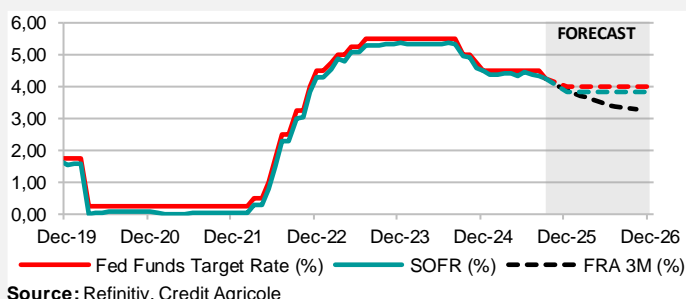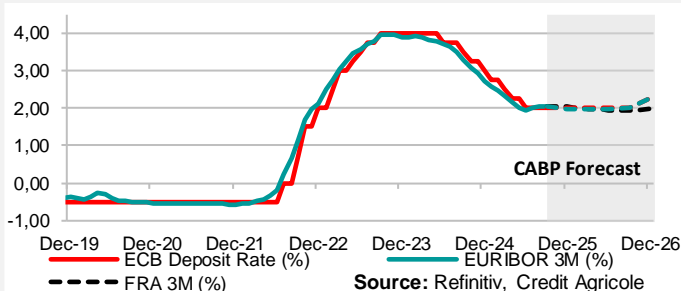# This week

✔ **The most important event this week will be the FOMC meeting scheduled for Wednesday.** We expect the Fed to lower the target range for federal funds rate by 25bp to [3.75%; 4.00%], which is consistent with market consensus and futures contract valuation. The range will be lowered despite the

Source: Refinitiv, Credit Agricole

elevated uncertainty and the absence of key data from the US economy caused by the *government shutdown* (operations of some federal institutions have been stopped due to the lack of agreement on budget matters). We anticipate that the tone of the press conference and the press release after the meeting will still be cautious, and there will be no declarations concerning further, substantial monetary policy easing. J. Powell might repeat that the Fed is not following a trajectory that has been set in advance, and emphasise that further decisions will depend on the incoming data. If the FOMC's decision is consistent with the market consensus, it will have no significant impact on the PLN and yields on Polish bonds in our view. However, we may observe an increased volatility in financial markets during the press conference held after the meeting.

✔ **Some important data from the US economy (e.g. first GDP estimate for Q3, PCE inflation) are planned to be released this week.** However, due to the *government shutdown*, with operations of some federal institutions having been temporarily stopped due to the lack of agreement on budget matters, the data mentioned above are highly unlikely to be published, the reason being no signals of progress in negotiations concerning the budget. The last time the government operations were paused for so long was between 22 December 2018 and 25 January 2019, amidst the dispute between D. Trump and the Democrats with regard to financing the construction of the wall on the border with Mexico. We believe that the progress in budget negotiations may accelerate on 1 November, the date marking the beginning of the period of open enrolment for health insurance plans for the coming year. Without government subsidies, the prices of those plans will grow substantially, which may cause anger among the voters. Notwithstanding the *government shutdown*, the Conference Board index will be published this week, and it will indicate that the consumer sentiment is slightly less optimistic (93.0 pts in October vs. 94.2 pts in September). The publication of the index will be neutral for financial markets, though, and will be overshadowed by the FOMC meeting.

✔ **Another important event this week will be the ECB meeting planned for Thursday.** We anticipate that the central bank will keep the monetary policy parameters unchanged. Our baseline scenario does not provide for further easing in the quarters to come, and in our view, the next decision the ECB will

Source: Refinitiv, Credit Agricole

take will be to raise the interest rates by 25bp in Q4 2026 (see MACROmap of 20/10/2025). In our view, the tone of the press conference will be balanced, and the conference itself will not provide any information that would significantly alter the interest rate trajectory that we have forecast. For this reason, we believe that the ECB meeting will have a limited impact on the PLN and the yields on Polish bonds.

- **The publication of flash inflation data for Poland, which is planned for Friday, will be another important event this week.** We expect inflation to edge down from 2.9% YoY in September to 2.8% in October due to a drop in core inflation from 3.2% YoY in September to 3.0% in October. Our forecast is below market consensus (3.0%), so if it materialises, it will have a slight negative effect on the PLN and the yields on Polish bonds.

- **Flash GDP estimates for key Eurozone economies will be released on Thursday.** We expect the quarterly GDP growth in the Eurozone to have edged up from 0.1% in Q2 to 0.2% in Q3, with German GDP going up from -0.3% to -0.1%. Our forecasts are above and below the market expectations, respectively (the consensus is 0.1% for the Eurozone and 0.0% for Germany), hence their aggregate impact on the PLN and the yields on Polish bonds would be neutral if both of them materialised.

- **Today's release of the Ifo index reflecting the sentiments of German businesses operating in the manufacturing, construction, trade, and services will provide insight into Germany's economic conditions.** The market expects the index to go up from 87.7 pts in September to 87.8 pts in October. We believe that the German Ifo index release will be neutral for financial markets.

- **China's manufacturing PMI data will be released on Friday.** The market anticipates a slight drop in NBS PMI (49.6 pts in October vs. 49.8 pts in September). Consequently, the data will confirm that Chinese manufacturing is quite resilient to tensions in the global trade (see MACROmap of 19/05/2025). We believe that the results of business sentiment surveys in China will be neutral for financial markets.

