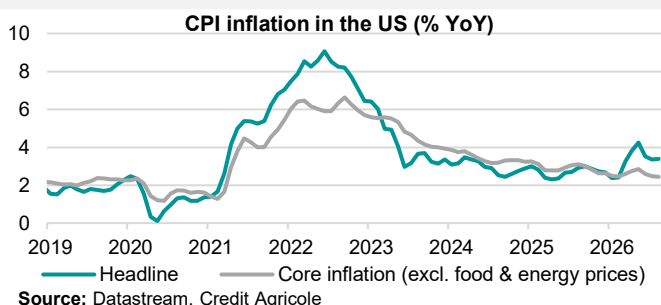


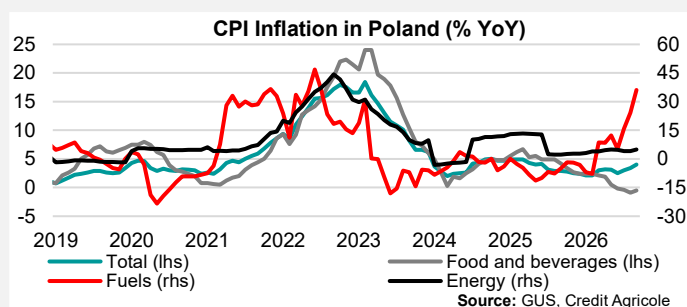
This week

US CPI inflation data will be released on Wednesday. It will be crucial for the monetary policy outlook ahead of the October FOMC meeting. We expect the headline inflation to have gone up to 3.6% YoY in September, from 3.4% in August, driven primarily by a further increase in energy prices. At



the same time, we forecast that core inflation remained unchanged at 2.4% YoY. Such a combination of data would suggest that the underlying inflationary pressures remain relatively contained despite the ongoing energy shock. In our view, such an outcome, together with the lower-than-previously-estimated core PCE inflation following recent data revisions would support the case for leaving interest rates unchanged at the October meeting. Nonetheless, we continue to expect two further 25bp rate hikes, in December 2026 and March 2027, although a stronger-than-expected core inflation reading would increase the likelihood of earlier monetary tightening. Thursday will see the release of retail sales data, with growth expected to slow to 0.2% MoM from 1.1% in August, while Friday will bring industrial production data, which we expect to increase by 0.3% MoM following stagnation in August. It is also worth noting that we have revised our US GDP growth forecasts upwards to 2.3% in 2026 (from 2.1%) and to 2.1% in 2027 (from 2.0%). The revision reflects the BEA's upward revisions to historical growth estimates, including GDP growth in Q2 2026.

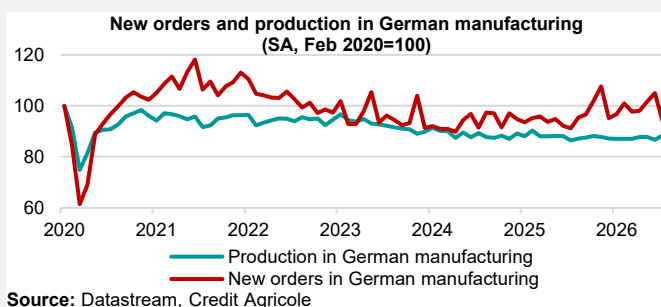
Final CPI inflation data for Poland in September will be released on Wednesday. We expect it to confirm Statistics Poland's flash estimate, according to which inflation rose to 4.0% YoY from 3.4% in August, driven primarily by a further acceleration in fuel price inflation following the expiry of the government's measures



aimed at lowering retail fuel prices. At the same time, we estimate that core inflation eased to 3.0-3.1% YoY in September from 3.3% in August, which suggests that second-round effects of the energy shock are still limited.

