



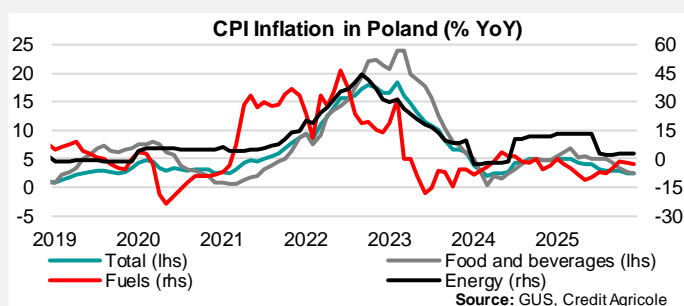
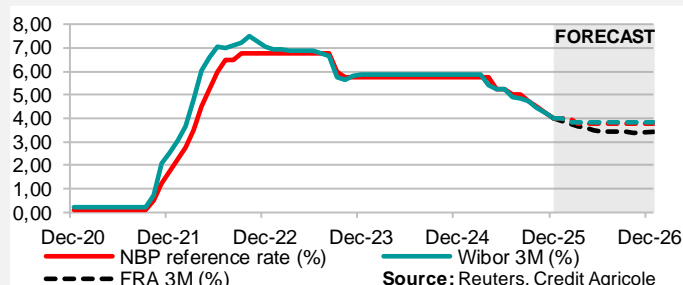


This week

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The most important event this week will be the Monetary Policy Council's meeting scheduled for Wednesday. We expect the MPC to keep the interest rates unchanged, so the NBP reference rate will stay at 4.00%. Our expectation of the status quo in the monetary policy is underpinned by comments made by the NBP Governor at his press conference following the MPC meeting in December, who said that he would be happy if the reference rate was kept at the present level, which he considers *"perfect"*, for a long time. Nonetheless, he noted that any further rate cuts will depend on other MPC members, who might prefer to see lower interest rates. Given those statements, our scenario remains as it was: we expect one more 25bp rate cut in Q1 2026, which will be the final one in this cycle. We do not expect the press release after the meeting to change much compared to the one published in December. A decision to keep the rates unchanged would be consistent with market consensus, and thus it should be neutral for the PLN and yields on Polish bonds. However, there is a risk that interest rates might still be cut this week, and this would be consistent with a statement made by MPC member I. Dąbrowski last week, who said that, in his view, there is a 50% likelihood that monetary policy might be eased in the January meeting. The NBP Governor's usual press conference will be held on Thursday, so it will shed more light on Poland's monetary policy prospects. We believe that the conference may increase volatility in PLN exchange rates and yields on Polish bonds.
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Some important data from the US will be released this week. We anticipate that CPI inflation did not change between November and December, standing at 2.7% YoY. At the same time, in our view, core inflation edged up from 2.6% YoY in November to 2.7% in December. We expect the nominal retail sales to have grown by 0.4% MoM in December compared with no change in November. We expect the industrial production growth to have slowed from 0.2% in November to 0.1% in December, which will be consistent with sentiment survey results. In our view, the data on existing-home sales (4.25m in December vs. 4.13m in November) and the overdue release of new home sales figures (711k in October vs. 700k in September) will show that the activity in US housing market is still subdued. In our opinion, this week's inflation data from the US will be neutral for financial markets.
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Final inflation data for Poland will be released on Thursday. We expect the December inflation data to mirror the flash estimate published by the GUS, so the inflation will print at 2.4% YoY vs. 2.5% in November. In accordance with the preliminary data, inflation was driven down by slower price growth in "food and non-alcoholic beverages" and "fuels" categories. Higher core inflation, which we estimate to have increased from 2.7% YoY in November to 2.8-2.9% in December had the opposite impact. In our opinion, the final data on inflation will be neutral for the PLN and the yields on Polish bonds.
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China's foreign trade figures will be released on Wednesday. In our view, trade balance increased from USD 111.7bn in November to USD 114.1bn in December, while imports growth slowed from 1.9% YoY in November to 0.5% in December, mirroring the still weak domestic demand and unfavourable base effects. Exports growth is most likely to have slowed from 5.9% YoY in November to 3.0% in December, mainly due to the base effects despite a continued,



relatively strong foreign demand, particularly in the segments of technology and automotive goods. In our opinion, the data from China will be largely neutral for financial markets.

