economic growth in Q3 (see MACROpulse of 01/12/2025). Turning to the quarters ahead, we expect the recovery of economic activity in Poland to continue, driven by the expected activity recovery in the Eurozone and Poland's increasing absorption of EU funds under the National Recovery Plan and the Cohesion Fund. We anticipate the domestic demand, underpinned by steady consumption growth amidst lower-than-expected inflation (see MACROmap of 01/12/2025) and a rebound in investment, spurred by falling interest rates, to remain the main driver of economic growth in the coming quarters. Consequently, the recovery will be reflected in further increases in activity in the three main sectors – services (see MACROmap of 10/11/2025), industry and construction. Therefore, we have revised our GDP trajectory forecast for 2026 upwards, from 3.3% YoY to 3.6%, keeping the forecast for 2025 unchanged (3.6%).
- **Polish manufacturing PMI rose from 48.8 pts in October to 49.1 pts in November (the highest result since April 2025), coming in slightly above market expectations (49.0 pts) and slightly below our forecast (49.4 pts).** What pushed the index up was the stronger contribution of 3 out of its 5 components (employment, delivery times and current output), while a lower contribution of new orders and inventories had the opposite effect. In our view, the signals from the PMI report pointing to a continued recovery in Polish manufacturing include the increase in new export orders recorded in November – the first since March this year – a second consecutive rise in purchases of intermediate goods, and the persistently high level of the 12-month outlook for production. Furthermore, in November, surveyed businesses cited "market expansion, new products, increased demand, company optimisation and production efficiency improvement" as factors likely to drive sales growth over a one-year horizon (see MACROpulse of 01/12/2025).
- **Last week, the Monetary Policy Council decided to cut interest rates by 25bp, with the NBP reference rate now standing at 4.00%.** The MPC's decision was consistent with market expectations and our forecast. The Council cited "inflation developments and its outlook" as reasons behind its decision (see MACROpulse of 02/12/2025). In our view, room for further rate cuts over the coming quarters is limited. This is confirmed by our medium-term inflation forecast, under which price growth, driven by low base effects for food and fuel prices, will rise above 3% YoY in Q4 2026. We believe that the NBP reference rate level consistent with macroeconomic balance is at 3.75%. Accordingly, we expect one more, and final, 25bp cut in Q1 2026. Our scenario is supported by our expectation that inflation will fall to a local minimum of 2.1% YoY in February 2026. The tone of the press conference held by the NBP Governor A. Glapiński on Thursday is also consistent with our scenario. He made it clear that he would be satisfied if the reference rate was kept as it is for a longer period of time, calling the present rate level "*perfect*". Nonetheless, he noted that any further rate cuts will depend on other MPC members, who might prefer to see lower interest rates.
- **In accordance with the flash estimate, inflation in the Eurozone edged up to 2.2% YoY in November, from 2.1% in October, printing in line with our forecast, but above the market expectations (2.1%).** The increase in inflation was primarily driven by higher energy price growth. Core inflation was unchanged at 2.4% YoY. The data also highlight the persistent relatively high growth rate of services prices. We expect that in the coming months core inflation will keep on falling, but the process will be slow, and core inflation will approach 2.0% only in Q2 2026. We have revised our ECB interest rate forecast, taking into consideration our inflation trajectory

projection. We currently believe that the first 25bp rate hike will be made by the ECB in March 2027 rather than in December 2026 as we previously expected, and then the interest rates will be raised by another 25bp in September 2027. Consequently, the key interest rate will reach 2.50% at the end of 2027. This is consistent with our scenario in which inflation will go up again early in 2027.



