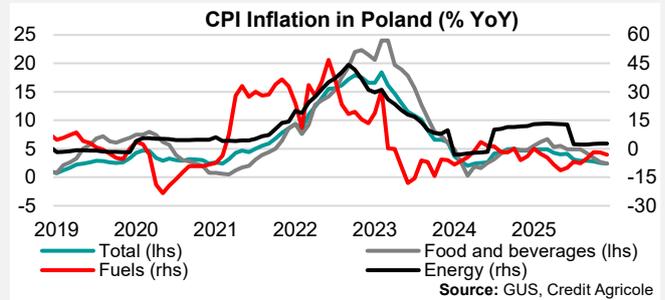


**This week**

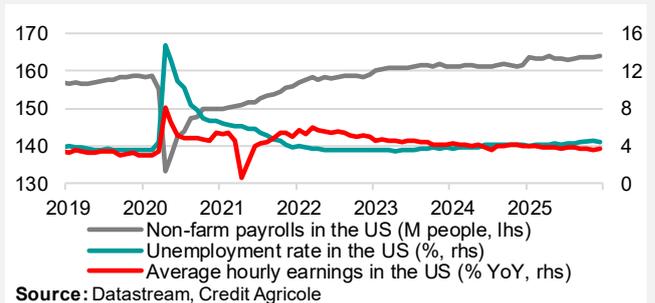
➤ **The most important event this week will be the release of January inflation data for Poland scheduled for Friday.**

In our view, inflation fell to 1.9% YoY, down from 2.4% in December. In our opinion, headline inflation was driven down by slower growth in the prices of food and fuels and lower core inflation, with an opposite impact coming from stronger growth in energy prices. We believe that the release of inflation data, which will be consistent with market consensus, will be neutral for financial markets.



➤ **Thursday will see the release of Poland’s flash GDP estimate for Q4 2025.** Based on GUS data on GDP for the whole of 2025 released two weeks ago (see MACROPulse of 30/01/2026), we expect GDP growth to have picked up to 4.0% YoY in Q4, from 3.8% in Q3 last year. Economic growth acceleration was driven by a stronger contribution of consumption and inventories, with an opposite impact coming from a slowdown in investments. We think that the publication of GDP data will be neutral for the PLN and yields on Polish bonds.

➤ **Wednesday will see the release of the delayed (due to partial government shutdown) US labour market data that was expected to be published in the previous week.** Data from the last couple of months suggested stabilisation in the US labour market. We expect this trend to continue in January (employment to go up by 90k compared with a 50k growth in December, which would translate into the strongest growth since September 2025). We expect the unemployment rate to stabilise at 4.4%. At the same time, we anticipate that the hourly wage growth rate will edge down, from 3.8% in December to 3.7% in January. Nonetheless, the rate will stay markedly above the levels seen before the pandemic and in the upper range of 3-4% reported for most of 2025. Our employment growth forecast for the US is above the market consensus (70k), so if it materialises, it will have a slight negative effect on the PLN and the prices of bonds. Data released last week (weak ADP and Challenger reports) carry a slight downside risk to our employment forecast. CPI inflation data for January will be released on Friday. We expect CPI inflation to stabilise at 2.6% YoY, and such is also the market consensus.



**Last week**

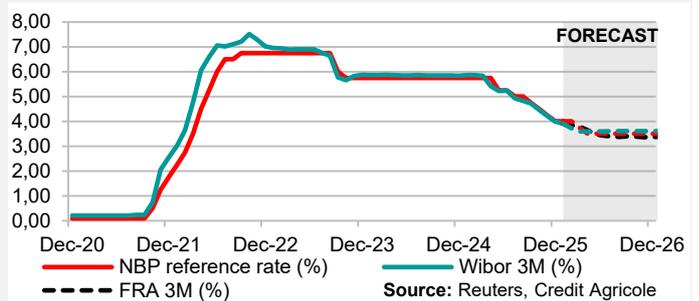
➤ **Some important data on German economy were released last week.**