Last week

- **Industrial production in Poland went up by 7.4% YoY in September vs. a 0.7% growth in August, which was markedly ahead of market consensus (5.0%) and our forecast (6.0%).** Industrial production growth between August and September was primarily attributable to the statistical effect of a favourable difference in the number of working days. Seasonally-adjusted industrial production increased by 4.1% MoM in September, reaching an all-time high. Consequently, our scenario assuming that increasingly strong signs of recovery in the Eurozone's manufacturing sector (including Germany) will be reflected in the industrial production recovery in Poland (see MACROpulse of 18/09/2025) has materialised. Due to favourable calendar effects, industrial production growth accelerated in all three main industrial segments, i.e. export-oriented sectors (8.8% YoY in September vs. 0.9% in August), construction-related sectors (10.5% vs. 2.3%) and other sectors (6.0% vs. 0.3%). What is also worth noting is the continued (since March 2025) growth in capital goods production (16.0% YoY in September vs. 7.2% in August). In our view, it mainly stems from enterprises making investments related to their restructuring and efficiency-improvement processes (see MACROpulse of 20/10/2025). Construction and assembly production growth improved from -6.9% YoY in August to 0.2% in September, printing markedly ahead of market consensus (-2.3%) and our forecast (-2.9%). The favourable calendar effects mentioned above were the main driver of construction and assembly production growth. Construction and assembly production growth accelerated in the "specialised construction activities" (10.7% YoY in September vs. -0.3% in August), "construction of buildings" (-3.8% vs. -4.1%) and the "civil engineering works" (-3.0% vs. -12.8%) categories. Construction and assembly production data breakdown indicates that public investments in infrastructure were the main driver of production growth in September. In September, seasonally-adjusted construction and assembly production expanded by 2.6% MoM, which indicates that the activity in the construction sector has intensified (see MACROpulse of 21/10/2025). Construction and assembly production and industrial production data for September underpin our economic growth forecast scenario for Q3 (3.8% YoY vs. 3.4% in Q2) and 2025 (3.6% vs. 3.0% in 2024).

The employment growth rate in the Polish enterprise sector remained stable between August and September, standing at -0.8% YoY, and aligning with market consensus and our forecast. In monthly terms, employment fell by 9.5k in September. The decline was seen predominantly in two categories: "manufacturing" (-3.8k) and "trade and repair of motor vehicles" (-4.5k). Employment in the Polish business sector is curbed by unfavourable supply factors related to the shrinking workforce, with baby boomers reaching the retirement age (see MACROpulse of 20/10/2025). Nominal wage growth in the enterprise sector went up from 7.1% YoY in August to 7.5% in September, printing in line with market consensus and above our forecast (7.3%). It is worth noting that the nominal wage growth in all main segments is still strong, but it has reached a single-digit value, which indicates a stabilisation of wage pressures. In real terms, wage growth in companies accelerated from 4.1% YoY in August to 4.5% in September. Consequently, real wage fund growth accelerated from 3.2% YoY in August to 3.6% in September. In Q3, it went down to 3.4% YoY, from 3.8% in Q2. We anticipate that the downward trend in employment seen over the last couple of quarters in the business sector will continue in the months to come.

Nominal retail sales growth in Poland came in at 6.6% YoY in September, up from 3.0% in August, which was below the market consensus (7.2%) but above our forecast (4.9%). Growth in retail sales at constant prices went up, too, from 3.1% YoY in August to 6.4% in September, printing below the market consensus (6.8%) and above our forecast (4.9%). Retail sales growth was primarily driven up by the favourable difference in the number of working days. Seasonally-adjusted retail sales at constant prices contracted by 0.6% MoM between August and September. Consequently, they remain below their global peak recorded in April 2025. Real retail sales growth accelerated in all main categories thanks to favourable calendar effects. What is notable about the data breakdown is the continued, strong growth in sales in durable goods categories: "motor vehicles, motorcycles, parts" and "furniture, electronic goods and household appliances", which is consistent with our scenario, in which the outlook for demand for durable goods remains favourable (see MACROmap of 22/10/2025). The retail sales data underpins our forecast, in which consumption growth slowed down to 4.0% YoY in Q3 vs. 4.4% in Q2, but will go up to 3.6% all over 2025 vs. 2.9% in 2024.

Preliminary data shows that the composite PMI (manufacturing and services) for the Eurozone went up from 51.2 pts in September to 52.2 pts in October, coming in markedly ahead of market expectations (51.0 pts). Consequently, the index has reached the highest value since May 2024, and has remained above the

Manufacturing PMI - Future Output Index (pts)