Last week

Data from Germany released this week painted a mixed picture of the economy. Industrial orders fell by as much as 10.6% MoM in August, following a 3.2% increase in July and coming in well below the market expectations (-1.0%). However, the decline was driven primarily by a sharp drop in large orders for ships,

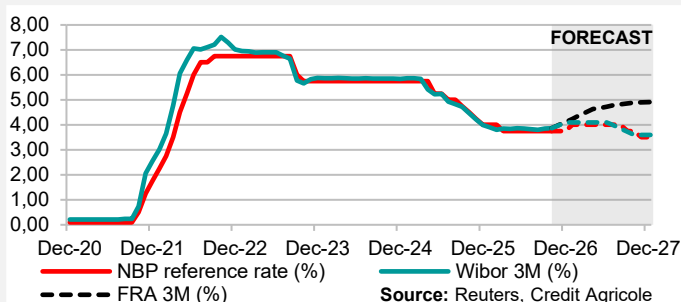


railway rolling stock and aircraft after an exceptionally strong July. Excluding large orders, new orders fell by just 0.1% MoM. At the same time, industrial production increased by 2.0% MoM in

August, following a decline of 1.2% in July. Foreign trade data was relatively weak, with exports falling by 0.8% MoM in August after a 0.5% decline in July, whereas the market had expected an increase of 0.9%. Taken together, the data suggests that the German economy is gradually emerging from stagnation, although the recovery remains uneven and continues to be constrained by weak export performance and strong competitive pressure from Chinese manufacturers.

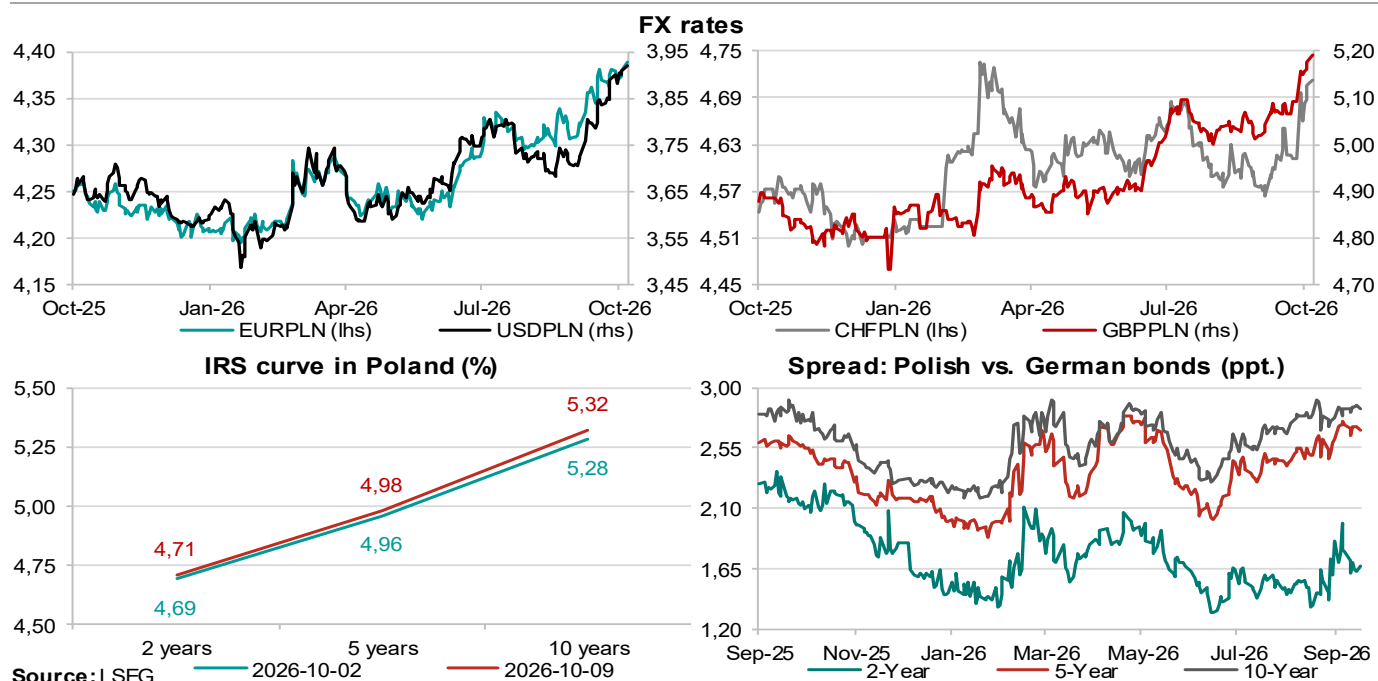
✓ **The Monetary Policy Council left interest rates unchanged, with the reference rate remaining at 3.75%, in line with both our forecast and the market consensus.** The tone of the press release did not change much compared with September.