Monthly growth in orders in German manufacturing accelerated in December to 7.8% MoM, from 5.7% in November (upward revision from 5.6%), coming in markedly ahead of market expectations (-2.5%). Both domestic and foreign



orders contributed to a stronger growth in new orders. The pickup in new foreign orders was driven by higher growth in non-Eurozone orders, while the growth in orders from the single currency area slightly slowed. Nonetheless, it should be emphasised that new orders in Germany grew for the fourth month running, with December marking the second consecutive month with growth exceeding 5% month-on-month. The data for December also shows a new record high in terms of value of new orders in the “weapons and ammunition” category (see diagram). This growth is likely due to the acceleration of orders within the Bundeswehr modernisation programme and the usual end-of-year concentration of formal bookings of large defence contracts. Industrial production in Germany fell by 1.9% MoM in December, following a 0.2% growth in November, coming in markedly below market expectations of -0.3%. Given the data on orders in industry and exports (a 4.0% MoM growth in December vs. a 2.5% drop in November) and improvement in manufacturing mirrored by rising PMIs (see MACROmap of 26/01/2026), we believe that the decline in industrial production was a one-off event.

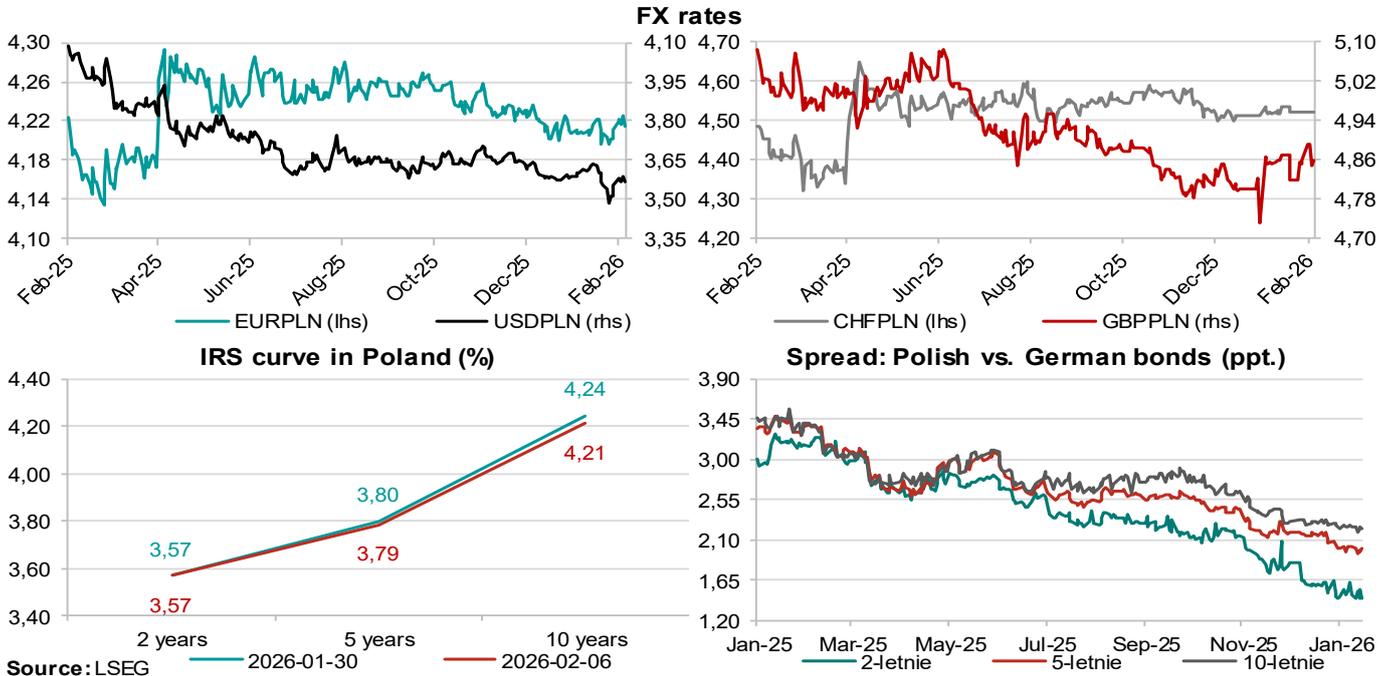
✓ **Last week, the Monetary Policy Council kept the interest rates unchanged, leaving the NBP reference rate at 4.00%, which means that the February rate cut that we and many analysts had anticipated did not take place (see MACROPulse of 04/02/2026).** The decision came as a result of the absence of new inflation