Source: S&P, Credit Agricole — Eurozone — Germany — France

50-point mark that separates growth from contraction since January 2025. The composite PMI was driven up by an increase in both components, i.e. "current manufacturing output" and "business activity in services". Geographically, the situation has worsened in France, driven by depressed sentiment among companies amidst growing political tensions and recurring government crises, but improved in Germany and other surveyed economies. In the context of the outlook for Polish exports, particularly noteworthy is the German manufacturing PMI, which edged up from 49.5 pts in September to 49.6 pts in October. What pushed the index up was a stronger contribution of 2 out of its 5 components (new orders and delivery times), while a lower contribution of employment, current output and inventories had the opposite effect. It is worth noting that the new orders component went back above the 50-point mark that separates growth from contraction, which makes it possible to anticipate that the current output will continue to grow in the months to come. The press release took note of the growing concern among the surveyed companies as regards the stability of semiconductor supply chains due to geopolitical tensions. The authors of the report suggest that the declining inventories of
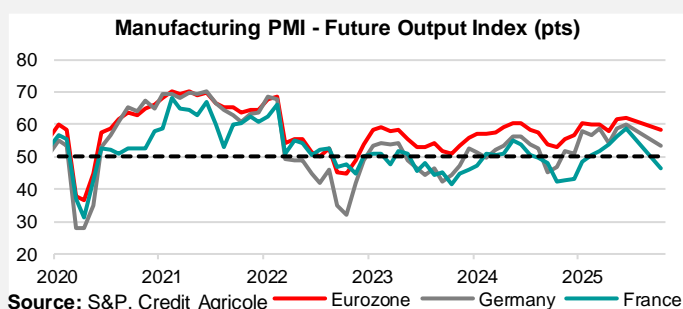
intermediate goods and longer delivery times may be the consequence of problems with the availability of those components. Consequently, the index value for production expected over a 12-month horizon went down, which urges huge caution when it comes to assessing the durability of the current activity recovery among the surveyed companies. We have not changed our forecast, in which the quarterly GDP growth in the Eurozone will not change between Q3 and Q4, remaining at 0.2%, while the average annual GDP growth will go up to 1.3%, from 0.8%.

Some important data from the US was released last week. CPI inflation increased from 2.9% in August to 3.0% in September. Inflation was driven up by a stronger growth in energy prices, while the opposite impact came from a slower growth in food prices and from lower core inflation (3.0% YoY in

CPI inflation in the US (% YoY)

Headline (lhs)
Core inflation (excl. food & energy prices, lhs)
Food (lhs)
Energy (incl. fuels, rhs)

Source: Datastream, Crédit Agricole

September vs. 3.1% in August). Seasonally-adjusted monthly core price growth edged down from 0.3% in August to 0.2% in September, which suggests that the impact of increased tariffs on the prices of goods and consumer services in the US so far has been limited. Last week also saw the release of data on existing-home sales (4.06m in September vs. 4.0m in August), which indicated that the activity in that market is still subdued. The final University of Michigan index (53.6 pts in October vs. 55.1 pts in September and 55.0 pts in the flash estimate) has confirmed that the consumer sentiment in the US is deteriorating. We have made no changes to our annualised US GDP trajectory forecast, in which the annualised GDP growth in the US went down from 3.8% in Q2 to 1.1% in Q3, and also will go down to 1.7% in 2025, from 2.8% in 2024.
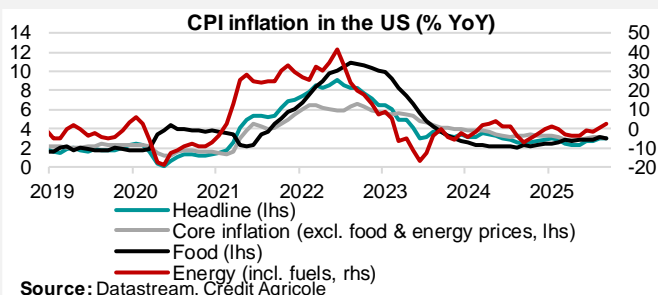
A multi-speed housing market

The housing gap, i.e. the shortfall in the number of homes relative to demand, is a common topic of public debate. Despite the growing housing stock in Poland, it remains a significant socio-economic issue. This analysis aims to answer the question of when Poland will close its housing gap.
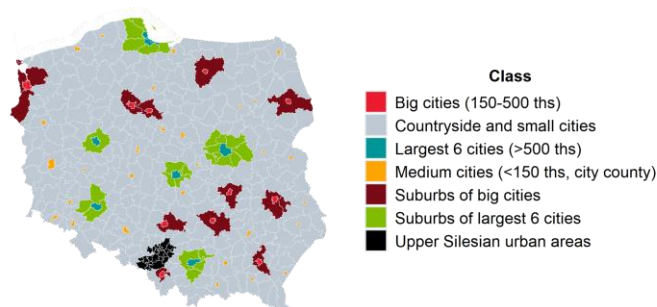
Our starting point is a clear definition of the housing gap, which we understand as the difference between the number of available dwellings and the number of households. The number of available dwellings (in our analysis, 'dwellings' include units in apartment blocks as well as multi-family and single-family houses) is equal to the total housing stock minus vacant dwellings. A household, in line with Statistics Poland's (GUS) definition, is a group of people living together and sharing a budget. This definition implies that each household seeks to live in a separate dwelling. A housing gap exists when the number of households exceeds the number of available dwellings. Please note that, under this definition, closing the gap does not mean every household lives in a home that perfectly matches its preferences and needs, rather it only means the number of available dwellings is no smaller than the number of households.

