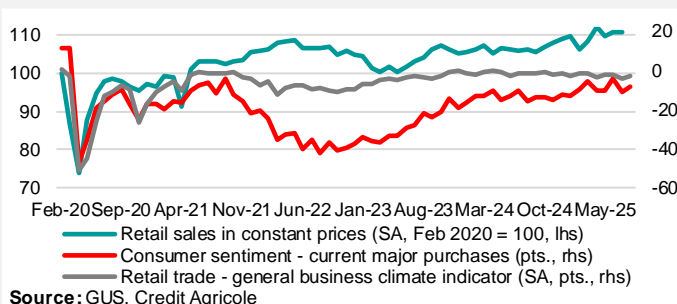
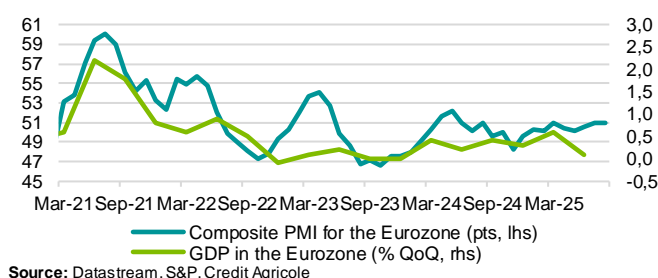


## This week

Today's release of Poland's retail sales figures will be the most important event this week. We expect that retail sales growth at constant prices slowed from 4.8% YoY in July to 3.3% in August. Sales growth slowed primarily due to unfavourable calendar effects (business survey results were actually indicative of an improvement in consumer sentiment). Our forecast for real retail sales growth is below market consensus (3.6%), so if it materialises, it will have a slight negative effect on the PLN and the yields on Polish bonds.



Tomorrow's publication of preliminary results of the PMI survey of key European economies will be another important event this week. The market expects the composite PMI for the Eurozone to increase from 51.0 pts in August to 51.1 pts in September. Consequently, PMI would remain

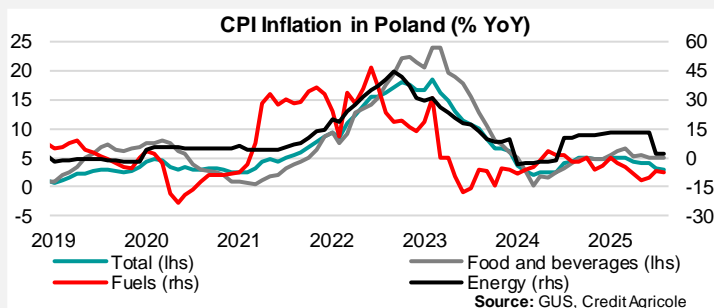


above the 50-point mark separating growth from contraction for the eighth month running. The consensus is that the manufacturing sector will see an upturn, sentiment stabilising in the services sector at the same time. Furthermore, the market anticipates a slight rise in German manufacturing PMI (50.0 pts in September vs. 49.8 pts in August). Wednesday will see the release of the Ifo index reflecting the sentiments of German businesses operating in the manufacturing, construction, trade, and services, and providing additional insight into Germany's economic conditions. The market expects the index to go up from 89.0 pts in August to 89.2 pts in September. PMIs in the Eurozone will rise only marginally, indicating that the recovery in those economies will be limited in Q3. In our opinion, the publication of business survey results for the Eurozone, including Germany, will be neutral for financial markets.

Some important data on the US economy will be released this week. We forecast that headline PCE inflation edged up to 2.7% in August, from 2.6% in July, with PCE core inflation stabilising at 2.9%. The figures will thus indicate that inflationary pressures persist while providing valuable insights into the scale and timing of the impact of tariff hikes on consumer prices. We do not think that the annualised final GDP growth will be revised compared to the second estimate, so it will stay at 3.3%. We believe that orders for durable goods went up by 0.8% MoM in August vs. -2.8% in July, pushed up by orders for Boeing planes. We expect the data on new home sales (650k in August vs. 652k in July) and existing home sales (3.97m vs. 4.01m) to indicate that activity in the US property market is still subdued. Consumer confidence indicators will also be released this week. We expect the final University of Michigan index to confirm that consumer sentiment is depressed (55.4 pts in September vs. 61.7 pts in August). In our opinion, the publication of data from the US will be neutral for the PLN and the yields on Polish bonds.

## Last week

✓ **CPI inflation in Poland came in at 2.9% YoY in August, down from 3.1% in July and above the GUS' flash estimate (2.8%).** The strongest downward pressure on inflation came from lower core inflation, which edged down from 3.3% YoY in July to 3.2% in August in accordance with our estimates.