data and the Council’s intention to wait until the March macroeconomic projection is released. We believe that inflation in January went markedly down (see above), and the inflation trajectory in the March projection will be revised downwards versus November. Consequently, we still believe that the MPC will ease the monetary policy, cutting interest rates by a total of 50bp, but this will happen a little later than we initially thought (two 25bp cuts in March and April instead of February and March). The scenario outlined above was underpinned at the press conference following the MPC meeting by NBP Governor A. Glapiński, who said that March could be the right time to make cuts provided that the projection does not show any material inflation risks. At the same time, he mentioned 3.50% as a potential terminal reference rate, which is consistent with our revised scenario.

✓ **The European Central Bank left interest rates unchanged last week, maintaining its data-driven and meeting-by-meeting decision-making approach in its communication.** The ECB Governing Council also noted that it monitors the EUR rate, but the recent fluctuations were not significant enough to materially affect the core inflation trajectory or justify a monetary policy reaction. In the medium term, the anticipated upturn and possible re-emergence of price and wage pressures underpin our scenario assuming a 25bp rate hike in Q1 2027.

**Poland's inflation data in the spotlight**

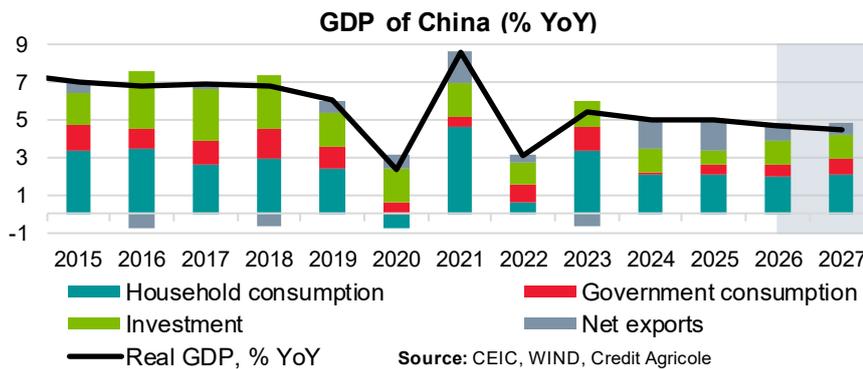


Last week, domestic asset valuations were influenced primarily by the MPC meeting and investors taking positions amid the expectations of potential interest rate cuts by the MPC. In the first part of the week, the PLN was stable, and IRS rates went slightly down, reflecting the monetary policy easing expectations. The decision to keep the rates unchanged resulted in a short-term, technical adjustment of market rates and a slight PLN appreciation. On Thursday, the PLN slightly weakened due to the increasing pressure on regional currencies driven by subdued global sentiment and increased risk aversion. A slight adjustment was then seen on Friday.

This week, the market's focus will be on Friday's release of January inflation data for Poland. If the inflation prints markedly ahead of market consensus and our forecast, market expectations concerning interest rate cuts in Poland will decline, the PLN will appreciate, and the IRS rates will go up. The release of US labour market data planned for Wednesday, which may weaken the PLN and drive the IRS rates up will be of key importance for the markets.