There are two main approaches to estimating the housing gap. The first uses aggregated data on the national supply of dwellings and the number of households. The downside is that it ignores geographic mismatches between where homes are and where people want to live. This generates the risk that while the gap may appear closed on a national level, some regions might still face shortages, while others have surpluses. The second approach, which we have ultimately decided to adopt for this analysis, calculates gaps at the level of territorial units and then aggregates them. In our view, this approach is far more accurate and facilitates avoiding situations where a surplus in one region offsets a deficit in another, reflecting the specific characteristics of local property markets.
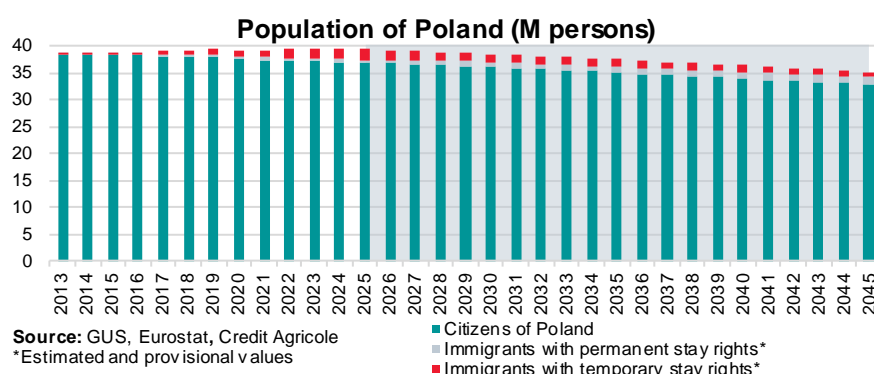
We run our analysis at the county (*powiat*) level. We believe an analysis at the municipality (*gmina*) level could overstate the housing gap. For municipalities, it can be assumed that, given relatively short commute times, a shortage in one municipality may be offset by a surplus in a neighbouring one (e.g. household members can live in one municipality and work in another without a material deterioration in their quality of life). Conversely, an analysis at the province (*województwo*) level would be too general and could understate the gap for the reasons described above.

Classification of counties

Class
- Big cities (150-500 ths)
- Countryside and small cities
- Largest 6 cities (>500 ths)
- Medium cities (<150 ths, city county)
- Suburbs of big cities
- Suburbs of largest 6 cities
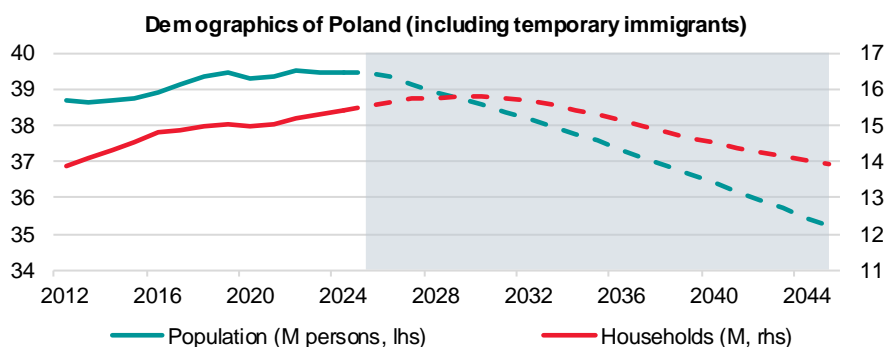- Upper Silesian urban areas

Given the diversity of counties by property market characteristics, we segmented the market into seven groups: the six largest Polish cities (over 500,000 inhabitants), the suburbs of those six cities (typically the adjacent „ring" counties), large cities (150,000-500,000), suburbs of large cities, medium-sized cities (cities with county rights, under 150,000), the Upper Silesian conurbation and the Rybnik Coal District, and counties without town privileges not elsewhere classified.

Population of Poland (M persons)

Source: GUS, Eurostat, Credit Agricole
*Estimated and provisional values

- Citizens of Poland
- Immigrants with permanent stay rights*
- Immigrants with temporary stay rights*

The first side of the housing-gap equation is the number of households in Poland, determined by the overall population and the average household size. Poland's overall population consists of a permanent population and a temporary population. The permanent population includes Polish citizens and foreigners with permanent stay rights in Poland.

Our assumptions about this segment follow the GUS demographic projection. According to that projection, in the coming decades deaths will significantly outnumber births, leading to a decline in the population (by 4.1 million by 2045). This decline will be partly offset by a positive balance of immigration for permanent stay, including both return migration and a rise in foreigners obtaining permanent stay rights (a cumulative +1.0 million). As a result, over our analysis horizon (i.e. through 2045) we expect Poland's permanent population to fall markedly (by 3.1 million). Despite the drop in Poland's population, some counties will nevertheless see population gains, mainly due to internal migration, which will simultaneously accelerate population declines in other counties.

For the temporary population, we combine census data with data from the Social Insurance Institution (ZUS). Our forecast is based on three assumptions. First, using the ratio of foreigners with temporary stay rights measured in the census to foreigners working in Poland, we estimate how the number of foreigners with temporary stay rights has changed from the 2021 census to today. Second, a share of the temporary population will gain permanent stay rights and thus be reclassified into the permanent population (as already captured in the GUS demographic projection). Third, based on our earlier analyses, we see little room for further substantial immigration into Poland. Accordingly, the total immigrant population should trend slightly down (see MACROmap of 29/07/2024).
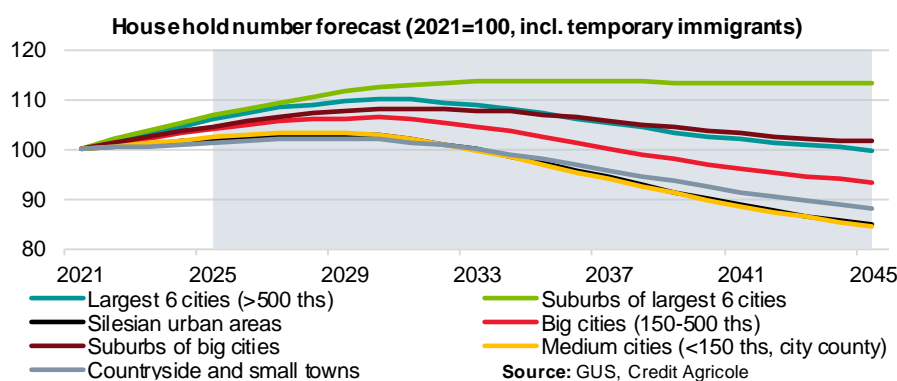
Demographics of Poland (including temporary immigrants)

Source: GUS, Credit Agricole

For assumptions on the future average household size, we use GUS's 2016 forecast, which provides separate paths for towns/cities and for rural areas broken down by province, allowing adaptation to individual counties. In recent years, the forecast was well aligned with data and, in our view, remains valid. A key feature of the forecast is an approaching inflection point in the downward trend of average household size. GUS projects a local minimum around 2030, followed by a slight increase and stabilisation. According to GUS this stabilisation will reflect the rising number of elderly people, many of whom will lose the ability to run a household independently.