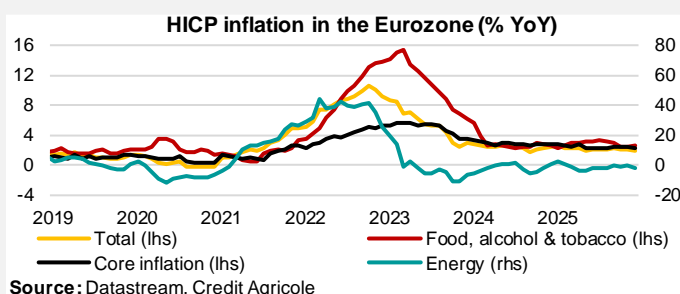
✓ **Data on Poland's balance of payments will also be published on Friday.** We expect the surplus on the current account to have contracted to EUR 1,654m in November, from EUR 1,924m in October. We believe that both exports and imports growth slowed between October and November, largely due to unfavourable calendar effects, from 5.4% YoY to 2.8% and from 2.4% to -1.2%, respectively. In our opinion, the data on the balance of payments will be neutral for the PLN and the yield on Polish bonds.

Last week

✓ **In accordance with the flash estimate, inflation in the Eurozone edged down to 2.0% YoY in December, from 2.1% in November, printing in line with market expectations and our forecast.**

Inflation was driven down primarily by slower growth in the prices of energy and lower core inflation, which went down from 2.4% YoY in November to 2.3% in December. The data also highlight the persistent, relatively high growth rate of services prices (3.4% YoY in December vs. 3.5% in November). We expect core inflation to follow the downward trend in the months to come, and reach approx. 2.0% YoY in Q2. It is consistent with our scenario in which the ECB will make the first 25bp rate hike in March 2027 in response to inflation rise in early 2027, and then another one, also by 25bp, in September 2027. Consequently, the key interest rate will reach 2.50% at the end of 2027.

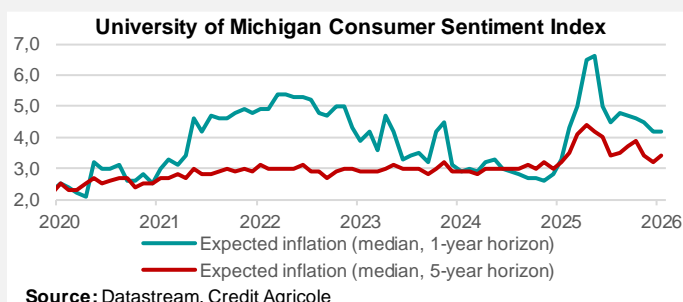
✓ **Important data on the German economy was released last week.** Industrial production increased by 0.8% MoM in November, following a 2.0% rise in October, coming in clearly above market expectations (-1.0%). The slowdown in industrial output growth reflected weaker output in energy and construction, while higher growth in manufacturing had the opposite effect. Last week also saw the release of data on German manufacturing orders, with the monthly growth rate rising to 5.6% MoM in November from 1.6% in October, coming in well above market expectations of -1.0%. The faster increase in new orders was driven by stronger foreign orders, while domestic orders weakened. The pickup in foreign orders reflected higher growth in orders both from the Eurozone and from outside the single currency area. At the same time, it is worth noting that a significant source of the increase in new orders was a further rise in the "other transport equipment" category (12.3% MoM in November vs 86.6% in October), despite a strong high-base effect from the previous month. This category is characterised by high volatility due to the large value of individual orders (it includes, among other things, ships, aircraft and rail rolling stock). Data on Germany's foreign trade was also published last week, with the trade surplus narrowing to EUR 13.1bn in November from EUR 17.2bn in October, coming in well below market expectations (EUR 16.5bn). At the same time, export growth declined (-2.5% MoM in November vs 0.3% in October) and import growth increased (0.8% vs -1.5%), coming in below and above market expectations respectively (0.0% for exports and 0.5% for imports). Particularly noteworthy in the data is the increasing imports from China, which underpins our conclusion that China is redirecting its exports to other markets amid increasingly strained trade relationships with the US (see MACROmap of 05/01/2026). The data from the German economy published last week does not change our forecast, according to which quarterly GDP growth in Germany