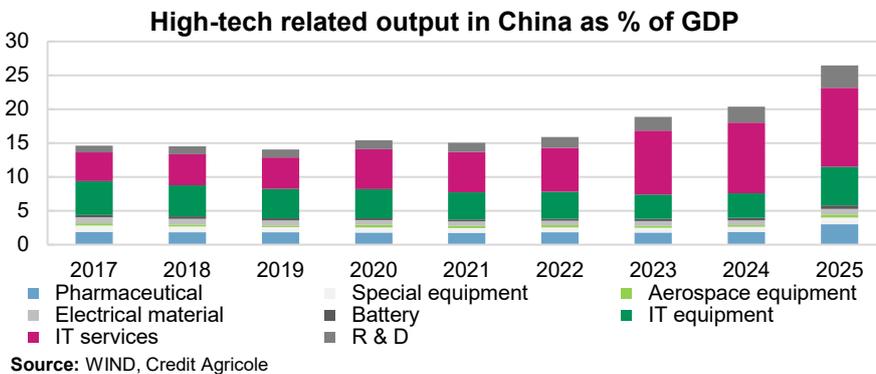
## China in 2026: pragmatic gradualism

China’s GDP growth came in at 4.5% YoY in Q4 last year, down from 4.8% YoY in Q3. This means that full-year GDP growth stood at around 5.0% (the same as in 2023-2024), in line with the government’s target. We think it is increasingly likely that the official growth target for 2026 will be lowered to the 4.5-5.0% range. In our view, the Chinese government will gradually adjust its economic policy, shifting away from maximising GDP growth towards achieving more balanced economic growth. Below we present our macroeconomic scenario for China in 2026.



We forecast that China’s GDP growth rate will edge down to 4.7% YoY in 2026, implying a continuation of a moderate, controlled slowdown. We expect activity growth (in quarterly terms) to be relatively stronger in H1 2026, supported by the stepped-up policy easing since Q4 2025, continued strong global demand for advanced tech products made in China, our

assumption of no further escalation in US-China tensions, and improved equity market sentiment. These factors should translate into a gradual recovery in domestic demand, including investment, after the slowdown in investment growth in H2 2025. At the same time, in YoY terms, GDP growth may be higher in H2 2026 than in H1, mainly due to statistical base effects.



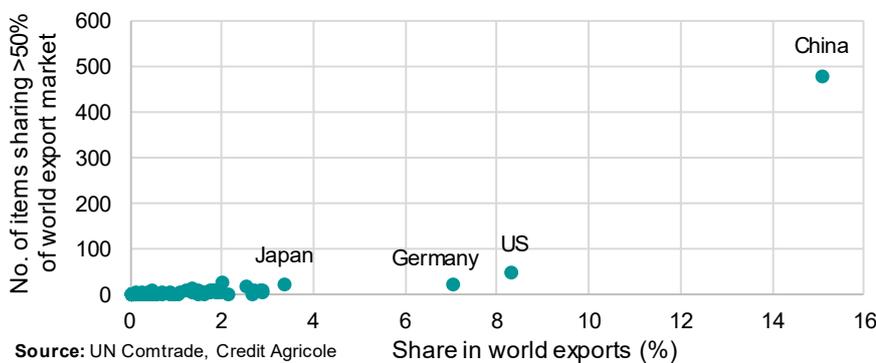
China’s development strategy under the 15th Five-Year Plan (2026-2030) places strong emphasis on technological innovation and industrial upgrading. A key priority remains the development of advanced sectors – semiconductors, artificial intelligence, new technologies related to renewable energy, automation and modern digital

services – which are intended to boost productivity and reduce reliance on traditional, less efficient branches of the economy. The authorities have also signalled their intention to build a more unified domestic market and to gradually strengthen the role of private consumption in growth, though in our view this rebalancing will proceed only gradually.