Thursday's press conference by NBP Governor A. Glapiński provided more insight into the monetary policy outlook. Mr Glapiński stressed that the September inflation rise was driven primarily by higher fuel prices and that the MPC has not yet observed any clear pass-through of the energy shock to other prices in the economy or any significant second-round effects. He also noted that the new government intervention in the fuel market should bring inflation back below the upper band for admissible deviations from the NBP target as early as October. At the same time, the NBP Governor highlighted ongoing inflation risks, including strong domestic demand, improving conditions abroad, higher commodity prices and expansionary fiscal policy. The key message from the press conference, however, was A. Glapiński's conclusion that a rate hike in November is unlikely given the currently available data, although he did not rule out such a move if the new projection were to produce concerning results. Consequently, taking into account the expected impact of the renewed CPN programme on fuel prices and inflation in the coming months, we have revised our monetary policy scenario, pushing back the expected 25bp rate hike from November this year to January 2027. The sharp rise in core inflation to 3.8% YoY that we expect in December could increase the MPC's concerns about the emergence of second-round effects. At the same time, we assume that, if fuel prices remain elevated, the government will most likely extend its intervention in the fuel market into Q1 2027, limiting the extent of monetary tightening required. We therefore continue to expect only a single reference rate hike, to 4.00%. We have not changed the timing of the expected rate cuts, though. We forecast two 25bp cuts, in September and November 2027, which will bring the reference rate down to its terminal level of 3.50% by the end of next year.



Inflation data in the spotlight

Financial markets last week were driven primarily by movements in oil prices, concerns over the sustainability of France's public finances and expectations regarding the monetary policy outlook of the major central banks. At the start of the week, market sentiment improved as Brent crude temporarily fell below USD 100 per barrel, supporting the PLN and driving the yields on Polish bonds and IRS rates down. On Wednesday, sentiment reversed as higher oil prices and mounting concerns about public finances in the major economies weighed on markets. The MPC's decision to leave the reference rate unchanged did not trigger a significant market reaction. The NBP Governor's press conference also did little to alter market expectations regarding future MPC decisions, leaving Polish assets relatively stable. The PLN weakened again on Friday. Consequently, both the PLN and the IRS rates ended the week at levels that were broadly similar to those seen at the close two weeks earlier.



This week, developments in the Middle East and the resulting movements in oil prices will remain important drivers of market sentiment, against the backdrop of continued uncertainty surrounding France's fiscal position. The most important release will be the US CPI inflation data due on Wednesday, as it could have a significant impact on expectations regarding the Fed's October decision. Final CPI inflation data for Poland will also be released on Wednesday. If confirmed, Statistics Poland's flash estimate should have little impact on financial markets.