Source: Datastream, Credit Agricole

- **Some important data from the US was released last week.** US PCE inflation rose to 2.8% YoY in September, up from 2.7% in August, in line with market expectations. At the same time, core inflation edged down from 2.9% to 2.8%. Seasonally-adjusted monthly growth in core prices did not change between August and September, and stood at 0.2%, which might suggest that the impact of inflationary pressures on the US economy has been limited over the last couple of months. Industrial production rose by 0.1% in September, following a 0.3% contraction in August, coming in slightly ahead of market expectations (0.0%). The rate was driven up by a stronger production growth in utilities, while a slower growth in mining and manufacturing had the opposite effect. Capacity utilisation did not change between August and September, standing at 75.9%, and has been relatively stable over the last couple of quarters. Last week also saw the release of business sentiment survey results. Manufacturing ISM went down from 48.7 pts in October to 48.2 pts in November, coming in below the market expectations. What pushed the index down was a lower contribution of 3 out of its 5 components (new orders, employment, and delivery times), while a stronger contribution of current output and inventories had the opposite effect. Consequently, the data confirms that the slowdown in activity in the US manufacturing sector continues. In turn, the services ISM went up from 52.4 pts in October to 52.6 pts in November, printing markedly ahead of market expectations (52.1 pts). What pushed the index up was a stronger contribution of 3 out of its 4 components (business activity, employment, and delivery times), while a lower contribution of new orders had the opposite effect. The preliminary University of Michigan index increased to 53.3 pts in December vs. 51.0 pts in November, running above the market expectations (52.0 pts). The index was driven up by an increase in the expectations component, though an opposite impact came with lower sub-index figures for current situation assessment. The improvement in the US consumers' sentiment can be linked to the end of the *government shutdown*. The median for inflation expected over the next 12 months released alongside the University of Michigan index went down to 4.1% in December, from 4.5% in November (the January-November average was 4.9%, versus 2.9% for on average in 2024). We expect the annualised US GDP growth to slow to 0.8% in Q4 compared with 2.5% in Q3, and to 1.9% in 2025 vs. 2.8% in 2024.

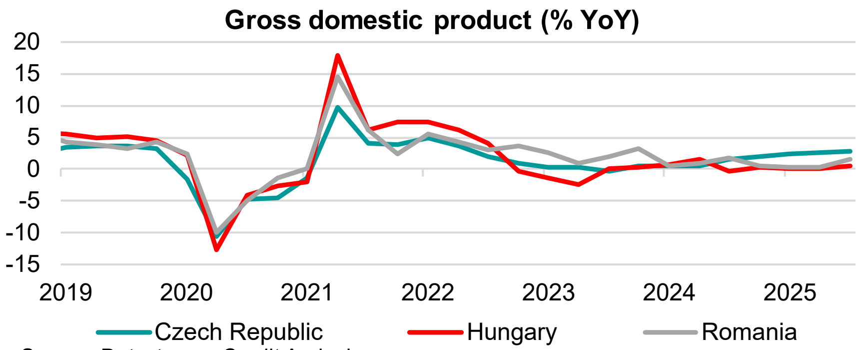


Source: Datastream, Credit Agricole

- **We have revised our EURCHF trajectory forecast.** On the one hand, we believe that the SNB's dovish monetary policy and reduced aversion to risk will be conducive to an increase in the number of *carry trade* transactions financed in CHF, which will drive the EURCHF up, but on the other hand, this effect will be more than compensated by inflation differences between Switzerland and the Eurozone, which in turn will be conducive to the EURCHF decline. Therefore, we expect the EURCHF to come in at 0.94 at the end of 2025 (0.95 before the revision), at 0.96 at the end of 2026 (0.98 before the revision), and at 0.98 at the end of 2027, and consequently, we anticipate the CHFPLN to stand at 4.55 at the end of 2025 (4.51 before the revision), at 4.42 at the end of 2026 (4.33 before the revision), and at 4.28 at the end of 2027.

Forecasts for CE-3 countries

Below we outline our summary macroeconomic scenario for 2025-2027 for the countries of the Central and Eastern Europe region (CE-3) – Czechia, Hungary and Romania.



Source: Datastream, Credit Agricole

In Czechia, over 2025-2027 we expect a GDP growth of 2.4%, 2.3% and 2.4%, respectively. Economic growth will be driven mainly by private consumption, supported by robust real wage growth against a backdrop of low inflation. We expect consumption growth to remain at around 3% YoY in 2025-2026, easing slightly in 2027 but still remaining the key driver of GDP growth. We anticipate a marked pick-up in investment in 2026-2027 in line with higher absorption of EU funds, in particular under the Recovery and Resilience Facility. Czechia has already submitted requests for disbursement of half of its grant allocation. In 2025 the so-called Czech Semiconductor Centre was launched to support the development of this branch of industry and cooperation with foreign investors; in our baseline scenario its impact on medium-term growth remains limited and hard to quantify accurately for now. Nevertheless, together with the recovery in public investment, we also expect to see faster growth in corporate fixed investment. The contribution of net exports to GDP growth will be negative in 2025 and 2026, as strong domestic demand will cause imports to grow faster than exports. It is only in 2027 that we expect a positive contribution from net exports, alongside a clearer recovery among Czechia's main trading partners. The key risk factors for Czech growth prospects remain the pace of the economic recovery in Germany (where there is a risk of more prolonged stagnation), US trade policy and potential new tariffs, and uncertainty over the shape of domestic fiscal policy after the elections.