China’s goods exports remained surprisingly resilient in 2025, despite higher US tariffs and persistent geopolitical tensions. Exports rose by 5.5% YoY, only slightly slower than 5.8% in 2024, even though exports to the US fell by around 20%. This decline was more than offset by roughly 10% export growth to other markets, resulting in the highest trade surplus-to-GDP ratio since 2008 (6.1% of GDP). The product mix confirms China’s continued move up the global value chain as growth was concentrated in higher value-added and technologically advanced segments such as semiconductors, vehicles (including EVs) and ships, while traditional consumer goods (clothing, toys, furniture) performed relatively weakly. Looking



Source: General Administration of Customs of PRC, Credit Agricole



Source: UN Comtrade, Credit Agricole

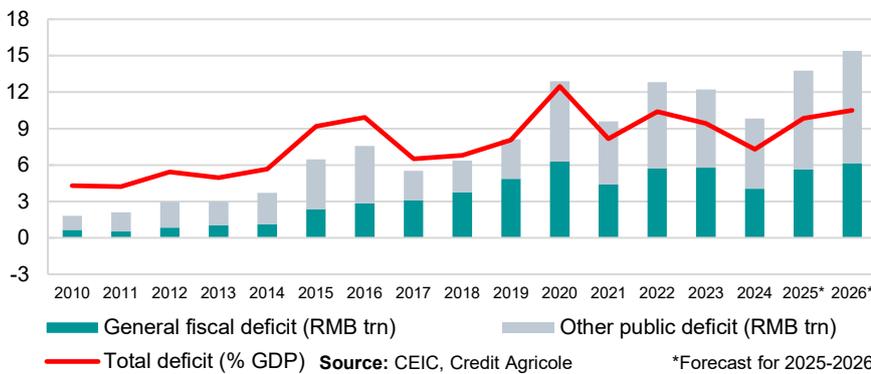
ahead to 2026, the fundamentals of export competitiveness remain favourable. Extensive production capacity, high cost efficiency, diversified export markets and deep integration into global supply chains should allow China to maintain a high share of global trade. Additional support should come from sustained investment demand in new technologies, especially AI.

At the same time, we see several factors limiting the potential for a further acceleration in exports. First, a high base linked to earlier frontloading of shipments, driven by concerns of further tariff hikes, could temporarily lower annual export growth rates. Second, manufacturing overcapacity in selected industries and China’s active industrial policy are

intensifying trade tensions as some trading partners are considering introducing tariffs or non-tariff barriers to protect domestic markets. Economies that have announced new tariff barriers or increases in existing ones include, among others, the European Union, Japan and Brazil, including in sectors linked to green energy and strategic technologies. In addition, the US and some Western countries are stepping up efforts to strengthen supply chain security, including reducing dependence on China in critical raw materials (e.g. rare earths). At the same time, the Chinese government itself is taking steps that may help ease trade tensions. In response to mounting overcapacity in key industrial sectors, China is deploying increasingly direct and selective industrial policy tools. In sectors such as photovoltaics, lithium-ion batteries, steel and non-ferrous metals, export incentives are being reduced (including cuts or removal of VAT rebates for solar panels and batteries), production caps are being introduced, and higher technological and safety standards are being imposed, supporting market consolidation and the exit of the least efficient players. In parallel, the government is strengthening control over manufacturing capacity through more centralised management, taking greater oversight of approvals for new investment in “new energy” sectors and curbing the previous expansion by local authorities competing with one another, in order to better align supply with global demand. These efforts are complemented by the anti-involution campaign, under which – together with industry associations – price self-discipline is being promoted (including agreements by battery and EV manufacturers not to sell below cost) and strict standards for energy and water use as well as minimum thresholds for technological efficiency are being introduced. Businesses that fail to meet these criteria lose access to subsidies and preferential financing. As a result, industrial policy is increasingly shifting away from simply supporting production scale towards a controlled reduction of excess capacity and an improvement in sector profitability, which should reduce deflationary pressures and ease trade tensions with foreign partners. We forecast that net exports will add around 1.0 pp. to GDP growth in 2026, down from 1.4 pp. in 2025. This implies a gradual shift from a model heavily supported by external demand towards a more balanced mix, although exports will remain one of the main drivers of growth.