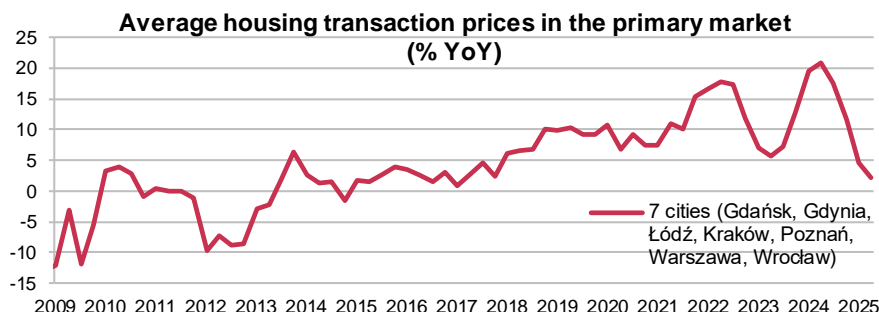
increased to 0.1% QoQ in Q4 from -0.1% in Q3. We forecast that GDP in Germany grew by 0.3% in 2025, following a decline of 0.5% in 2024.

✓ **Last week, important data from the US economy was released.**

Non-farm payrolls increased by 50k in December, following a rise of 56k in November (revised down from 64k), and came in below market expectations (60k). The strongest employment gains were recorded in leisure and hospitality (+47.0k) and in education and health services (+41.0k). By contrast, the sharpest decline in employment was seen in retail trade (-25.0k). Meanwhile, the unemployment rate fell to 4.4% in December from 4.5% in November (revised down from 4.6%), coming in below market expectations (4.5%). Average hourly earnings growth accelerated to 3.8% YoY in December from 3.6% in November (revised up from 3.6%), coming in above market expectations (3.6%), signalling that wage pressures in the US economy remain moderately strong. Last week also saw the release of manufacturing sentiment survey results. The ISM index declined to 47.9 pts in December from 48.2 pts in November, coming in below market expectations (48.3 pts). The drop in the index reflected lower contributions from 2 out of its 5 components (production and inventories), while higher contributions from employment, new orders and supplier deliveries had the opposite effect. It is worth noting that the ISM index has remained below the 50-pt threshold for 10 months, signalling weakening activity in US manufacturing. Last week, the ISM Services PMI was also released, showing an increase from 54.4 pts in December from 52.6 pts, exceeding market expectations of 52.3 pts. The rise was driven by higher contributions from 3 out of its 4 components (business activity, new orders and employment), while a lower contribution from supplier deliveries had the opposite effect. Meanwhile, the preliminary University of Michigan index rose to 55.6 pts in January from 54.0 pts in December, above market expectations (53.5 pts). The increase reflected gains in both components: the current conditions and expectations sub-indices. The median one-year inflation expectation published alongside the University of Michigan index was unchanged in January compared with December, at 4.2%, and averaged 4.8% in 2025. Due to GDP growth in Q3 being higher than we had expected, pointing to persistently strong consumer demand, we revised up our US GDP path. We now forecast that annualised GDP growth was 1.0% in Q4 (0.8% before the revision). At the same time, we expect GDP to have grown by 2.1% in 2025 (1.9% previously), and to increase by 2.3% in 2026 (2.1% previously).