The October 2025 parliamentary elections resulted in a victory for ANO, which formed a new governing coalition together with SPD and the AUTO party. This configuration generates significant uncertainty around fiscal policy, the most immediate manifestation of which is the conflict over the draft 2026 budget. At the end of November, the new parliamentary majority rejected the draft prepared by P. Fiala's outgoing government and called for its revision and an increase in investment and social spending. In particular, the coalition announced higher outlays on transport and energy infrastructure, support for regional projects and an expansion of family-policy programmes and housing benefits. These demands significantly raise the risk that 2026 will start under a provisional budget. It is, however, difficult to assess how determined the new government will be in implementing all of its electoral pledges. It is worth noting that, unlike in Romania and Hungary (see below), we do not expect a marked acceleration in Czech GDP growth in 2026. In our view, Czechia faces supply-side constraints to a greater extent than the other countries in the region, linked to the very low unemployment rate. In addition, unlike in Czechia, GDP growth in Romania and Hungary will also be supported by low base effects from this year.

After a temporary increase to 2.9% in mid-2025, inflation in Czechia fell to 2.1% in November. The main factor pushing up headline inflation remains elevated core inflation (3.0% YoY in November), driven by services prices (4.6%), including so-called imputed rents (i.e. the estimated cost of owner-occupied housing, calculated as if the owner were paying a market rent). In 2026, we expect consumer price growth to edge down to 2.2% from 2.5% in 2025, reflecting a combination of a disinflationary impact from lower energy prices and an inflationary impact from still strong, though slowing, wage growth and the excise tax hikes on alcohol and tobacco products planned for January (by 5%). In 2027, we expect inflation to stabilise at around 2.3%.

With CPI running close to the Czech National Bank's (CNB) target, but core inflation still elevated, we think the central bank will keep interest rates unchanged at 3.50% until the end of 2027. After its November meeting, the CNB made it clear that the current macroeconomic environment rules out further cuts. The central bank's reasoning rests on persistent labour market tensions and strong wage growth, which are generating stubborn price pressures in the services sector. An additional inflationary factor is the recovery in the housing market and rising house prices, which translate into higher imputed rents and push up core inflation. CNB board members also point to accelerating new lending and rising money supply as warning signs that require a restrictive monetary stance. Moreover, the CNB's own forecast assumes stable rates over the coming quarters, which supports our monetary policy scenario. Against this backdrop we expect a slight appreciation of the CZK against the EUR.

Forecasts of main macroeconomic indicators in Czech Republic

	2025	2026	2027		2024	2025	2026
GDP growth rate (% YoY)	2,4	2,3	2,4	**CPI inflation (% YoY)**	2,5	2,2	2,3

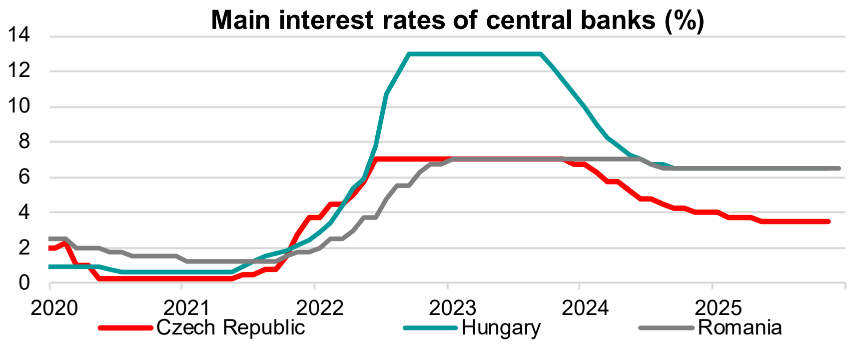
	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
CNB 2W repo rate (%)	3,50	3,50	3,50	3,50	3,50	3,50	3,50	3,50	3,50
EURCZK	24,2	24,0	23,8	23,6	23,4	23,2	23,0	22,8	22,6