Incoming macroeconomic data confirm divergent trends between relatively strong external demand and weak domestic demand. For this reason, in H2 2025 the authorities began to intensify fiscal and quasi-

fiscal measures again. In our view, this should translate into a moderate rebound in domestic demand in H1 2026. Over 2026 as a whole, we expect a slight improvement in domestic demand growth, with a rebound in investment as the key driver. The decline in investment growth in H2 2025 reflected the combined impact of policies aimed at curbing excessive investment (see above), strains in local government finances and a shortage of investable projects. In 2026, the situation should improve thanks to new programmes aimed at expanding strategic infrastructure, particularly in high-tech sectors (digitalisation, energy, AI). We forecast that gross fixed capital formation will rise by 3.4% YoY in 2026, from an estimated 2.0% in 2025. Meanwhile, consumption growth may slow slightly to 4.3% YoY in 2026 from 4.7% in 2025, reflecting continued household caution as well as the negative impact of falling property prices on the propensity to consume (the wealth effect). Nonetheless, consumption will remain the main driver of growth, accounting for around 51.3% of overall GDP growth of 4.7% (vs. 52.0% in 2025), while the contribution of investment will rise to 27.5%, clearly above 15.3% a year earlier.

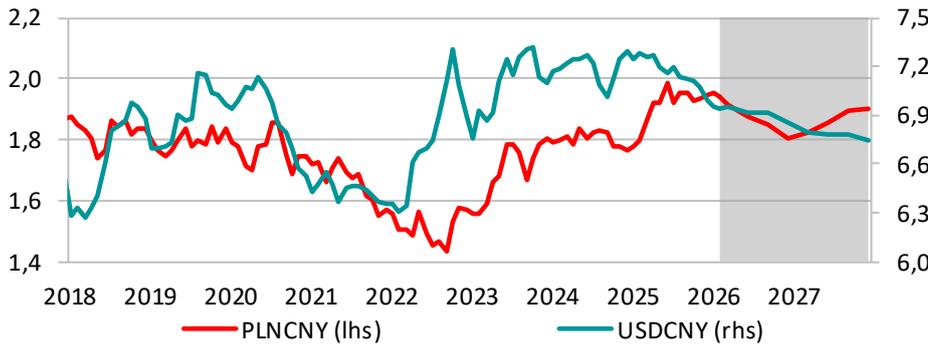


Government strategic documents confirm a growing emphasis on strengthening domestic demand as the main pillar of growth, in particular through supporting private consumption. Announced measures include, among others, supporting employment and income growth, expanding the social security system, subsidising the supply of consumption services

(transport, tourism, care for older people and children, culture and recreation), and maintaining fiscal subsidies for durable goods. However, we believe the scale of these measures in 2026 will remain relatively limited. In our view, the government aims to preserve fiscal space in case of unexpected external shocks (geopolitical or trade-related), which points to a strategy of gradual, targeted support rather than a broad-based stimulus package. We estimate that China has additional room to increase the deficit by 0.3-0.5 pp. of GDP in H2 2026 if external conditions deteriorate.

We assess that the People’s Bank of China is not currently under pressure to deliver rapid and aggressive monetary easing. Recent macro data – including sentiment indicators, inflation, foreign trade and credit growth – remain relatively stable, and investor sentiment towards Chinese assets has improved in recent months. Inflation in China remained low in 2025, with average CPI inflation at 0%, but in the second half of the year a gradual uptrend was visible: in Q4, headline CPI inflation rose to 0.6% YoY and core inflation to 1.2% YoY, the highest level since 2022. In 2026, alongside a recovery in domestic demand and continued macro policy support, we expect inflation to rise further, albeit gradually: average CPI inflation should reach 0.6% YoY in 2026 and 1.0% in 2027. Against this backdrop, the central bank can afford a more balanced approach, avoiding sharp stimulus measures. We maintain our scenario of moderate policy rate cuts totalling 10-20bp in 2026, alongside a reduction in the reserve requirement ratio by around 50bp. The most likely timing for such a move is Q2 2026, when the effects of the earlier slowdown in domestic demand and still-low inflationary pressures may justify additional monetary easing.