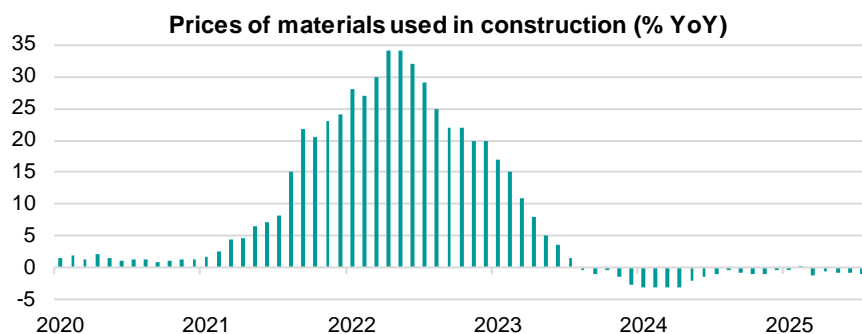


Housing price growth set to accelerate



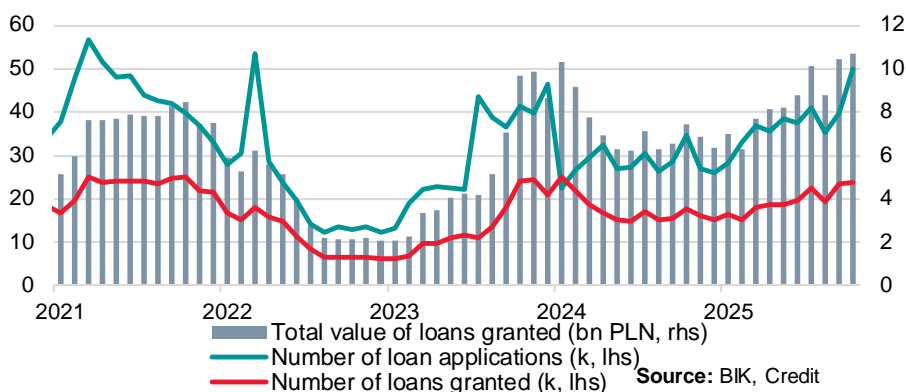
Source: NBP, Credit Agricole

fell by 0.7% QoQ in Q3 2025, following a 0.5% rise in Q2. It is worth noting that price developments varied significantly across individual cities. In Q3, housing prices increased in Gdańsk and Gdynia, while the remaining cities covered by the survey recorded a decline in property prices. It is also worth noting that Warsaw was the only market where house prices fell in all three quarters of 2025. Below we present our house price forecast for the seven largest Polish cities for the coming quarters.



Source: PBS, Credit Agricole

unemployment rate simultaneously captures many labour-market determinants of housing demand such as wage growth, credit capacity and job security concerns, etc. The third variable is the prices of materials used in construction, which represent construction costs reflected in final property prices. Notably, prices of materials used in construction have been falling since August 2023, which will hold back the rise in housing prices in the coming months. This effect is, however, limited. Firstly, the declines have been small, as over the past year they have not exceeded 2% YoY. Secondly, our modelling indicates that a 10% drop in price of materials translates into only about a 2% decline in housing prices.



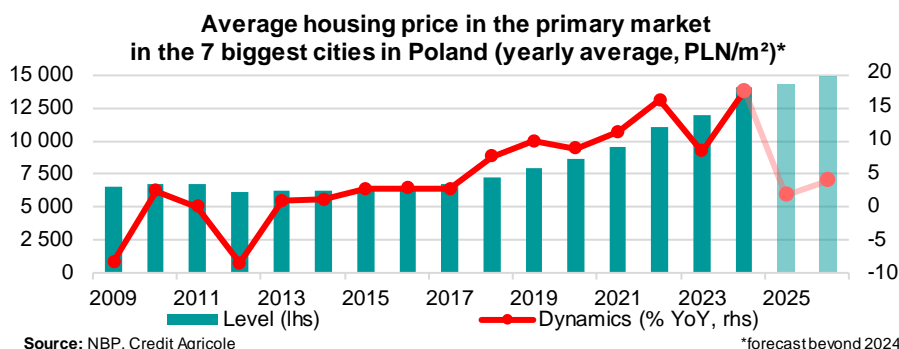
Source: BIK, Credit

In the MACROmap of 06/10/2025, we presented our medium-term forecast for housing prices. At the time, we expected prices to remain relatively stable by historical standards (an increase of only 1% QoQ in Q3 2025). This forecast has materialised only partially. According to NBP data, the average transaction price on the primary market in Poland's seven largest cities (Gdańsk, Gdynia, Łódź, Kraków, Poznań, Warsaw, Wrocław)