Source: Datastream, Credit Agricole

In Hungary, we expect GDP growth to accelerate sharply to 2.3% in 2026 from 0.4% in 2025, driven by a simultaneous recovery in domestic and external demand. The foundations of this rebound are the broad-based fiscal stimulus measures implemented by the government in 2025, including a two-stage doubling of the child tax credit (the first tranche from July 2025 and the second from January 2026), and the introduction in October 2025 of full personal income tax exemption for mothers with three children. An additional demand impulse is the "Home Start" programme launched in September 2025, which offers preferential mortgage loans and, according to the central bank's estimates, is set to generate double-digit growth of new lending and boost residential investment. Private consumption will also be supported by strong growth in disposable income, stemming, among other things, from increases in the minimum wage (by 9% in 2025 and a planned 11% in 2026), payment of the 14th pension and pay rises in the public sector, including for teachers. We estimate that the combined impact of the above measures will lift GDP growth by around 1 percentage point of GDP. This package is complemented by a support scheme for small and medium-sized enterprises designed to stimulate corporate investment. In 2027 we expect economic growth to remain elevated at 2.5%.

EU funds remain crucial for Hungary's economic outlook. While a portion of the pool has been conditionally unfrozen in recent quarters in some narrow segments, the bulk of the funds (from both cohesion policy and the Recovery and Resilience Facility) remains blocked until the rule-of-law milestones are met. The situation on Hungary's political scene has changed visibly in recent months, and this is an important risk factor for our forecasts. Although as recently as spring and summer 2025 P. Magyar's Tisza party was enjoying a sizeable poll lead, the end of the year brought a reversal of this trend and Fidesz has once again moved into first place in the polls (on average 47% versus 39% for Tisza in December surveys). Prime Minister V. Orbán managed to regain the initiative by implementing a broad stimulus package targeted at key voter groups. These measures have enabled Fidesz to consolidate its support among rural and older voters, while Tisza dominates mainly in large cities and among younger voters. Given the specifics of Hungary's electoral system, in which single-member constituencies strongly favour the largest party, current polling suggests that Fidesz remains the favourite to retain power in 2026, even though the race will be much tighter than in previous years. Under this scenario, which assumes a likely continuation of the current political status quo, the rapid unfreezing of EU funds remains subject to considerable uncertainty.

Inflation in Hungary is currently heavily influenced by administrative measures, whose combined impact on lowering the CPI we estimate at around 1.5 pp. We expect the existing caps on retail margins for food and hygiene products, as well as informal price freezes on services, to remain in place at least until mid-2026 because of the electoral cycle. Despite these measures, the disinflation process will slow markedly in 2026, with average annual inflation staying elevated at around 3.8%. The main inflationary factor in 2026 will be demand-side pressures resulting from strong growth in household incomes. In addition, in H2 2026, as administrative measures are likely to be gradually rolled back after the elections, there may be a price correction that pushes CPI higher. It is only in 2027, as the effects of cost shocks fade and demand stabilises, that we expect inflation to return to an average annual rate of 3.2%.



Source: Datastream, Credit Agricole

In November 2025, the National Bank of Hungary (MNB) left its main policy rate unchanged at 6.50%, maintaining a strategy of a "cautious and patient" approach amid continued uncertainty. The MNB judged that both headline and core inflation are still too high. Its communication is dominated by concerns about medium-term inflationary processes, including the risk of inflation expectations becoming unanchored, which in its view justifies the need to keep monetary policy restrictive. In this context, the central bank also stressed that the stability of the FX market is crucial for disinflation, and that in its decisions it takes into account the risk factors arising from the widening budget deficit and assessments of the country's creditworthiness. Given these trends, we assume that rates will be kept at 6.50% in December 2025. In 2026 we see only limited room for monetary easing, totalling 50bp (to 6.00%). The first cut may come as early as Q1, supporting the economic environment in the pre-election period, with a second cut in Q4 as disinflation progresses and the HUF strengthens. We expect the easing cycle to continue in 2027, once inflation has firmly returned to the 3.0% target, allowing the MNB to continue gradually lowering interest rates towards 4.00%. Over the coming quarters we expect the HUF to appreciate gradually, supported by the continued attractiveness of carry trades and the central bank's hawkish messaging. In the medium term, an additional supportive factor for the Hungarian currency could be the prospect of a change of government and the unfreezing of EU funds, even though the probability of a Tisza victory has fallen significantly in recent weeks. Overall, we therefore expect EUR/HUF to gradually move towards lower levels, although political uncertainty will remain a factor limiting the scale of any appreciation.