China in 2026: pragmatic gradualism



Source: LSEG, Credit Agricole

The Chinese yuan appreciated at the end of 2025, and this trend continued in early 2026, with both the fixing and the spot USDCNY rate falling below 7.0 for the first time since 2023. In 2026, we see room for further gradual CNY appreciation. We believe the recent shift in the central bank's stance, tolerating moderate appreciation, may persist.

Support for the CNY also comes from export resilience, especially in tech sectors, and the continued trend of exporters converting USD revenues into the domestic currency. In addition, the relative attractiveness of Chinese assets – both equities and government bonds – may support portfolio inflows, particularly amid rising geopolitical concerns and high valuations in US markets. Such capital flows provide an additional source of demand for the CNY. From a policy perspective, moderate currency appreciation is also beneficial as it mitigates trading partners' complaints about excessive price competition. At the same time, the authorities signal that they will manage the exchange rate in a way that avoids excessive appreciation expectations and elevated market volatility. As a result, we expect the USDCNY exchange rate to stand at 6.86 at the end of 2026 and 6.75 at the end of 2027. Consequently, we forecast PLNCNY at 1.81 at the end of 2026 and 1.90 at the end of 2027.

This content has been prepared based on the report "China in 2026: pragmatic gradualism", authored by X. Zhi, E. Cheung and J. Zhang, economists at Crédit Agricole Corporate and Investment Bank.

## Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
NBP reference rate (%)	5,75	5,75	5,75	5,75	5,25	5,25	5,00	5,00	4,75	4,50	4,25	4,00	4,00	4,00
EURPLN*	4,21	4,19	4,19	4,27	4,24	4,24	4,27	4,26	4,26	4,25	4,23	4,21	4,21	4,20
USDPLN*	4,06	4,04	3,87	3,77	3,74	3,60	3,74	3,64	3,63	3,68	3,65	3,58	3,55	3,51
CHFPLN*	4,46	4,46	4,38	4,56	4,54	4,53	4,60	4,55	4,56	4,57	4,53	4,51	4,52	4,59
CPI inflation (% YoY)	4,9	4,9	4,9	4,3	4,0	4,1	3,1	2,9	2,9	2,8	2,5	2,4	1,9	
Core inflation (% YoY)	3,7	3,6	3,6	3,4	3,3	3,4	3,3	3,2	3,2	3,0	2,7	2,7	2,5	
Industrial production (% YoY)	-0,9	-1,8	2,5	1,3	4,0	-0,4	3,0	0,7	7,6	3,2	-1,1	7,3	3,0	
Constr. and assembly prod. (% YoY)	4,2	-0,1	-1,1	-4,2	-2,8	2,1	0,7	-7,0	0,3	4,2	0,1	4,4	-7,0	
PPI inflation (% YoY)	-1,0	-1,3	-1,0	-1,6	-1,5	-1,5	-1,3	-1,3	-1,4	-2,2	-2,3	-2,5	-2,4	
Retail sales (% YoY)	6,1	0,6	0,6	7,9	4,3	2,1	4,8	3,0	6,6	5,5	2,8	5,0	1,5	
Corporate sector wages (% YoY)	9,2	7,9	7,7	9,3	8,4	9,0	7,6	7,1	7,5	6,6	7,1	8,6	7,7	
Employment (% YoY)	-0,9	-0,9	-0,9	-0,8	-0,8	-0,8	-0,9	-0,8	-0,8	-0,8	-0,8	-0,7	-0,7	
Unemployment rate* (%)	5,4	5,4	5,3	5,2	5,0	5,2	5,4	5,5	5,6	5,6	5,6	5,7	6,0	
Current account (M EUR)	-35	115	-1136	88	-711	-262	-1571	-2239	-408	2053	-460	-658		
Exports (% YoY EUR)	2,7	1,2	3,9	-0,6	5,5	3,3	3,5	-0,9	6,2	5,5	2,7	13,7		
Imports (% YoY EUR)	10,4	4,0	10,5	7,6	7,3	1,9	2,7	-1,0	7,4	2,9	3,1	9,2		