Household number forecast (2021=100, incl. temporary immigrants)

Largest 6 cities (>500 ths)
Silesian urban areas
Suburbs of big cities
Countryside and small towns
Suburbs of largest 6 cities
Big cities (150-500 ths)
Medium cities (<150 ths, city county)

Source: GUS, Credit Agricole

Thus, while the number of households is still on an upward trend today, it is close to a turning point. We expect that point to be reached around 2030, after which the number of households will start to decline, leading to weakening housing demand. The drop will be felt most in small and medium-sized cities, in rural areas and in the Silesian agglomerations. The only county segment where demand should remain strong will be the suburbs of the six largest cities (Warsaw, Kraków, the Tri-City area of Gdańsk-Gdynia-Sopot, Wrocław, Łódź and Poznań). In the six largest cities themselves, the decline in demand will be notably milder than in other large cities, both in city centres and suburbs.

The other side of the housing gap is supply. To estimate it, we use GUS data on the housing stock by county (again, dwellings in apartment blocks and in multi-family and single-family houses), overlaying this with data on vacant dwellings. Accounting for vacant dwellings is essential because not all dwellings form part of the supply on the housing market. In 2021, there were about 1.8 million vacant dwellings in Poland, roughly 12% of the housing stock. Vacancies arise from frictions in the rental market (time needed to find tenants at the desired rent, downtime for renovation of rental units), tourist use (holiday homes or short-term rentals), unresolved ownership issues, or poor technical condition. We do not expect these factors to disappear over our analysis horizon, so we assume the share of vacant dwellings in the housing stock remains stable, at least until the decline in the number of households reduces demand sufficiently to create excess vacancies.

For our projection of the housing stock we split dwellings into occupied units and vacancies. Where a county showed a housing gap, we assumed that in subsequent years both occupied and vacant dwellings will continue to grow in line with their historical county-specific trend observed over 2013-2024 (we expect that annual increases in the given county in the subsequent years will match the 2013-2024 average). This means that the share of vacant dwellings in the housing stock will remain stable. The approach takes into account long-term trends in local construction, including production capacity and developers' sales strategies (releasing development projects in similarly sized phases), and filters out cyclical swings in residential construction from the data.

We assume this pace of growth of dwellings will continue until the number of occupied dwellings becomes equal to the number of households. Once the housing stock in a county begins to exceed demand, construction activity should slow sharply, developers' average sales absorption period will lengthen, and the surplus units will flow into the vacant stock (as is currently the case in Katowice). In short, our forecast is based on the assumption that developers' expectations are adaptive. In other words, decisions to start a development project in a given year are driven mainly by previous year's sales (if a developer has a stock of unsold dwellings, they will not launch new developments). This is well documented in academic literature. Achieving market balance does not mean residential construction stops altogether, rather we expect activity to focus on renovations and replacement of older properties with higher-standard new ones, which is neutral in terms of housing supply.

One special case is when, after the gap has closed in a county, demographic changes reduce the number of households. We then assume the number of occupied dwellings falls in line with the drop in the number of households, while surplus dwellings move into the vacant dwelling stock.

A crucial uncertainty for future stock projections is the durability of large-panel prefabricated blocks built in the Polish People's Republic (PRL) era. Reports we reviewed suggest that, for the vast majority of these buildings, their useful life extends well beyond our analysis horizon (to 2045). Some losses to the housing stock should be expected, especially among the oldest buildings and neglected vacant units. However, given the diversity of the housing stock, modelling such losses is highly error-prone. It is also worth noting that many units currently in the vacant stock may be in poor technical condition.

Housing gap in 2024 (deficit dwellings per household, only 5% and above)
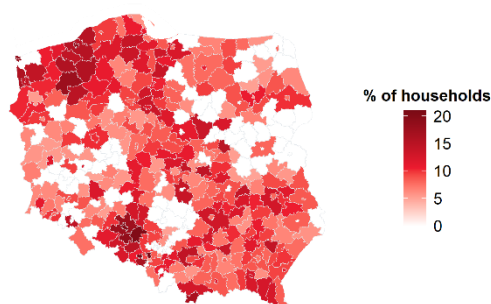
Comparing data on the number of households with housing supply, we estimate that Poland's current total housing deficit is roughly at 1.3 million dwellings, translating to a housing gap of about 8.1% in all of Poland. A housing gap exists nearly everywhere in Poland, although the six largest cities and their suburbs account for 33% of the shortfall.