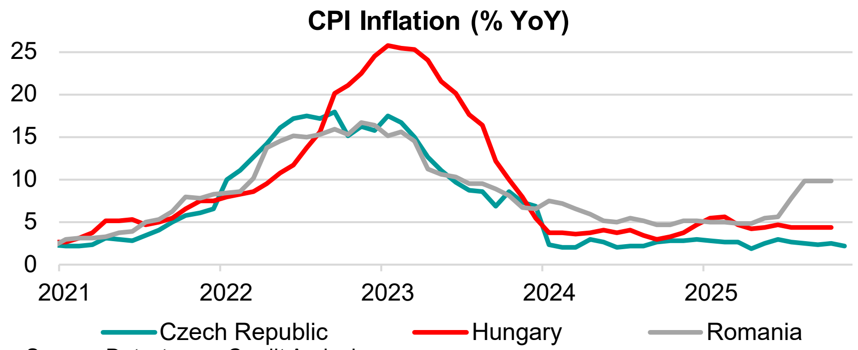
Forecasts of main macroeconomic indicators in Hungary

	2025	2026	2027		2025	2026	2027
GDP growth rate (% YoY)	0,4	2,3	2,5	**CPI inflation (% YoY)**	4,5	3,8	3,2

	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
MNB base rate (%)	6,50	6,25	6,25	6,25	6,00	5,50	5,00	4,50	4,00
EURHUF	380	375	365	363	360	357	355	352	350

Source: Datastream, Credit Agricole

After a marked weakening of economic growth in Romania in H1 2025 (0.3% YoY), its pace increased significantly in Q3 (1.6% YoY). This was mainly due to a revival in investment, which in our view is linked to higher absorption of EU funds. At the same time, consumption continued to slow, reflecting elevated inflation, which is eroding households' real incomes, and high base effects. We expect the adverse impact of the fiscal package (both on the side of indirect taxes and government spending, see MACROmap of 7/07/2025) to become even more visible in Q4 this year, leading to a further weakening of private consumption and the halting of some public investment projects. We believe that most of the fiscal consolidation materialised with the government decisions taken in 2025; however, further – though much more moderate – tightening still looks likely. We assume that pressure from European institutions and rating agencies will force gradual corrective measures, even if their scale is constrained by political and social factors. As a result, we expect the structural deficit to narrow from around 8% of GDP in 2025 to around 5.5% of GDP in 2026, and then to decline only gradually in subsequent years, remaining on a relatively high but slightly declining trend. We forecast GDP growth of 1.0% YoY this year and 1.5% in 2026. The risk factors to the growth outlook are clearly asymmetrical and tilted to the downside – mainly due to delays in the absorption of EU funds (stemming, among other things, from administrative bottlenecks, the slow pace of tender procedures and the limited availability of domestic co-financing in the context of fiscal consolidation), as well as the risk of further fiscal tightening. In 2027, we expect a pronounced acceleration in economic growth to 2.3%. This recovery will be supported by the waning of the negative effects of fiscal consolidation, falling inflation that will allow monetary policy to be eased, and a pick-up in investment.



Source: Datastream, Credit Agricole

The sharp jump in inflation in recent months (to an average of 9.8% YoY in September-October) was the result of overlapping supply shocks: the removal of electricity price caps in July and the hikes in VAT and excise duties on fuels, alcohol, cigarettes and high-sugar drinks in August (including, among others, raising the standard VAT rate from 19% to 21%, lifting reduced VAT rates from 9% to 11% for food, medicines, water and sewerage services, and from 5% to 11% for books, district heating and cultural services). We expect inflation to remain elevated until mid-2026. Strong disinflation will only begin in Q3 2026, when the high base effects related to this year's tax and energy shocks start to materialise and tight fiscal policy effectively curbs domestic demand. As a result, we forecast that average annual inflation will fall to 6.5% in 2026 from 7.3% in 2025 and return durably to the NBR's tolerance band around the inflation target (2.5% ±1 pp) in Q1 2027, with prospects for an average annual inflation of 3.4% in 2027. A key short-term risk is the liberalisation of natural gas prices scheduled for April 2026 and the removal of caps on food margins. The current caps cover basic necessities – including bread, milk and dairy products, poultry meat and edible oils – and limit the maximum commercial margin of both producers and retailers. There is also uncertainty surrounding the final design and schedule of the planned fiscal consolidation, including any additional targeted VAT increases that could weaken the disinflationary impact of the slowdown in domestic demand.