Furniture industry still under pressure from low-cost imports

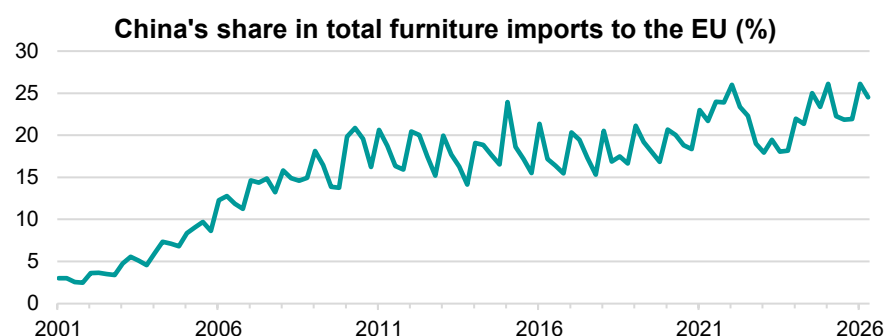
In recent years, activity in the Polish furniture industry has remained subdued. Initially, this was largely a consequence of the shocks associated with the COVID-19 pandemic and the outbreak of the war in Ukraine. In subsequent years, weak demand for durable goods in Europe, particularly in Germany, remained a significant constraint on the sector. At the same time, due to the high share of export sales in the industry's revenues, its prospects continue to depend heavily on economic conditions in its key export markets. More recently, competition from Chinese manufacturers has also become an increasingly important factor. In the analysis below, we update our forecasts for activity in the furniture industry in 2026-2027, taking into account both the outlook for foreign and domestic demand and intensifying competitive pressures from China.

Poland's furniture industry is highly dependent on exports. According to PONT Info, in 2025, export sales accounted for 62% of the sector's total revenue. What is more, in large companies (those with more than 250 employees) the share was even higher at 69%. Although foreign market conditions are the dominant driver of the industry's performance, domestic sales remain an important part of the business for many, especially smaller, companies. For this reason, our analysis is divided into two parts. First, we examine foreign demand for Polish furniture. Second, we focus on domestic demand.

Germany is the main destination for Polish furniture exports, accounting for as much as 34.6% of their value in 2025, well ahead of other markets such as France (7.3%), the Netherlands (6.9%) and the Czech Republic (4.5%). This indicates that the condition of the German economy is the key factor shaping Polish furniture exports. Our forecast for Polish furniture exports is based on an econometric model that

incorporates both changes in demand across key export markets and the growing competitive pressure from China. Our model uses the following variables:

- **German GDP growth.** This variable maps activity in the German economy to demand for Polish furniture exports.
- **Seasonal factors.** Polish furniture exports display a strong seasonal pattern, typically peaking in Q4 and bottoming in Q2. The purpose of this variable is to capture those fluctuations in the model.
- **A dummy variable representing COVID-19-related disruptions to furniture exports.** Its purpose is to exclude the effect of pandemic-related outliers from the model estimates.
- **China's share in the EU's furniture imports (moving average, lagged by four quarters).** This variable captures the impact of growing competition from Chinese manufacturers on Polish furniture exports. An increase in China's share of total EU27 furniture imports implies stronger competitive pressures in the European market, limiting the ability of Polish exporters to increase sales even when economic conditions in their key export markets improve.



Źródło: Eurostat, Credit Agricole

Compared with last year's analysis (see MACROmap of 09/09/2025), we expanded the model to account for growing competitive pressure from Chinese manufacturers. To this end, we used the 12-month moving average of China's share in total EU furniture imports. The use of a moving average makes it possible to capture lasting changes in China's share of the European market, while reducing the impact of short-term

fluctuations of that variable. China's share has shown a clear upward trend in recent years. It increased from an average of 18.8% in 2019 to 23.1% in 2021 and, after temporarily declining to 18.4% in 2023, rose again to 22.9% in 2024 and 23.0% in 2025. In H1 2026, it averaged 25.3%. Including this factor helps isolate the effects of improving demand in the European furniture market from changes in the competitive position of Polish exporters.