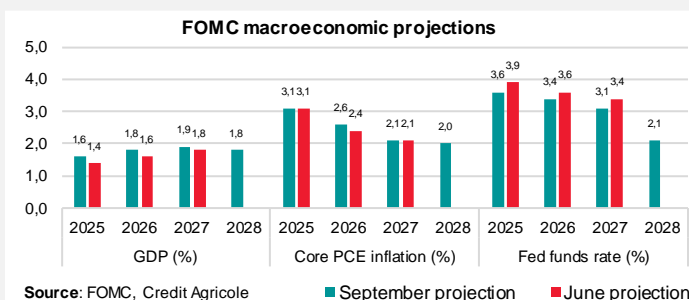
The drop was driven by a slower price growth in such categories as “miscellaneous goods and services”, “recreation and culture”, “furnishings, household equipment and routine household maintenance” and “transport, excluding fuels”, which offset a markedly stronger price growth in the “communication” category resulting from higher prices for mobile phone services. Inflation was also driven down by a slightly slower price growth in such categories as “fuels” (-7.7% vs. -6.8%) and “energy” (2.3% vs. 2.4%). Price growth in the “food and non-alcoholic beverages” category did not change between July and August, coming in at 4.9%. In our opinion, core prices increased by approx. 0.2% MoM in August, which is above their seasonal pattern (0.0% MoM), indicating continued elevated inflationary pressures (see MACROPulse of 15/09/2025). We still expect average annual CPI inflation to reach 3.7% YoY in 2025, compared to 3.6% in 2024, and then fall to 2.9% in 2026. At the same time, inflation will run within the range of admissible deviations from the NBP inflation target (2.5%  $\pm$  1 pp.) However, we feel there is a slight upside risk to our scenario, which arises from heat and water price increases in Q4 2025.

✓ **Industrial production rose by 0.7% YoY in August, compared with a 3.0% growth in July (upward revision from 2.9%), coming in below the market consensus (1.0%) and our forecast (0.8%).** A key factor behind the weaker growth of industrial production between July and August was the statistical effect of an unfavourable difference in the number of working days. Seasonally-adjusted industrial production went down by 0.1% MoM in August, confirming the industrial stagnation seen in recent months. Because of these unfavourable calendar effects, industrial production growth slowed across all three main industry segments, i.e. export-oriented sectors (0.9% YoY in August vs. 3.9% YoY in July), construction-related sectors (2.3% vs. 4.7%) and other sectors (0.3% vs. 2.1%). We believe that in the coming months factors supporting activity in the Polish industry will include increasingly strong signs of recovery in Eurozone manufacturing, including in Germany. Meanwhile, construction and assembly production growth fell from 0.6% in July to -6.9% in August, coming in well below our forecast (0.1%) and the market consensus (0.4%). Similarly to industrial production, the main driver of the decline was adverse calendar effects. Construction and assembly production growth slowed in the “specialised construction activities” (-0.3% YoY in August vs. 9.5% in July), “construction of buildings” (-4.1% vs. -1.3%) and the “civil engineering works” (-12.8% vs. -3.4%) categories. This data breakdown still points to a lack of clear signals of marked recovery in public investment. After adjusting for seasonal effects, construction and assembly production decreased by 4.0% MoM in August, reaching its lowest level since April 2021. The data on construction and assembly production published last week thus pose a downside risk to our forecasts for public investment and total investment growth (5.5% YoY in Q3 vs. -1.0% in Q2).

✓ **Nominal wage growth in Poland's business sector fell to 7.1% YoY in August from 7.6% in July, coming in below the market consensus (7.8%) and our forecast (8.1%).** Lower wage growth was recorded in most categories reported by GUS (see MACROPulse of 18/09/2025). In real terms, wage growth in companies slowed from 4.3% YoY in July to 4.1% in August. Meanwhile, the

employment growth rate edged up from -0.9% YoY in July to -0.8% in August, in line with the market consensus and below our forecast (-0.7%). In monthly terms, employment fell by 12.4k people. The decline was concentrated in the manufacturing sector (-7.3k people), reflecting the restructuring that has been ongoing in the sector for the last couple of quarters and adverse supply-side factors (a shrinking labour supply and baby boomers reaching retirement age). Consequently, the real wage fund growth decreased to 3.2% YoY in August from 3.4% YoY in July and 3.8% in Q2. This supports our forecast, which assumes a slowdown in consumption growth to 4.0% YoY in Q3 from 4.4% in Q2.

✓ **At last week's meeting, the Fed lowered the federal funds target range to [4.00%; 4.25%], consistent with our forecast and market expectations.** According to the post-meeting press release, when considering any further interest rate adjustments, the FOMC will carefully assess



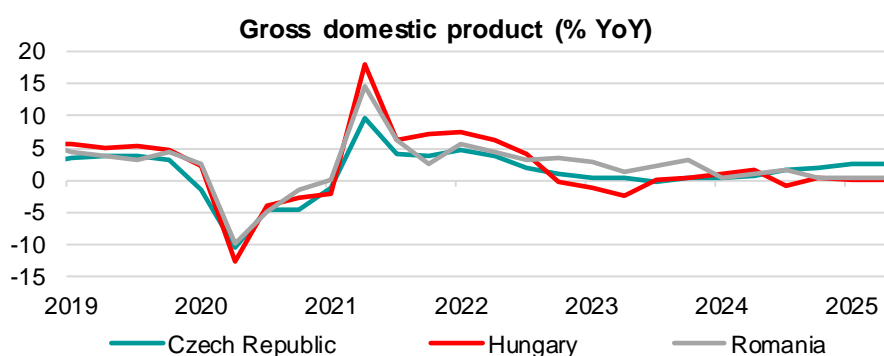
incoming data, evaluate the outlook and balance risk factors. Last week also saw the release of FOMC members' September projection. It implies three 25bp cuts by year-end (including the one already introduced in September), whereas the June projection pointed to two 25bp cuts. The dot plot of anonymised expectations suggests the expectations median of individual FOMC members is bordering on another one or two cuts this year, indicating a split among FOMC members. It is also worth noting that one member expects additional cuts totalling 125bp this year, which is an unusual observation. We believe this likely reflects the expectations of the new FOMC member, S. Miran, who has repeatedly argued for the Fed to pursue a more lax policy. The small changes in the median, however, indicate that his joining the FOMC has not shifted the Committee to a more dovish stance. The median for core inflation and GDP growth forecasts were raised slightly relative to the June projection. At the post-meeting press conference, J. Powell suggested that September's move could be characterized as a "risk management" cut. He indicated that the change in the median rate path does not signal a material shift in FOMC members' stance but rather reflects division among them. Powell also said that monetary policy decisions will be taken on a meeting-by-meeting basis and that the Fed has no predefined interest rate path. We stand by our scenario that in 2025 the Federal Reserve will cut interest rates by another 25bp (in December) and end the easing cycle.