In November, the National Bank of Romania (NBR) left its main policy rate unchanged at 6.50%, maintaining a "higher for longer" strategy in the face of inflation surging to almost 10%. The central bank judged that the current rise in prices is largely supply-driven (the removal of energy price caps, tax hikes) and temporary, which does not justify further rate increases but does require keeping monetary conditions restrictive until these shocks fade. In our baseline scenario, rates will remain at their current level through H1 2026, until inflation starts to slow clearly. Room to begin an easing cycle will open up in

Q3 2026, when the sharp fall in inflation resulting from base effects materialises. An important argument for future monetary easing is the deepening of the negative demand gap that the NBR itself is projecting, driven by strong fiscal consolidation and the decline in households' purchasing power. We expect the NBR to begin cautious easing at that point (a total of 100bp in H2 2026), continuing the process in 2027 as inflation gradually and durably returns to the tolerance band around the inflation target. In our view, the NBR's key policy rate will be cut by a further 150bp in 2027, reaching 4.00% at the end of the year.

After a period of heightened uncertainty over the state of public finances in the summer months, the EUR/RON exchange rate has stabilised at around 5.09. The central bank has consistently emphasised exchange-rate stability as a precondition for anchoring inflation expectations and treats this channel as its key tool in a period of increased fiscal and political tensions. As a result, we expect the exchange rate to remain anchored close to current levels until the end of 2027.

Forecasts of main macroeconomic indicators in Romania

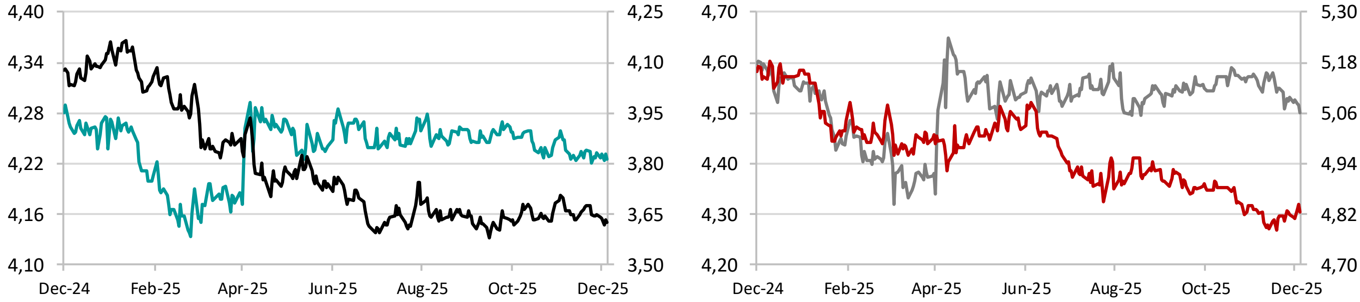
	2025	2026	2027		2025	2026	2027
GDP growth rate (% YoY)	1,0	1,5	2,3	CPI inflation (% YoY)	7,3	6,5	3,4

	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
NBR policy rate (%)	6,50	6,50	6,50	6,00	5,50	5,00	4,50	4,00	4,00
EURRON	5,09	5,09	5,09	5,09	5,09	5,09	5,09	5,09	5,09

Source: Datastream, Credit Agricole

FOMC meeting of key importance for the PLN

FX rates



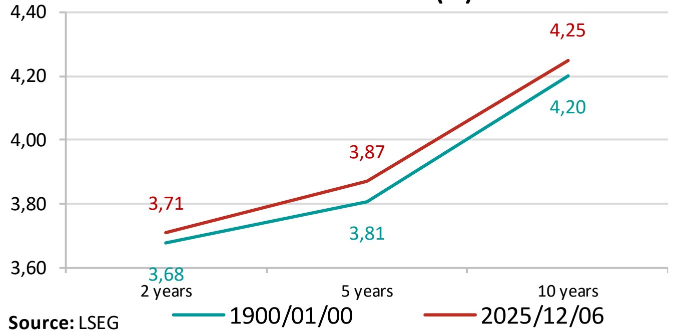
Source: LSEG

Last week, the EURPLN rate dropped to 4.2259 (strengthening of the PLN by 0.2%). Early in the week, the PLN weakened temporarily against the EUR ahead of the MPC meeting. Later on, the EURPLN stabilised at approx. 4.23. Last week, the USD kept weakening against the EUR due to growing expectations concerning interest rate cuts in the US. Our conclusion is underpinned by the decline FRAs seen in the US last week, which offer insight into market expectations concerning the level of interest rates.