Our econometric model, which we use to explain the annual growth rate of housing prices, primarily incorporates demand-side, and price and cost factors. Its explanatory variables include lagged price growth, which reflects the housing market's inertia. The second variable is the LFS unemployment rate, which in the model represents how changes in demand for housing affect prices. The

Due to correlations with other explanatory variables, our econometric model does not explicitly include interest rate changes as a factor affecting the housing market. Nevertheless, it is worth noting that the interest rate cuts implemented by the NBP in recent quarters have contributed to a rise in the number of people interested in buying a home.

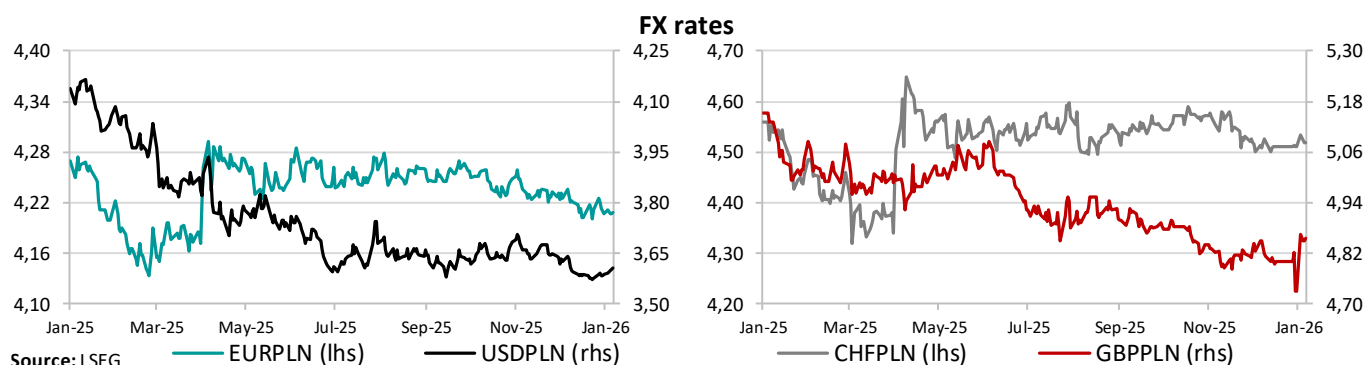
According to BIK data, both the number of mortgage loans granted and their total value increased in June-October 2025 at a rate exceeding 30% YoY (see chart). At the same time, it is vital to note that stronger household demand will put upward pressure on prices, although the scale of this effect will be partly limited by the large stock of unsold units on the primary market, which strengthens buyers' bargaining position. According to a JLL report, the number of homes offered for sale in Poland's largest cities fell by 1.5 thousand units in Q3 compared with Q2, but still remained close to record levels, at over 60 thousand. Moreover, the recent slowdown in price growth has been curbing demand from speculators purchasing units not to satisfy housing needs but in anticipation of further price increases.



Taking into account the econometric modelling results and our expert assessment, we expect a slight increase in housing prices in Q4 2025 (around 0.5% QoQ), driven by a recovery in demand relative to previous quarters. In 2026, we forecast an acceleration of housing price growth due to a favorable macroeconomic backdrop (a clear economic upturn, strong wage

growth, and low unemployment), which provides fundamental support for housing demand. Another factor cushioning any potential decline in prices is still significant unmet housing needs. Despite an increase in the number of units available on the market in recent years, the number of dwellings per 1,000 people in Poland remains well below the EU average. In addition, comparing data on the number of households and housing supply, we estimate that Poland's overall housing deficit currently stands at around 1.3 million units (see MACROmap of 27/10/2025). A further driver of price growth will be rising costs in construction, materialising amid stronger absorption of EU funds. Higher costs will result both from increasing prices of materials used in construction and from higher wages reflecting labour shortages. Moreover, increasingly stringent regulatory and technical requirements are consistently pushing construction costs higher. The new technical requirements include, among others, higher standards of energy efficiency, accessibility and safety requirements, often necessitating the use of more expensive materials and technologies. These factors require higher capital expenditure and raise break-even points for primary market projects, exerting upward pressure on prices. In summary, we forecast average annual housing price growth of 1.6% YoY in 2025 and 3.8% in 2026 (see chart).