Source: Eurostat, Credit Agricole

Based on the model, we prepared a forecast for the growth rate of Polish furniture exports through the end of 2025. The forecast is based on our assumption of a gradual recovery in German economic growth, from 0.3% YoY in 2025 to 1.0% in 2026 and 1.1% in 2027, in line with improving business survey indicators. At the same time, we expect competitive pressures

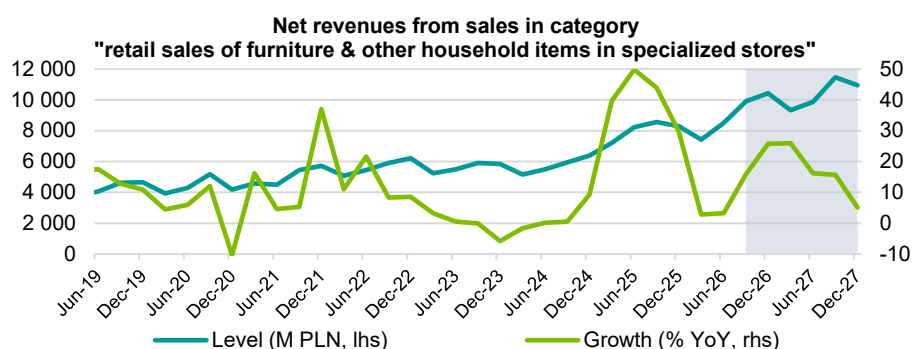
from China, as measured by its share of imports, to remain elevated. As a result, we forecast that the growth rate of Polish furniture-export values will follow a gentle upward trend in the coming quarters. Accordingly, for the full year 2026, we expect a 2.0% decline, followed by a rise to 1.5% in 2027.

In the second part of our analysis, we approximated domestic demand for furniture using quarterly net revenue from sales of products, goods and materials in the category "retail sale of furniture, lighting

equipment and other household articles in specialised stores". The data source is PONT Info and covers firms with at least 50 employees. Demand in this category can be broken down into two components. The first component captures demand from households moving into a new flat (house) or undertaking a full renovation and needing to furnish it. The second captures demand from households that are adding to their furnishings or replacing durable household goods with newer ones. This approach allows us to cover a broad spectrum of demand.

To assess the outlook for households' demand for durable goods, we built an econometric model where we explained the net revenues from the sale of products, goods and materials in the "retail sale of furniture, lighting equipment and other household articles in specialised stores" category using the following variables:

- **Flats and houses under construction (lagged 4 quarters).** This variable approximates furniture demand from households moving into a new flat (house) or carrying out a general renovation. The more apartments and houses under construction, the higher future demand for furniture.
- **Consumer credit (lagged 2 quarters).** This variable approximates demand for durable goods financed with consumer loans. Consequently, the faster the growth in the volume of consumer credit granted, the higher retail furniture sales.
- **EUR/PLN exchange rate (lagged 1 quarter).** Poland's furniture industry has a high export share in its revenue breakdown. A higher EUR/PLN exchange rate increases the competitiveness of Polish exports, which in turn pushes up domestic prices, leading to a growth in nominal sales.



Source: PONT Info, Credit Agricole

According to our forecast, the coming quarters will see the continuation of the increase in net revenue from domestic sales in the "retail sale of furniture, lighting equipment and other household articles in specialised stores" category. This will be supported by the recovery already under way in residential construction, as well as favourable consumer sentiment.

The monetary policy tightening we expect, which will weigh on consumer lending growth, together with a stronger PLN against the EUR, will in turn limit the scale of the recovery in the furniture industry.