✓ **Last week, important data from the US economy was released.** US industrial production rose by 0.1% in August, following a 0.4% contraction in July (downward revision from -0.1%), significantly exceeding market expectations of -0.1%. The increase was driven by stronger production in mining and manufacturing, with lower production in utilities having the opposite effect. Capacity utilisation did not change between August and July, standing at 77.4%, remaining relatively stable in recent quarters. Last week also saw the release of data on retail sales, with the monthly growth rate unchanged in August from July at 0.6%, clearly above market expectations of 0.2%. Excluding autos, retail sales accelerated to 0.7% from 0.4% in July, indicating persisting relatively strong consumer demand in the US. We maintain our view that, as consumer sentiment deteriorates, consumption will slow in the coming months. Data on new building permits (1,312k in August vs. 1,362k in July) and housing starts (1,307k vs. 1,429k) generally indicate persistently subdued activity in the US property market. Signals for manufacturing were mixed, with the NY Fed index at -8.7 pts in September (vs. 11.9 pts in August) and the Philadelphia Fed at 23.2 pts (vs. -0.3 pts). We maintain our forecast that annualised US GDP growth will fall to 0.8% in Q3 from 3.0% in Q2, and that it will decrease to 1.5% for the full year 2025, compared to 2.8% in 2024.

✓ **Moody's has affirmed Poland's long-term credit rating at A2 but changed the outlook from stable to negative.** According to the rating agency, the move reflects a worsening outlook for public finances, with the agency seeing the risk of the situation deteriorating further. Instead of the previously expected faster decline in the deficit and stabilisation of public debt below 60% of GDP by 2027, Moody's now forecasts a general government deficit of 6.8% of GDP in 2025 and 6.6% in 2026, as well as an increase in the debt-to-GDP ratio to around 65% in 2026 and above 70% in subsequent years. The main factors weighing on public finances are higher defence spending, rapid population ageing (which puts pressure on social expenditure), rising public sector wages and higher debt-service costs. Moody's also points to political factors – potential presidential vetoes of revenue-raising legislation and the risk of higher public spending in the run-up to the 2027 parliamentary election. According to the agency, the ongoing political impasse may further hinder full use of funds under the National Recovery Programme. Moody's also emphasises that the current rating continues to be supported by a large, diversified economy, GDP growth of around 3% and a favourable debt service cost situation. However, the agency notes that a further rise in debt and its servicing costs could lead to a rating downgrade. Potential geopolitical factors, including reduced US support or an armed conflict between NATO and Russia, would also exert significant pressure on the rating. Moody's decision is likely to weigh on the PLN and push Polish bond prices lower this week.

## Forecasts for the CE-3 countries

Below, in a concise form, we present our macroeconomic scenario for 2025–2026 for the Central and Eastern European region (CE-3): the Czech Republic, Hungary, and Romania.



Source: Datastream, Credit Agricole

The recovery of economic growth in the Czech economy continued in Q2 this year (2.6% YoY compared with 2.4% in Q1), with the main sources of GDP growth being consumption and change in inventories. In 2025–2026, we expect economic growth of 2.2% and 2.3%, respectively, driven mainly by private consumption, supported by rapid real wage growth, improved

consumer sentiment, and a gradual decline in the savings rate. We expect real consumption growth to remain close to 3% YoY over the forecast horizon, continuing to be the main driver of GDP growth. Due to the decline observed in H1 of this year, the average annual contribution of investment to GDP growth in 2025 will be close to zero. However, we expect fixed asset investment to accelerate significantly in 2026, in connection with the revival of public investment co-financed with EU funds. In 2025, the so-called Czech Semiconductor Centre was launched, which aims at supporting the development of this branch of industry and cooperation with foreign investors. At present, however, it is difficult to assess what impact this initiative will have on the pace of economic growth in the medium term. The contribution of net exports in 2025 will be close to zero, and in 2026 slightly negative, as imports (boosted by strong domestic demand) will grow faster than exports due to only gradually improving foreign demand prospects. The key risk factors for the economic growth outlook remain the pace of EU fund absorption and the scale of recovery among major trading partners (including the size of the fiscal stimulus in Germany in 2026).