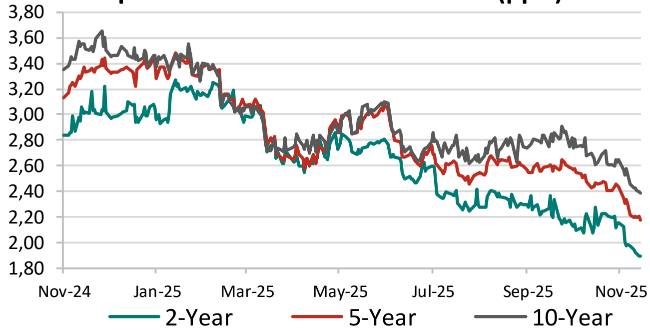
This week the FOMC meeting planned for Wednesday will be crucial for the PLN. The PLN may weaken if our scenario of interest rate stabilisation materialises, and if the December projection by the FOMC turns out to be hawkish. We believe that other macroeconomic publications planned for this week will be neutral for the PLN.

IRS rates increase after the NBP Governor's hawkish press conference

IRS curve in Poland (%)



Spread: Polish vs. German bonds (ppt.)



Source: LSEG

Last week, 2-year IRS rates increased to 3.71 (up by 3bp), 5-year rates to 3.87 (up by 6bp) and 10-year rates to 4.25 (up by 5bp). Wednesday saw a fall in IRS rates across the curve following the interest rate cut by the MPC. However, Thursday saw an adjustment, and IRS rates rose again following the hawkish press conference held by the NBP Governor A. Glapiński.