To sum up, we expect conditions in the Polish furniture industry to improve gradually, supported by a recovery in domestic demand and a gradual rebound in demand across its key export markets. The scale of the recovery will, however, be constrained by continued strong competitive pressure from Chinese manufacturers, limiting the benefit for Polish furniture exporters from improving economic conditions in Europe. US trade policy remains an additional source of uncertainty for the industry's outlook in 2027. Under current regulations, US tariffs on selected upholstered furniture are set to increase from 25% to 30% from January 2027, while tariffs on kitchen and bathroom cabinets are scheduled to rise from 25% to 50%, with the preferential cap on the combined tariff rate for products originating from the EU remaining at 15%. Although both the timing and scale of these increases may still change, their introduction could improve the competitiveness of Polish manufacturers relative to Chinese suppliers in the US market. On the other hand, higher US tariffs could encourage Chinese manufacturers to redirect part of their exports to Europe, intensifying competitive pressures in the key markets served by Poland's furniture industry. Given the relatively small share of the US in Polish furniture exports (below 4%) and the dominant importance of European markets, we assess the balance of risks and opportunities associated with the planned changes in US tariffs as unfavourable for Poland's furniture industry.

Forecasts of the monthly macroeconomic indicators

Selected monthly macroeconomic indicators in Poland														
Indicator	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
NBP reference rate* (%)	4,75	4,50	4,25	4,00	4,00	4,00	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75
EURPLN*	4,26	4,25	4,23	4,21	4,21	4,22	4,29	4,25	4,23	4,30	4,31	4,32	4,36	4,35
USDPLN*	3,63	3,68	3,65	3,58	3,55	3,57	3,71	3,63	3,63	3,76	3,73	3,72	3,85	3,84
CHFPLN*	4,56	4,57	4,53	4,51	4,52	4,64	4,63	4,64	4,65	4,66	4,61	4,60	4,61	4,59
CPI inflation (% YoY)	2,9	2,8	2,5	2,4	2,1	2,1	3,0	3,2	3,1	2,5	3,0	3,4	4,0	
Core inflation (% YoY)	3,2	3,0	2,7	2,7	2,7	2,5	2,7	3,0	3,1	3,0	3,1	3,3	3,1	
Industrial production (% YoY)	7,6	3,2	-1,1	7,3	-1,5	1,3	7,5	2,9	4,1	7,4	4,9	4,3	2,8	
Constr. and assembly prod. (% YoY)	0,3	4,2	0,1	4,4	-12,8	-13,8	0,6	4,6	3,9	5,1	-2,3	6,7	2,0	
PPI inflation (% YoY)	-1,4	-2,2	-2,3	-2,5	-2,6	-2,0	1,2	2,1	2,4	1,9	3,1	4,2	5,7	
Retail sales (% YoY)	6,6	5,5	2,8	5,0	3,9	4,3	9,8	2,8	4,4	6,8	5,3	6,4	6,6	
Corporate sector wages (% YoY)	7,5	6,6	7,1	8,6	6,1	6,1	6,6	5,4	5,8	5,9	6,8	5,6	6,1	
Employment (% YoY)	-0,8	-0,8	-0,8	-0,7	-0,8	-0,8	-0,9	-0,9	-0,9	-0,9	-0,8	-0,8	-0,8	
Unemployment rate* (%)	5,6	5,6	5,6	5,7	6,0	6,1	6,1	6,0	5,9	5,8	5,8	5,8	5,8	
Current account (M EUR)	-797	1767	-402	-2194	1312	-632	272	-1541	-1360	-2216	-2419	-2253		
Exports (% YoY EUR)	5,9	5,2	2,4	9,4	-2,1	2,5	7,9	6,7	5,5	12,3	10,3	11,3		
Imports (% YoY EUR)	7,4	2,7	2,9	9,8	-5,9	3,8	4,2	7,8	3,8	16,9	12,6	10,4		