After the spring low (1.8% YoY in April), inflation in the Czech Republic increased in the following months, reaching a local peak of 2.9% in June, before easing to 2.5% YoY in July. Price growth is driven mainly by services – including rents and the so-called imputed rents (i.e. the estimated cost of using one's own property), which remain relatively high given rising real estate prices. Core inflation accelerated during the summer months and has stayed above headline inflation (2.8% YoY in August), reflecting elevated inflationary pressures. Strong price growth in services is further reinforced by rising labour costs (rapid nominal wage growth). In the coming months, we expect CPI to remain in the upper half of the tolerance band around the inflation target (i.e. 2.5 - 3%), while in 2026 the inflation path should gradually decline. On an annual average basis, we forecast 2.4% in 2025 and 2.2% in 2026.

With inflation running above target, in our opinion, the Czech National Bank (CNB) will keep interest rates unchanged in the coming quarters. The tone of the statement and press conference after the August meeting was fairly hawkish. The governor emphasised that the central bank's priority remains to firmly anchor inflation around the target, and explicitly stated that the current macroeconomic situation in the Czech Republic does not allow for further easing of the monetary policy. Other CNB board members emphasised the persistence of price pressures in services, the role of imputed rents amid rising property prices, rapid wage growth, as well as the recovery in demand and credit activity, all of which together justifies maintaining positive real interest rates. At the same time, past and potential future appreciation of the koruna, which in practice constitutes a tightening of monetary conditions, is consistent with the CNB's stance and does not provide an argument for the central bank for further cuts. Hence, we maintain our scenario of stable interest rates at least until the end of 2026 (with the 2-week repo rate at 3.50%). Under these conditions, we expect a slight appreciation of the koruna against the euro.

Forecasts of main macroeconomic indicators in Czech Republic									
	2024	2025	2026						
<b>GDP growth rate (% YoY)</b>	1,0	2,2	2,3	<b>CPI inflation (% YoY)</b>			2,5	2,4	2,2
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
<b>CNB 2W repo rate (%)</b>	4,00	3,75	3,50	3,50	3,50	3,50	3,50	3,50	3,50
<b>EURCZK</b>	25,2	24,9	24,7	24,3	24,2	24,0	23,8	23,6	23,4

Source: Datastream, Credit Agricole

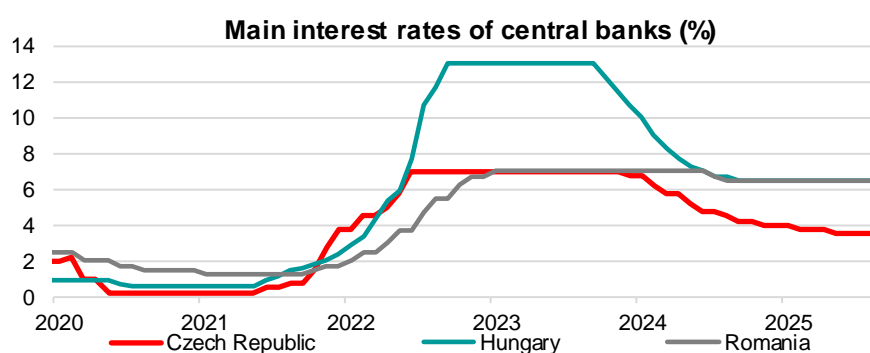
In Q2 2025, the Hungarian economy remained in stagnation. GDP increased by 0.1% YoY compared with no change in Q1. The recovery was concentrated mainly in the services sector (including information and communication, and retail trade), while activity in industry – especially in the automotive sector – remained weak. On the demand side, it is worth noting that total investments fell in YoY terms for the 11th consecutive quarter due to increased uncertainty, high competition in the automotive industry and delayed absorption of EU funds. As a result, in H1 2025, private consumption was the main driver of economic growth due to positive real wage growth and fiscal transfers (tax reliefs and support for households). The contribution of net exports decreased due to weak exports of industrial goods and, at the same time, a significant acceleration in import growth. In H2 2025, we assume a gradual but moderate improvement in activity, supported by the stabilisation of private consumption and a revival of public investment, while business investment sentiment remains weak. In 2026, private fixed asset investment should accelerate, supported by the launch of new export capacities in the automotive and battery sectors (BYD and BMW projects) and the expected recovery in the Eurozone. We maintain our profile of the expected economic recovery: GDP growth of 0.8% in 2025 and 2.5% in 2026, with private consumption playing the dominant role in 2025 and a greater contribution from exports and investment in 2026.

EU funds remain crucial for Hungary's economic outlook – a portion of the allocation was conditionally unfrozen in recent quarters in narrow components, but substantial funds (both from cohesion policy and the Recovery and Resilience Facility) remain blocked until credible progress is made on the rule of law and