This week the spotlight will be on the FOMC meeting scheduled for Wednesday. The IRS rates and the yield on bonds may increase if our scenario of interest rate stabilisation materialises, and if the December projection by the FOMC turns out to be hawkish. In our view, other macroeconomic publications planned for this week will not have any significant impact on the curve.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
NBP reference rate (%)	5,75	5,75	5,75	5,75	5,75	5,75	5,25	5,25	5,00	5,00	4,75	4,50	4,25	4,00
EURPLN*	4,30	4,27	4,21	4,19	4,19	4,27	4,24	4,24	4,27	4,26	4,26	4,25	4,23	**4,23**
USDPLN*	4,06	4,13	4,06	4,04	3,87	3,77	3,74	3,60	3,74	3,64	3,63	3,68	3,65	**3,62**
CHFPLN*	4,60	4,54	4,46	4,46	4,38	4,56	4,54	4,53	4,60	4,55	4,56	4,57	4,53	**4,50**
CPI inflation (% YoY)	4,7	4,7	4,9	4,9	4,9	4,3	4,0	4,1	3,1	2,9	2,9	2,8	**2,4**	
Core inflation (% YoY)	4,3	4,0	3,7	3,6	3,6	3,4	3,3	3,4	3,3	3,2	3,2	3,0	**2,7**	
Industrial production (% YoY)	-1,3	0,3	-0,9	-1,8	2,5	1,3	4,0	-0,4	3,0	0,7	7,6	3,2	**1,5**	
Constr. and assembly prod. (% YoY)	-9,4	-8,0	4,2	-0,1	-1,1	-4,2	-2,8	2,1	0,7	-7,0	0,3	4,2	**-2,0**	
PPI inflation (% YoY)	-3,8	-2,7	-1,0	-1,3	-1,0	-1,6	-1,5	-1,5	-1,3	-1,3	-1,4	-2,2	**-2,4**	
Retail sales (% YoY)	3,4	2,7	6,1	0,6	0,6	7,9	4,3	2,1	4,8	3,0	6,6	5,5	**2,5**	
Corporate sector wages (% YoY)	10,5	9,8	9,2	7,9	7,7	9,3	8,4	9,0	7,6	7,1	7,5	6,6	**6,3**	
Employment (% YoY)	-0,5	-0,6	-0,9	-0,9	-0,9	-0,8	-0,8	-0,8	-0,9	-0,8	-0,8	-0,8	**-0,9**	
Unemployment rate* (%)	5,0	5,1	5,4	5,4	5,3	5,2	5,0	5,2	5,4	5,5	5,6	5,6	**5,6**	
Current account (M EUR)	-281	-1427	-35	115	-1136	-424	-1004	-194	-1168	-3042	-725	**196**		
Exports (% YoY EUR)	-2,3	0,7	2,7	1,2	3,9	-1,2	4,9	2,7	3,0	-1,4	5,8	**5,9**		
Imports (% YoY EUR)	-0,4	3,9	10,4	4,0	10,5	6,3	6,1	0,6	2,6	-1,1	7,3	**7,6**		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland											
Indicator	2025				2026				2025	2026	2027
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	3,2	3,3	3,8	**3,8**	**3,7**	**3,5**	**3,2**	**3,0**	**3,6**	**3,6**	**3,0**
Private consumption (% YoY)	2,6	4,5	3,5	**3,5**	**2,7**	**2,8**	**3,1**	**3,3**	**3,5**	**3,1**	**3,0**
Gross fixed capital formation (% YoY)	6,4	-0,7	7,1	**7,4**	**8,6**	**10,9**	**7,2**	**6,5**	**5,8**	**8,5**	**6,6**
Export - constant prices (% YoY)	2,1	1,9	6,1	**2,8**	**4,5**	**5,8**	**5,8**	**5,3**	**4,1**	**5,5**	**5,0**
Import - constant prices (% YoY)	4,3	3,4	5,9	**2,8**	**5,0**	**6,1**	**6,5**	**6,1**	**4,8**	**6,0**	**5,5**
GDP growth contributions											
Private consumption (pp)	1,6	2,6	2,0	**1,7**	**1,7**	**1,7**	**1,8**	**1,6**	**2,0**	**1,7**	**1,7**
Investments (pp)	0,8	-0,1	1,1	**1,7**	**1,1**	**1,7**	**1,2**	**1,5**	**1,0**	**1,5**	**1,2**
Net exports (pp)	-0,9	-0,7	0,2	**0,1**	**-0,1**	**0,0**	**-0,2**	**-0,2**	**-0,2**	**-0,1**	**-0,1**
Current account (% of GDP)***	-0,4	-0,7	-0,9	**-0,9**	**-0,9**	**-1,0**	**-1,0**	**-1,0**	**-0,9**	**-1,0**	**-1,0**
Unemployment rate (%)**	5,3	5,2	5,6	**5,4**	**5,6**	**5,4**	**5,4**	**5,3**	**5,4**	**5,3**	**5,2**
Non-agricultural employment (% YoY)	0,0	0,2	0,7	**0,2**	**-0,5**	**-0,5**	**-0,5**	**-0,5**	**0,3**	**-0,5**	**-0,5**
Wages in national economy (% YoY)	10,0	8,8	7,5	**6,5**	**5,8**	**5,9**	**6,1**	**6,2**	**8,2**	**6,0**	**6,0**
CPI Inflation (% YoY)*	4,9	4,1	3,0	**2,6**	**2,2**	**2,6**	**2,7**	**3,3**	**3,6**	**2,7**	**3,0**
Wibor 3M (%)**	5,84	5,23	4,72	**4,10**	**3,85**	**3,85**	**3,85**	**3,86**	**4,10**	**3,86**	**3,86**
NBP reference rate (%)**	5,75	5,25	4,75	**4,00**	**3,75**	**3,75**	**3,75**	**3,75**	**4,00**	**3,75**	**3,75**
EURPLN**	4,19	4,24	4,26	**4,23**	**4,21**	**4,20**	**4,19**	**4,18**	**4,23**	**4,18**	**4,15**
USDPLN**	3,87	3,60	3,63	**3,62**	**3,63**	**3,68**	**3,74**	**3,80**	**3,62**	**3,80**	**3,55**

* quarterly average
** end of period
***cumulative for the last 4 quarters

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST* CA	FORECAST* CONSENSUS**
		Monday 12/08/2025				
8:00	Germany	Industrial production (% MoM)	Oct	1,3		0,4
10:30	Eurozone	Sentix Index (pts)	Dec	-7,4		-7,0
	China	Trade balance (bn USD)	Nov	90,1		100,2
		Tuesday 12/09/2025				
8:00	Germany	Trade balance (bn EUR)	Oct	15,3		15,2
		Wednesday 12/10/2025				
2:30	China	PPI (% YoY)	Nov	-2,1		-2,1
2:30	China	CPI (% YoY)	Nov	0,2		0,9
20:00	USA	FOMC meeting (%)	Dec	4,00	4,00	3,75
		Thursday 12/11/2025				
9:30	Switzerland	SNB rate decision %)	Q4	0,00		
16:00	USA	Wholesale inventories (% MoM)	Sep	0,0		0,1
16:00	USA	Wholesale sales (% MoM)	Sep	0,1		

*The forecasts of macroeconomic indicators for Poland were prepared by Credit Agricole Bank Polska S.A. The forecasts of foreign indicators were prepared by Crédit Agricole Corporate and Investment Bank

** According to Thomson Reuters, Bloomberg or Parkiet daily

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