Housing gap (local shortages of dwellings, ths)
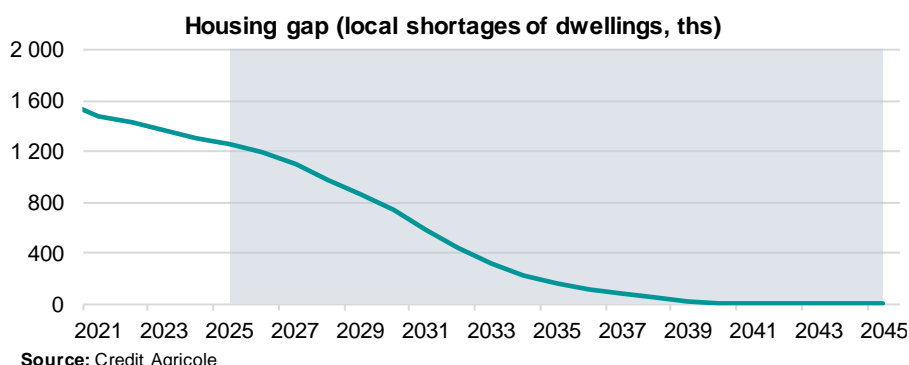
Source: Credit Agricole

Our projection of how the gap will evolve further can be split into two phases. In the first phase, demand will remain high as the number of households approaches its peak. Residential construction will stay strong and the deficit will narrow quickly. Geographically, construction activity will follow demand and thus supply will align with demographic trends. We thus expect the strongest building activity in the suburbs of the largest cities, and the weakest in Silesian agglomerations, medium and small towns, and rural areas.

Housing gap (local housing surpluses, thousand units)

Source: Credit Agricole

In the second phase, demographic factors will lead to a rapid decline in demand, construction will slow and a surplus of dwellings will emerge. In other words, local housing supply will begin to exceed local needs. In most counties, the inflection point will occur between 2032 and 2035. In counties with especially large gaps, low construction activity, or favourable demographic prospects, it may come only after 2040. Consequently, by the end of our horizon, we expect local shortages to be near zero, while excess vacant dwellings will reach about 1.7 million dwellings (9.5% of the total housing stock).
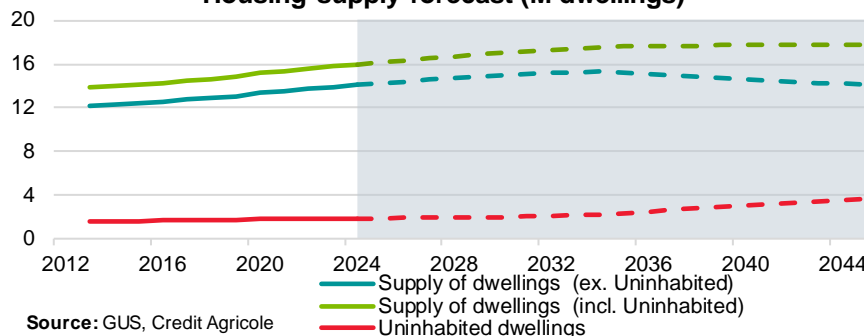
Housing supply forecast (M dwellings)

Source: GUS, Credit Agricole

What happens to these excess vacancies will depend on their attractiveness and location. Some desirable properties may be converted into holiday homes, rented out, or occupied by fully remote workers. In counties facing depopulation, downward price pressure could lead to situations akin to Italy's "one-euro house" programmes in depopulating regions or the free houses offered in rural Japan. There will also be demand from buyers for whom a low price will compensate for longer commutes and the loss of benefits associated with living in an agglomeration. That said, many poorly located, low-standard properties with high potential renovation costs may find no buyers and deteriorate, falling out of the housing stock completely.

To test the sensitivity of our projections to key risk factors, we prepared four alternative scenarios: two for supply and two for demand. In the first scenario (low supply), we examined how the housing gap would look if the number of housing completions fell to something close to the minimum from the last 12 years. The gap would persist for a few extra years, but it would still be almost fully closed. Excess vacancies would reach 1.4 million versus 1.7 million in the baseline scenario (8.2% of housing supply vs 9.5% in the baseline scenario). This result highlights how much of the emerging housing surplus is driven by demographics (mainly internal migration). In other words, the vacancies emerging in our forecast are largely due to a geographic mismatch between demand and supply – the depopulation of certain areas due to internal migration.

In the second scenario (high supply), we assumed stronger construction activity supported by a dovish monetary policy and a materially slower reaction by construction companies to emerging surpluses in the real property market (due to misreading price signals). In this scenario excess vacancies would rise well above the baseline scenario, reaching 2.1 million in 2045 versus 1.7 million (11.7% of total supply vs 9.5% in the baseline scenario).

In the third scenario (low population) we assumed that a restrictive migration policy will halt growth in foreigners with permanent stay rights and reduce those with temporary stay rights to roughly 2016 levels. In this scenario, the gap would close several years earlier on average and excess vacancies would end up slightly higher than in the baseline scenario, but not by much. Please note that this scenario does not

factor in the strongly negative impact on construction sector labour supply, which could make housing shortages in big cities harder to satisfy.

In the fourth scenario (high population), we analysed the potential consequences of uncontrolled immigration, assuming that the number of foreigners in Poland rises to nearly 4.5 million by 2045. In this scenario, closing the gap would take several years longer on average, but shortages would still be almost entirely eliminated in the end. While still present, surpluses in this scenario would be lower than in the baseline scenario, reaching about 1.3 million (7.3% of total supply vs 9.5% in the baseline scenario; similarly to the other scenarios, it would reflect a geographical mismatch between supply and demand).