public procurement milestones. It is worth noting that there has recently been a significant change in the polls on the domestic political landscape. Since late spring/early summer, P. Magyar's new Tisza movement has maintained a clear lead over Fidesz. In public opinion polls, the lead ranges from several to over a dozen percentage points, and among decided voters it has reached as much as 15 pp. Structurally, Tisza dominates in cities and among younger people, while Fidesz remains stronger in rural areas and among older voters. At the same time, it should be stressed that a lead in votes does not necessarily translate directly into a parliamentary majority, due to the specifics of the electoral system, which strongly favours the largest party. More than half of the seats in the National Assembly (Hungary's unicameral parliament) are filled through single-member constituencies. In practice, this means that a party such as Fidesz, i.e. with a well-organised local network, a stable electorate, and financial and media advantages, may secure disproportionately high parliamentary representation relative to its nationwide vote share. Thus, even a significant lead for Tisza in the polls does not guarantee it a parliamentary majority, unless it translates into success in single-member constituencies. In this environment, the government of V. Orbán has already introduced a number of pro-growth and pro-consumption measures – including tax reliefs for families, preferential mortgage loans for first-time homebuyers, and extended caps on food and consumer goods margins. At the same time, in the coming quarters, further social transfers, pensioner bonuses, SME support programs, and accelerated infrastructure projects cannot be ruled out. In our view, tensions between Hungary and the EU will remain elevated until spring 2026, with the unblocking of EU funds becoming more likely only after the elections (in the event of a probable Tisza victory).

Inflation in Hungary is currently heavily influenced by administrative measures – both formal regulations and so-called “voluntary” price freezes by companies in certain sectors. Since mid-March, a margin cap has been applied to 30 basic food products (10%), and since May also to a broad group of household and hygiene items (15%). Both mechanisms were recently extended until the end of November 2025. Given the upcoming parliamentary elections, we expect them to remain in place until mid-2026. In parallel, in the telecommunications and financial services sectors, informal agreements have been introduced to freeze tariffs and fees at least until July 2026. The combined impact of these interventions on the annual inflation rate may be estimated at around 1.5 pp. Despite this effect, inflation remains elevated (4.3% in August), still clearly above the MNB's inflation target (3.0%).



The National Bank of Hungary (MNB) is keeping the main interest rate at 6.5% and continues to maintain a hawkish rhetoric. The MNB emphasises that “the fight against inflation is not over” and that maintaining restrictive monetary policy is necessary to anchor inflation expectations. The central bank has repeatedly stressed that although inflation is

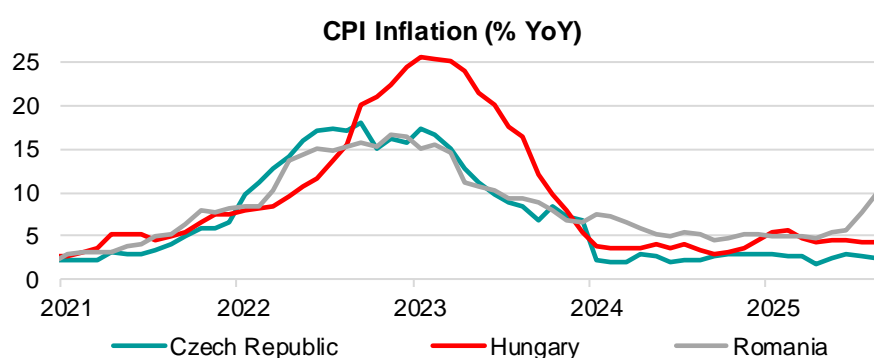
falling, it remains above target, and that the disinflation process has largely been achieved through extensive administrative measures. From the central bank's perspective, the eventual phasing-out of these measures and strong wage growth remain significant risks that could reignite price pressures in 2026. We assume that the MNB will keep the main interest rate at 6.5% until the end of 2025, ensuring the maintenance of positive real interest rates and supporting the anchoring of inflation expectations. In 2026, we expect two rate cuts. The first in Q1, aimed at supporting the government in the pre-election period, and the second in Q4, under conditions of a stronger forint and more firmly established disinflation. The total scale of monetary policy easing in 2026 will amount to 50bp, with the central bank maintaining a cautious stance.

We expect a gradual appreciation of the forint, supported by the continued attractiveness of carry trade transactions and the central bank's hawkish stance. In the medium term, an additional supportive factor for the currency will be the prospect of a change in government and the unblocking of EU funds. We anticipate that EUR/HUF will gradually move towards lower levels, although political uncertainty will remain a factor limiting the extent of the appreciation.

Forecasts of main macroeconomic indicators in Hungary									
	2024	2025	2026				2024	2025	2026
<b>GDP growth rate (% YoY)</b>	0,5	<b>0,8</b>	<b>2,5</b>	<b>CPI inflation (% YoY)</b>			3,7	<b>4,6</b>	<b>4,0</b>
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
<b>MNB base rate (%)</b>	6,50	6,50	6,50	<b>6,50</b>	<b>6,50</b>	<b>6,25</b>	<b>6,25</b>	<b>6,25</b>	<b>6,00</b>
<b>EURHUF</b>	411	401	398	<b>390</b>	<b>385</b>	<b>380</b>	<b>370</b>	<b>368</b>	<b>365</b>

Source: Datastream, Credit Agricole

Romania's economic growth weakened markedly at the beginning of 2025 - in both Q1 and Q2, GDP grew by only 0.3% YoY. The slowdown was mainly driven by weaker private consumption growth, negatively affected by persistently elevated inflation, slowing real household incomes, and high base effects. At the same time, investment fell in real terms by 0.3% YoY in Q2, compared with an increase of 5.5% in Q1. In Q3, real disposable household incomes declined due to VAT and excise tax hikes, the liberalisation of electricity prices, and the freeze on public sector wages and benefits, which translated into weaker consumer sentiment and more cautious purchasing decisions. In H2 2025, 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 pronounced, leading to further weakening of consumption and the suspension of some investment projects. In 2026, the negative fiscal impulse will be even stronger due to the implementation of additional government measures. We forecast GDP growth of 1.0% YoY this year and 1.7% in 2026. Risk factors for the growth outlook remain clearly asymmetric and tilted downwards – stemming primarily from delays in EU fund absorption and the potential for further tightening of fiscal consolidation.