*end of month

Forecasts of the quarterly macroeconomic indicators

Selected macroeconomic indicators in Poland												
Indicator	2026				2027				2025	2026	2027	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Gross Domestic Product (% YoY)	3,5	3,9	3,7	3,5	2,8	2,7	3,1	3,0	3,8	3,7	3,0	
Private consumption (% YoY)	3,3	2,8	3,1	2,5	2,8	3,3	3,3	3,0	4,0	2,9	3,2	
Gross fixed capital formation (% YoY)	2,4	8,4	9,6	8,1	7,2	6,3	4,5	5,9	4,9	7,5	6,4	
Export - constant prices (% YoY)	5,6	10,8	7,5	5,5	5,2	5,4	5,5	5,5	5,5	7,3	5,7	
Import - constant prices (% YoY)	6,1	10,4	8,0	6,2	5,2	6,1	6,5	6,1	7,1	7,7	6,4	
GDP growth contributions	Private consumption (pp)	2,0	1,6	1,8	1,2	1,7	1,9	1,9	1,5	2,2	1,7	1,8
	Investments (pp)	0,3	1,3	1,6	1,8	0,9	1,0	0,8	1,4	0,8	1,3	1,1
	Net exports (pp)	0,0	0,5	-0,1	-0,2	0,2	-0,2	-0,4	-0,2	-0,6	0,1	-0,2
Current account (% of GDP)***	-0,7	-1,0	-1,1	-1,3	-1,4	-1,5	-1,4	-1,3	-0,9	-1,3	-1,3	
Unemployment rate (%)**	6,1	5,8	5,8	5,9	6,1	5,7	5,7	5,8	5,7	5,9	5,8	
Non-agricultural employment (% YoY)	0,9	0,0	-0,1	-0,3	-0,5	-0,5	-0,5	-0,5	0,4	0,0	-0,5	
Wages in national economy (% YoY)	6,7	5,5	5,7	6,0	6,0	6,0	6,0	6,0	8,7	6,3	6,0	
CPI Inflation (% YoY)*	2,4	2,9	3,5	3,5	3,9	4,1	3,5	3,0	3,6	3,3	3,7	
Wibor 3M (%)**	3,85	3,85	3,85	4,10	4,10	4,10	3,73	3,60	3,99	4,10	3,60	
NBP reference rate (%)**	3,75	3,75	3,75	3,75	4,00	4,00	3,75	3,50	4,00	3,75	3,50	
EURPLN**	4,29	4,30	4,36	4,32	4,32	4,32	4,31	4,30	4,21	4,32	4,30	
USDPLN**	3,71	3,76	3,85	3,82	3,82	3,79	3,72	3,68	3,58	3,82	3,68	

* quarterly average

** end of period

***cumulative over the last four quarters

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
Tuesday 13/10/2026						
16:00	USA	Existing home sales (M MoM)	Sep	3,98	3,94	3,96
Wednesday 14/10/2026						
3:30	China	PPI (% YoY)	Sep	3,8		4,5
3:30	China	CPI (% YoY)	Sep	0,8		1,0
9:30	Poland	CPI (% YoY)	Sep	3,4	4,0	4,0
14:00	Poland	Current account (M EUR)	Aug	-2419	-2253	-2501
14:30	USA	Core CPI (% MoM)	Sep	0,3	0,2	0,2
14:30	USA	CPI (% MoM)	Sep	0,4	0,6	0,6
	China	Trade balance (bn USD)	Sep	119,1		118,1
Thursday 15/10/2026						
11:00	Eurozone	Industrial production (% MoM)	Aug	-0,1		0,0
14:00	Poland	Core inflation (% YoY)	Sep	3,3	3,1	3,1
14:30	USA	Initial jobless claims (k)	w/e	197		
14:30	USA	NY Fed Manufacturing Index (pts)	Oct	7,6		12,0
14:30	USA	Retail sales (% MoM)	Sep	1,2	0,2	0,3
14:30	USA	Philadelphia Fed Index (pts)	Oct	37,8		27,8
16:00	USA	Business inventories (% MoM)	Aug	0,8		0,4
Friday 16/10/2026						
11:00	Eurozone	HICP (% YoY)	Sep	3,8	3,8	3,8
15:15	USA	Capacity utilization (%)	Sep	76,3		76,5
15:15	USA	Industrial production (% MoM)	Sep	0,0	0,3	0,4

*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

** Consensus based on Thomson Reuters, Bloomberg or Parkiet daily