In summary, we expect Poland's core housing shortfall to be resolved over the next two decades, with about 1.7 million excess vacant dwellings emerging on the market, representing 21.4% of the housing supply vs. 11.8% currently). The gap will close first in areas with rapid population outflows and last where construction activity is low and the housing gap is high. Among large cities, we expect the gap to close the fastest in Wrocław and persist longest in Warsaw. Closing the gap will not spell the end of residential construction in Poland, but activity will concentrate on higher-standard properties in good locations. The market will increasingly become a buyer's market, rather than a seller's market. Thus, closing the gap should also raise the average quality of occupied dwellings (new developments displacing old, deteriorating dwellings). It will also help curtail the heavily discussed phenomenon dubbed "*patodeweloperka*", i.e. the construction of new dwellings that fail to meet basic standards of sound urban, architectural and social design.

Inflation data from Poland may weaken the PLN

FX rates

Source: LSEG — EURPLN (lhs) — USDPLN (rhs) — CHFPLN (lhs) — GBPPLN (rhs)
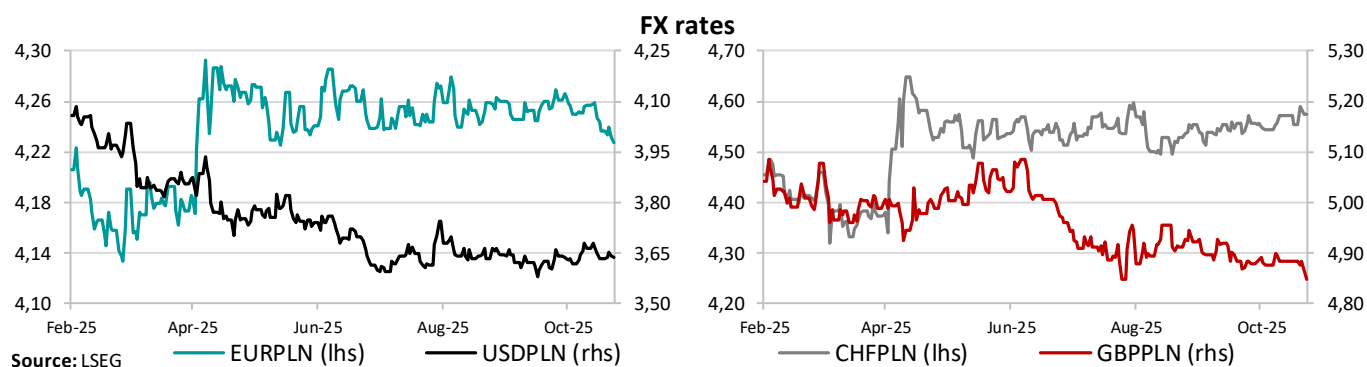
Last week, the EURPLN rate dropped to 4.2271 (strengthening of the PLN by 0.2%). In the first part of the week, the PLN strengthened against the EUR. At the same time, the EURUSD fell. The depreciation of the EUR against the USD was an adjustment after the EURUSD rise that started three weeks ago in response to another round of escalation of the trade war between the US and China, which increased the concerns among some investors with regard to the outlook for economic growth in the US. Friday saw an adjustment, and the USD weakened against the EUR again in reaction to lower-than-expected inflation data for the US. An adjustment was also seen in EURPLN, which came close to the level seen at Monday's opening.

This week, the PLN may be weakened by the publication of Poland's preliminary inflation data planned for Friday. The press conference after the FOMC meeting may add to EURUSD volatility. We believe that other publications from the Polish and global economies planned for this week will be neutral for the PLN.

CRÉDIT AGRICOLE

MACRO MAP

FOMC meeting in the spotlight

IRS curve in Poland (%)

Source: LSEG
— 2025/10/23 — 2025/10/16

Spread: Polish vs. German bonds (ppt.)

— 2-Year — 5-Year — 10-Year
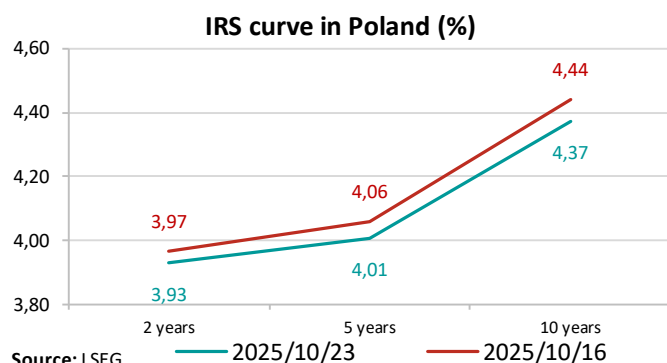
Last week, the 2-year IRS rates decreased to 3.93 (down by 2bp), 5-year rates to 4.01 (down by 3bp), and 10-year rates to 4.37 (down by 6bp). Last week saw a fall in IRS rates across the curve following the yield decline in core markets. The yield decline in core markets was driven by concerns regarding the economic growth outlook in the US and expectations concerning Fed's interest rate cuts.