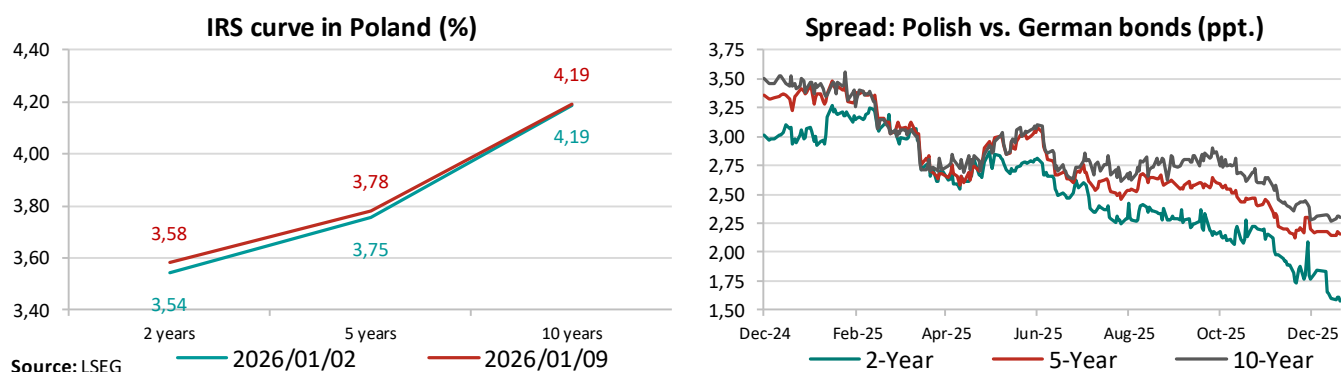
USD resilient to events in Venezuela



Last week, the EURPLN rate increased to 4.2110 (a 0.1% weakening of the PLN). Throughout the week, EURPLN remained stable at around 4.21, supported by subdued investor activity. Early in the week, the USD weakened against the EUR, which can be partly attributed to heightened uncertainty surrounding developments in Venezuela. In the days that followed, however, the trend reversed and the USD more than recouped its earlier losses. The release of US labour market data had no material impact on the market.

This week, the key factor for the PLN will be Wednesday's MPC decision on interest rates. While we believe the MPC will most likely keep rates unchanged, a potential cut could weaken the PLN. The Polish currency will also be influenced by NBP Governor A. Głapiński's customary press conference scheduled for Thursday, which may add to its volatility. In our view, the other macroeconomic releases scheduled for this week will be neutral for the PLN.

NBP Governor's press conference in the market's spotlight



Last week 2-year IRS rates rose to 3.58 (up by 4bp), 5-year to 3.78 (up by 3bp), and 10-year to 4.19 (no change). Throughout the week, IRS rates showed low volatility, supported by thin liquidity during the holiday and New Year period.