Source: Datastream, Credit Agricole

Recent months have brought a sharp surge in inflation in Romania. In July, inflation rose to 7.8% YoY from 5.7% in June, as a result of the removal of the government cap on electricity prices, which triggered a much stronger-than-expected increase in tariffs of over 60%. August brought another, even stronger shock - annual price growth came close to 10%. This

time, the main factor was broad-based hikes in indirect taxes, including a 2 pp increase in the standard VAT rate to 21% and higher excise duties on fuels, alcohol, and tobacco products. As a consequence, we revised our average annual inflation forecast for 2025 upward to 7.4% (from the previously assumed 6.8%). It should be stressed, however, that this year's price surge is largely the result of one-off regulatory and tax shocks, whose impact will fade over a twelve-month horizon. In other words, from Q3 2026 a strong base effect will come into play. We are also of the opinion that at the same time, the disinflationary consequences of the fiscal consolidation package will materialise, as reduced disposable incomes will curb consumer demand growth. Our baseline scenario assumes that, after being elevated at close to 10% in the second half of 2025, inflation will begin to decline significantly from Q3 2026, falling to around 3-4%

by the end of the year. This would mark a return of CPI close to the NBR's target within the forecast horizon, although the risk associated with another round of natural gas price liberalisation at the beginning of 2026 remains significant.

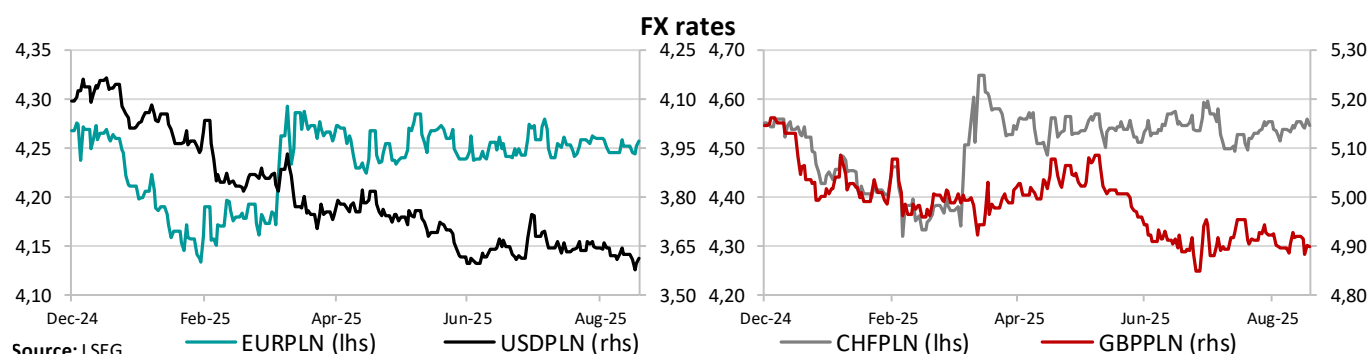
The National Bank of Romania kept its main interest rate at 6.50% in August, while tightening the tone of its statement and press conference. The bank clearly communicated that the recent surge in inflation was largely supply- and administration-driven (electricity price liberalisation, VAT and excise hikes) and does not justify a response in the form of rate increases, which affect demand with a lag. Instead, it requires "waiting out" the shock and monitoring expectations. At the same time, the central bank highlighted the expected slowdown in domestic demand due to fiscal consolidation and weaker credit growth – in its view, these factors will widen the negative demand gap and reinforce disinflation in 2026. Given this risk balance, the NBR maintains a "higher for longer" strategy, indicating that there is no room for rate cuts until the effects of one-off shocks have faded (approximately 12 months after the mid-2025 shocks), inflation expectations have stabilized, and core inflation declines significantly. In our view, the rates will remain at the current level at least until mid-2026, with the space for a cautious start to the easing cycle appearing in Q3 2026, when inflation begins to converge rapidly toward 3% and remains within the NBR's allowable deviation band around the target. We expect a limited scale of interest rate cuts by the end of 2026 (100bp in the second half of the year).

After a period of heightened uncertainty related to public finances during the summer months, the EUR/RON exchange rate stabilised slightly below our previous forecasts. The central bank consistently emphasises the priority of exchange rate stability as a condition for controlling inflation expectations, and the scale of interventions in recent months indicates that the NBR treats this channel as a key tool during periods of heightened fiscal and political tensions. As a result, we expect the exchange rate to remain anchored around 5.07 until the end of 2026.