This week, the press conference after the FOMC meeting planned for Wednesday may add to volatility of the IRS rates. Set for Friday, the publication of flash inflation data for Poland may drive the IRS rates down. In our view, other publications from the Polish and global economies planned for this week will be neutral for the curve.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland													
Indicator	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	Oct-25
NBP reference rate (%)	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	4,75
EURPLN*	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	4,26
USDPLN*	3,85	4,00	4,06	4,13	4,06	4,04	3,87	3,77	3,74	3,60	3,74	3,64	3,63	3,63
CHFPLN*	4,54	4,64	4,60	4,54	4,46	4,46	4,38	4,56	4,54	4,53	4,60	4,55	4,56	4,56
CPI inflation (% YoY)	4,9	5,0	4,7	4,7	4,9	4,9	4,9	4,3	4,0	4,1	3,1	2,9	2,9	
Core inflation (% YoY)	4,3	4,1	4,3	4,0	3,7	3,6	3,6	3,4	3,3	3,4	3,3	3,2	3,2	
Industrial production (% YoY)	-0,5	4,7	-1,3	0,3	-0,9	-1,8	2,5	1,3	4,0	-0,4	3,0	0,7	7,4	
Constr. and assembly prod. (% YoY)	-9,0	-9,6	-9,4	-8,0	4,2	-0,1	-1,1	-4,2	-2,8	2,1	0,7	-6,9	-2,2	
PPI inflation (% YoY)	-6,2	-5,1	-3,8	-2,7	-1,0	-1,3	-1,0	-1,6	-1,5	-1,5	-1,3	-1,2	-1,2	
Retail sales (% YoY)	-2,2	2,3	3,4	2,7	6,1	0,6	0,6	7,9	4,3	2,1	4,8	3,0	6,6	
Corporate sector wages (% YoY)	10,3	10,2	10,5	9,8	9,2	7,9	7,7	9,3	8,4	9,0	7,6	7,1	7,5	
Employment (% YoY)	-0,5	-0,5	-0,5	-0,6	-0,9	-0,9	-0,9	-0,8	-0,8	-0,8	-0,9	-0,8	-0,8	
Unemployment rate* (%)	5,0	4,9	5,0	5,1	5,4	5,4	5,3	5,2	5,0	5,2	5,4	5,5	5,6	
Current account (M EUR)	-810	918	-281	-1427	-35	115	-1136	-424	-1004	-194	-1168	-3087		
Exports (% YoY EUR)	1,9	2,9	-2,3	0,7	2,7	1,2	3,9	-1,2	4,9	2,7	3,0	-1,4		
Imports (% YoY EUR)	6,1	6,5	-0,4	3,9	10,4	4,0	10,5	6,3	6,1	0,6	2,6	-1,2		

*end of period

Forecasts of the quarterly macroeconomic indicators

Indicator	2025				2026				2024	2025	2026
	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	3,0	3,6	3,3
Private consumption (% YoY)	2,6	4,5	4,0	3,5	2,7	2,8	3,1	3,3	2,9	3,6	3,0
Gross fixed capital formation (% YoY)	6,4	-0,7	5,5	7,5	8,6	10,9	7,2	6,5	-0,9	4,9	8,0
Export - constant prices (% YoY)	2,1	1,9	2,2	2,8	4,5	5,8	5,8	5,3	2,0	1,9	5,4
Import - constant prices (% YoY)	4,3	3,4	2,9	2,8	5,0	6,1	6,5	6,1	4,5	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	2,0	1,7
GDP growth contributions — Investments (pp)	0,8	-0,2	0,9	1,7	1,1	1,6	1,1	1,5	-0,2	0,8	1,3
GDP growth contributions — Net exports (pp)	-1,1	-0,4	-0,3	0,1	-0,1	0,1	-0,2	-0,2	-1,2	-0,4	-0,1
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	5,6	5,4	5,6	5,4	5,3	5,2	5,1	5,4	5,2
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	4,72	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	3,63	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 10/27/2025						
10:00	Germany	Ifo business climate (pts)	Oct	87,7		88,0
10:00	Eurozone	M3 money supply (% MoM)	Sep	2,9		2,8
Tuesday 10/28/2025						
14:00	USA	Case-Shiller Index (% MoM)	Aug	-0,1		-0,1
15:00	USA	Richmond Fed Index	Oct	-17,0		
15:00	USA	Consumer Confidence Index	Oct	94,2	93,0	93,5
Wednesday 10/29/2025						
19:00	USA	FOMC meeting (%)	Oct	4,25	4,00	4,00
Thursday 10/30/2025						
10:00	Germany	Preliminary GDP (% QoQ)	Q3	-0,3	-0,1	0,0
11:00	Eurozone	Preliminary GDP (% QoQ)	Q3	0,1	0,2	0,1
11:00	Eurozone	Business Climate Indicator (pts)	Oct	-0,76		
11:00	Eurozone	Unemployment rate (%)	Sep	6,3		6,3
13:30	USA	Preliminary estimate of GDP (% YoY)	Q3	3,8	3,3	3,0
14:00	Germany	Preliminary HICP (% YoY)	Oct	2,4	2,1	2,2
14:15	Eurozone	EBC rate decision (%)	Oct	2,15	2,15	2,15
Friday 10/31/2025						
2:30	China	NBS Manufacturing PMI (pts)	Oct	49,8		49,6
10:00	**Poland**	**Flash CPI (% YoY)**	**Oct**	**2,9**	**2,8**	**3,0**
11:00	Eurozone	Preliminary HICP (% YoY)	Oct	2,2	2,1	2,1
13:30	USA	PCE Inflation (% YoY)	Sep	2,7		2,8
13:30	USA	PCE core inflation (% YoY)	Sep	2,9		2,9
13:30	USA	Real private consumption (% MoM)	Sep	0,4		
14:45	USA	Chicago PMI (pts)	Oct	40,6		42,3
Saturday 11/01/2025						
13:30	USA	Durable goods orders (% MoM)	Sep	0,0		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
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