This week, the key factor for IRS rates will be Wednesday's MPC decision on interest rates. Although we expect the MPC to leave rates unchanged, a potential cut could push IRS rates lower. This week, the market's focus will also be on NBP Governor A. Głapiński's customary press conference scheduled for Thursday, which may add to IRS rate volatility. We expect the remaining macroeconomic releases scheduled for this week to have no material impact on the curve.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	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	Jan-26
NBP reference rate (%)	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	4,00
EURPLN*	4,27	4,21	4,19	4,19	4,27	4,24	4,24	4,27	4,26	4,26	4,25	4,23	4,21	4,22
USDPLN*	4,13	4,06	4,04	3,87	3,77	3,74	3,60	3,74	3,64	3,63	3,68	3,65	3,58	3,61
CHFPLN*	4,54	4,46	4,46	4,38	4,56	4,54	4,53	4,60	4,55	4,56	4,57	4,53	4,51	4,53
CPI inflation (% YoY)	4,7	4,9	4,9	4,9	4,3	4,0	4,1	3,1	2,9	2,9	2,8	2,5		2,4
Core inflation (% YoY)	4,0	3,7	3,6	3,6	3,4	3,3	3,4	3,3	3,2	3,2	3,0	2,7		2,9
Industrial production (% YoY)	0,3	-0,9	-1,8	2,5	1,3	4,0	-0,4	3,0	0,7	7,6	3,2	-1,1		3,5
Constr. and assembly prod. (% YoY)	-8,0	4,2	-0,1	-1,1	-4,2	-2,8	2,1	0,7	-7,0	0,3	4,2	0,2		0,0
PPI inflation (% YoY)	-2,7	-1,0	-1,3	-1,0	-1,6	-1,5	-1,5	-1,3	-1,3	-1,4	-2,2	-2,4		-2,2
Retail sales (% YoY)	2,7	6,1	0,6	0,6	7,9	4,3	2,1	4,8	3,0	6,6	5,5	2,8		3,8
Corporate sector wages (% YoY)	9,8	9,2	7,9	7,7	9,3	8,4	9,0	7,6	7,1	7,5	6,6	7,1		7,8
Employment (% YoY)	-0,6	-0,9	-0,9	-0,9	-0,8	-0,8	-0,8	-0,9	-0,8	-0,8	-0,8	-0,8		-0,7
Unemployment rate* (%)	5,1	5,4	5,4	5,3	5,2	5,0	5,2	5,4	5,5	5,6	5,6	5,6		5,7
Current account (M EUR)	-1427	-35	115	-1136	88	-711	-262	-1571	-2239	-408	1924	1654		
Exports (% YoY EUR)	0,7	2,7	1,2	3,9	-0,6	5,5	3,3	3,5	-0,9	6,2	5,4			2,8
Imports (% YoY EUR)	3,9	10,4	4,0	10,5	7,6	7,3	1,9	2,7	-1,0	7,4	2,4			-1,2

*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	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	1,8	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	1,5	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
	Current account (% of GDP)***	-0,4	-0,7	-0,9	-0,9	-0,9	-1,0	-1,0	-1,0	-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	2,2	2,6	2,7	3,3	3,6	2,7	3,0
Wibor 3M (%)**	5,84	5,23	4,72	3,99	3,85	3,85	3,85	3,86	3,99	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	4,21	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**
Monday 01/12/2026						
10:30	Eurozone	Sentix Index (pts)	Jan	-6,2		-4,9
Tuesday 01/13/2026						
14:30	USA	Core CPI (% MoM)	Dec	0,2	0,3	0,3
14:30	USA	CPI (% MoM)	Dec	0,3	0,3	0,3
16:00	USA	New home sales (k)	Oct	800	711	700
Wednesday 01/14/2026						
14:30	USA	Retail sales (% MoM)	Nov	0,0	0,4	0,4
16:00	USA	Business inventories (% MoM)	Oct	0,2		0,2
16:00	USA	Existing home sales (M MoM)	Dec	4,13	4,25	4,21
	Poland	NBP rate decision (%)	Jan	4,00	4,00	4,00
	China	Trade balance (bn USD)	Dec	111,7		113,6
Thursday 01/15/2026						
10:00	Poland	CPI (% YoY)	Dec	2,5	2,4	2,4
11:00	Eurozone	Industrial production (% MoM)	Nov	0,8		0,5
14:30	USA	NY Fed Manufacturing Index (pts)	Jan	-3,9		1,0
14:30	USA	Philadelphia Fed Index (pts)	Jan	-10,2		-1,0
Friday 01/16/2026						
14:00	Poland	Core inflation (% YoY)	Dec	2,7	2,9	2,9
14:00	Poland	Current account (M EUR)	Nov	1924	124	1654
15:15	USA	Capacity utilization (%)	Dec	76,0		76,0
15:15	USA	Industrial production (% MoM)	Dec	0,2	0,1	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