Forecasts of main macroeconomic indicators in Romania									
	2024	2025	2026		2024	2025	2026		
GDP growth rate (% YoY)	0,8	1,0	1,7	CPI inflation (% YoY)	5,6	7,4	1,0		
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
NBR policy rate (%)	6,50	6,50	6,50	6,50	6,50	6,50	6,50	6,00	5,50
EURRON	4,97	4,98	5,08	5,07	5,07	5,07	5,07	5,07	5,07

Source: Datastream, Credit Agricole

## Moody's decision negative for the zloty



Last week, the EURPLN exchange rate rose to 4.2574 (a 0.1% weakening of the zloty). Throughout last week, the EURPLN exchange rate followed an upward trend. It is worth noting that at the same time, the

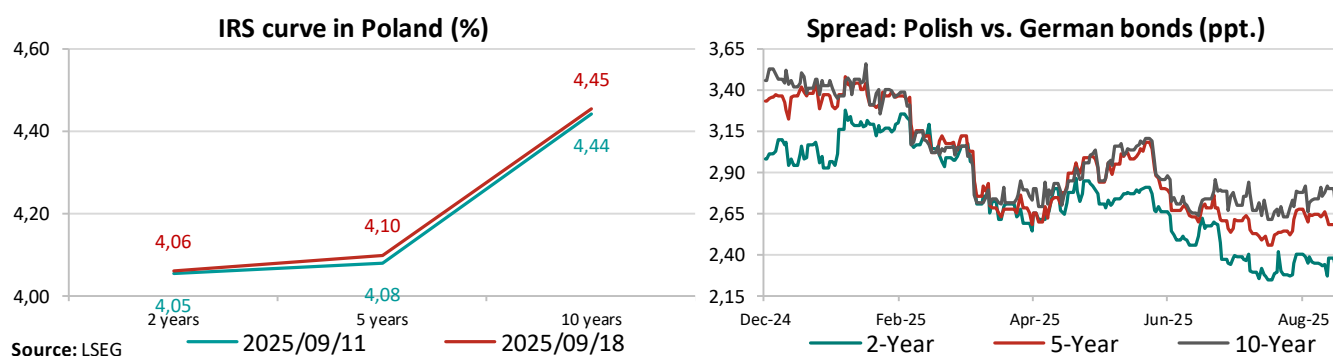


EURHUF exchange rate remained relatively stable. In our view, this may have been due to investors' expectations regarding Friday's update of Poland's rating by Moody's.

In the first part of the week, we saw the dollar weaken against the euro in anticipation of the FOMC meeting. During the press conference after the meeting, increased volatility in the EURUSD exchange rate was observed. Later in the week, the trend reversed and the dollar recovered its losses against the euro from the first part of the week.

We are of the opinion that Friday's decision by Moody's to change Poland's rating outlook from stable to negative may contribute to a weakening of the zloty. This week's focus will also be on today's release of domestic retail sales data, which in our view may contribute to the depreciation of the Polish currency.

## Domestic retail sales data in the spotlight



Last week, 2-year IRS rates fell to 4.06 (down 1bp), 5-year rates rose to 4.10 (up 1bp) and 10-year rates rose to 4.45 (up 1bp). Last week's FOMC decision to cut interest rates led to a decline in IRS rates. However, a slight increase was observed later in the week.

Friday's decision by Moody's to change Poland's rating outlook from stable to negative will be neutral for IRS rates and yields on Polish bonds. Also important for the curve this week will be today's release of domestic retail sales data, which may support a decline in IRS rates.

## Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
NBP reference rate (%)	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,25	5,25	5,00	5,00	4,75
EURPLN*	4,28	4,28	4,35	4,30	4,27	4,21	4,19	4,19	4,27	4,24	4,24	4,27	4,26	4,26
USDPLN*	3,87	3,85	4,00	4,06	4,13	4,06	4,04	3,87	3,77	3,74	3,60	3,74	3,64	3,65
CHFPLN*	4,56	4,54	4,64	4,60	4,54	4,46	4,46	4,38	4,56	4,54	4,53	4,60	4,55	4,48
CPI inflation (% YoY)	4,3	4,9	5,0	4,7	4,7	4,9	4,9	4,9	4,3	4,0	4,1	3,1	2,9	
Core inflation (% YoY)	3,7	4,3	4,1	4,3	4,0	3,7	3,6	3,6	3,4	3,3	3,4	3,3	3,2	
Industrial production (% YoY)	-1,3	-0,5	4,7	-1,3	0,3	-0,9	-1,8	2,5	1,3	4,0	-0,4	2,8	0,7	
Constr. and assembly prod. (% YoY)	-9,5	-9,0	-9,6	-9,4	-8,0	4,2	-0,1	-1,1	-4,2	-2,8	2,1	0,6	-6,9	
PPI inflation (% YoY)	-5,5	-6,2	-5,1	-3,8	-2,7	-1,0	-1,3	-1,0	-1,6	-1,5	-1,5	-1,2	-1,2	
Retail sales (% YoY)	3,2	-2,2	2,3	3,4	2,7	6,1	0,6	0,6	7,9	4,3	2,1	4,8	3,2	
Corporate sector wages (% YoY)	11,1	10,3	10,2	10,5	9,8	9,2	7,9	7,7	9,3	8,4	9,0	7,6	7,1	
Employment (% YoY)	-0,5	-0,5	-0,5	-0,5	-0,6	-0,9	-0,9	-0,9	-0,8	-0,8	-0,8	-0,9	-0,8	
Unemployment rate* (%)	5,0	5,0	4,9	5,0	5,1	5,4	5,4	5,3	5,2	5,0	5,2	5,4	5,5	
Current account (M EUR)	-2276	-1160	654	-492	-1450	-66	93	-1209	-596	-1838	651	-1335		
Exports (% YoY EUR)	-2,3	1,5	2,6	-2,6	0,4	1,9	0,4	3,1	-1,9	4,2	1,9	2,7		
Imports (% YoY EUR)	5,5	5,6	6,2	-0,8	3,4	9,8	3,4	10,0	5,5	5,2	-0,2	3,0		