\*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	4,0	3,9	3,7	3,5	3,3	3,6	3,6	3,0	
Private consumption (% YoY)	2,6	4,5	3,5	4,2	3,2	3,1	3,0	2,9	3,7	3,1	3,0	
Gross fixed capital formation (% YoY)	6,4	-0,7	7,1	4,3	8,4	10,9	7,9	7,7	4,2	8,5	6,6	
Export - constant prices (% YoY)	2,1	1,9	6,1	6,5	5,2	5,8	5,8	5,3	4,2	5,5	5,0	
Import - constant prices (% YoY)	4,3	3,4	5,9	5,5	5,2	6,1	6,5	6,1	4,8	6,0	5,5	
GDP growth contributions	Private consumption (pp)	1,6	2,6	2,0	2,1	2,0	1,8	1,7	1,4	2,1	1,7	1,7
	Investments (pp)	0,8	-0,1	1,1	1,0	1,1	1,7	1,3	1,8	0,7	1,5	1,2
	Net exports (pp)	-0,9	-0,7	0,2	0,2	0,2	0,0	-0,2	-0,2	-0,3	-0,1	-0,1
Current account (% of GDP)***	-0,4	-0,7	-0,8	-0,7	-0,8	-0,8	-0,9	-0,9	-0,7	-0,9	-1,0	
Unemployment rate (%)**	5,3	5,2	5,6	5,7	5,9	5,5	5,5	5,6	5,7	5,6	5,5	
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	1,8	2,2	2,2	2,7	3,6	2,2	3,0	
Wibor 3M (%)**	5,84	5,23	4,72	3,99	3,60	3,60	3,61	3,61	3,99	3,61	3,61	
NBP reference rate (%)**	5,75	5,25	4,75	4,00	3,75	3,50	3,50	3,50	4,00	3,50	3,50	
EURPLN**	4,19	4,24	4,26	4,21	4,21	4,20	4,19	4,18	4,21	4,18	4,15	
USDPLN**	3,87	3,60	3,63	3,58	3,63	3,68	3,74	3,80	3,58	3,80	3,55	

\* quarterly average

\*\* end of period

\*\*\*cumulative for the last 4 quarters

**Calendar**

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
<b>Monday 02/09/2026</b>						
10:30	Eurozone	Sentix Index (pts)	Feb	-1,8		-0,1
<b>Tuesday 02/10/2026</b>						
14:30	USA	Retail sales (% MoM)	Dec	0,6	0,4	0,4
16:00	USA	Business inventories (% MoM)	Nov	0,3		
<b>Wednesday 02/11/2026</b>						
2:30	China	PPI (% YoY)	Jan	-1,9		-1,5
2:30	China	CPI (% YoY)	Jan	0,8		0,3
14:30	USA	Unemployment rate (%)	Jan	4,4	4,4	4,4
14:30	USA	Non-farm payrolls (k MoM)	Jan	50	90	70
<b>Thursday 02/12/2026</b>						
<b>10:00</b>	<b>Poland</b>	<b>Flash GDP (% YoY)</b>	<b>Q4</b>	<b>3,8</b>	<b>4,0</b>	<b>4,0</b>
16:00	USA	Existing home sales (M MoM)	Jan	4,35	4,21	4,20
<b>Friday 02/13/2026</b>						
<b>10:00</b>	<b>Poland</b>	<b>CPI (% YoY)</b>	<b>Jan</b>	<b>2,4</b>	<b>1,9</b>	<b>1,9</b>
11:00	Eurozone	GDP flash estimate (% YoY)	Q4	1,3	1,3	1,3
11:00	Eurozone	Preliminary GDP (% QoQ)	Q4	0,3	0,3	0,3
<b>14:00</b>	<b>Poland</b>	<b>Current account (M EUR)</b>	<b>Dec</b>	<b>-460</b>	<b>-658</b>	<b>-1251</b>
14:30	USA	Core CPI (% MoM)	Jan	0,2	0,3	0,3
14:30	USA	CPI (% MoM)	Jan	0,3	0,3	0,3

\*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