\*end of period

## Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland											
Indicator	2025				2026				2024	2025	2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	3,2	3,4	3,8	3,8	3,7	3,5	3,2	3,0	2,9	3,6	3,3
Private consumption (% YoY)	2,5	4,4	4,0	3,5	2,7	2,8	3,1	3,3	3,1	3,6	3,0
Gross fixed capital formation (% YoY)	6,3	-1,0	5,5	7,5	8,6	10,9	7,2	6,5	-2,2	4,9	8,0
Export - constant prices (% YoY)	1,1	1,5	2,2	2,8	4,5	5,8	5,8	5,3	2,0	1,9	5,4
Import - constant prices (% YoY)	3,5	2,6	2,9	2,8	5,0	6,1	6,5	6,1	4,2	2,9	6,0
GDP growth contributions	Private consumption (pp)	1,6	2,6	2,3	1,7	1,7	1,7	1,8	1,6	1,7	1,7
	Investments (pp)	0,8	-0,2	0,9	1,7	1,1	1,6	1,1	1,5	-0,4	0,8
	Net exports (pp)	-1,1	-0,4	-0,3	0,1	-0,1	0,1	-0,2	-0,2	-1,1	-0,4
Current account (% of GDP)***	-0,7	-0,9	-0,2	-0,2	-0,2	-0,1	-0,1	0,0	0,2	-0,2	0,0
Unemployment rate (%)**	5,3	5,2	5,1	5,1	5,3	5,2	5,0	5,0	5,1	5,1	5,0
Non-agricultural employment (% YoY)	0,0	0,2	-0,5	-0,5	-0,5	-0,5	-0,5	-0,5	0,7	-0,2	-0,5
Wages in national economy (% YoY)	10,0	8,8	7,5	6,5	5,8	5,9	6,1	6,2	13,7	8,2	6,0
CPI Inflation (% YoY)*	4,9	4,1	3,0	2,9	2,7	3,0	3,0	3,0	3,6	3,7	2,9
Wibor 3M (%)**	5,84	5,23	4,73	4,60	4,35	4,10	4,10	4,11	5,84	4,60	4,11
NBP reference rate (%)**	5,75	5,25	4,75	4,50	4,25	4,00	4,00	4,00	5,75	4,50	4,00
EURPLN**	4,19	4,24	4,26	4,28	4,27	4,26	4,25	4,24	4,27	4,28	4,24
USDPLN**	3,87	3,60	3,65	3,66	3,68	3,74	3,79	3,85	4,13	3,66	3,85

\* quarterly average

\*\* end of period

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

## Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
Monday 09/22/2025						
10:00	Poland	Retail sales - current prices(% YoY)	Aug	4,8	3,2	3,3
10:00	Poland	Retail sales - constant prices (% YoY)	Aug	4,8	3,3	3,3
14:00	Poland	M3 money supply (% YoY)	Aug	10,8	11,0	11,1
16:00	Eurozone	Consumer Confidence Index (pts)	Sep	-15,5		-15,2
Tuesday 09/23/2025						
9:30	Germany	Flash Manufacturing PMI (pts)	Sep	49,8		50,0
10:00	Eurozone	Flash Services PMI (pts)	Sep	50,5		50,5
10:00	Eurozone	Flash Manufacturing PMI (pts)	Sep	50,7		50,9
10:00	Eurozone	Flash Composite PMI (pts)	Sep	51,0		51,1
10:00	Poland	Registered unemployment rate (%)	Aug	5,4	5,5	5,5
15:45	USA	Flash Manufacturing PMI (pts)	Sep	53,0		52,2
16:00	USA	Richmond Fed Index	Sep	-7,0		
Wednesday 09/24/2025						
10:00	Germany	Ifo business climate (pts)	Sep	89,0		89,2
16:00	USA	New home sales (k)	Aug	652	650	650
Thursday 09/25/2025						
9:30	Switzerland	SNB rate decision (%)	Q3	0,00		
10:00	Eurozone	M3 money supply (% MoM)	Aug	3,4		3,3
14:30	USA	Final GDP (% YoY)	Q2	3,3	3,3	3,3
14:30	USA	Durable goods orders (% MoM)	Aug	-2,8	0,8	-0,7
16:00	USA	Existing home sales (M MoM)	Aug	4,01	3,97	3,95
Friday 09/26/2025						
14:30	USA	PCE Inflation (% YoY)	Aug	2,6	2,7	2,7
14:30	USA	PCE core inflation (% YoY)	Aug	2,9	2,9	2,9
14:30	USA	Real private consumption (% MoM)	Aug	0,3		
16:00	USA	Final U. of Michigan Sentiment Index (pts)	Sep	55,4	55,4	55,5

\*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