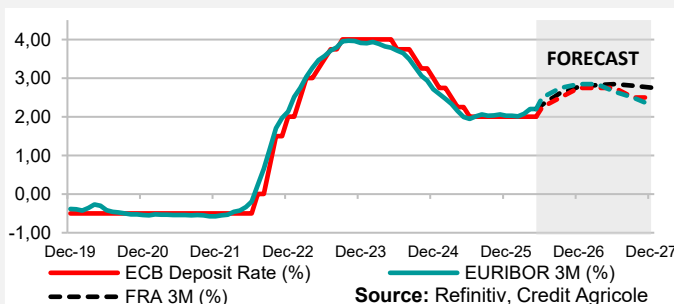


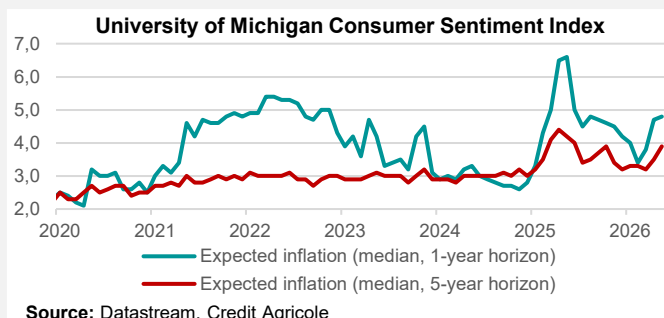
This week

An ECB meeting will take place on Thursday. We expect the Governing Council to raise interest rates by 25 pp, in line with the market consensus. The key element of the meeting, apart from the decision itself, will be the release of updated macroeconomic projections. We anticipate that the inflation path will



be revised upwards, primarily due to higher oil prices relative to the assumptions underlying the March projections. We expect the ECB to raise its HICP inflation forecast to 2.9% in 2026 and 2.3% in 2027 (an increase of 0.3 pp in both cases vs. March), while keeping the 2028 projection unchanged at 2.1%. For core inflation, we expect upward revisions to 2.5% in 2026 and 2.4% in 2027, with the 2028 forecast unchanged at 2.1%. This scenario is also supported by the flash estimate of HICP inflation in the Eurozone for May, which showed an increase in headline inflation to 3.2% YoY from 3.0% in April and a rise in core inflation to 2.6% YoY from 2.2%. Such projections would support our scenario of further monetary tightening in the Eurozone, according to which the ECB will deliver a total of three 25 pp rate hikes in 2026, including the June increase. In the baseline scenario, further hikes will take place in September and December. However, the elevated core inflation path and persistently high energy prices mean that a more hawkish ECB communication cannot be ruled out, potentially opening the door for C. Lagarde to move forward with a hike already in July. At the same time, weaker economic growth prospects limit the scope for more aggressive monetary tightening. This assessment is supported by revised data showing a 0.2% QoQ decline in Eurozone GDP in Q1 2026. This suggests that the scale of rate hikes may prove smaller than assumed in our baseline scenario.

Wednesday will see the release of USD CPI inflation data. We expect inflation to have increased to 4.3% YoY in May from 3.8% in April. The main driver remains energy prices following the outbreak of war with Iran, while second-round effects remain limited so far. As a result, we expect core inflation to stabilise at



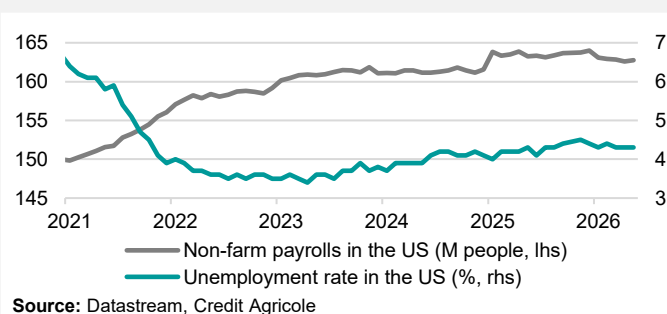
2.8% YoY in April and May. In our opinion, such a data set should definitively rule out Fed rate cuts in the near term, but it will not yet be sufficient to trigger a resumption of rate hikes by the FOMC. A stronger pass-through of the energy shock to core inflation or signs of de-anchoring inflation expectations would be needed for this scenario to materialise. In this context, the flash University of Michigan index for June will also be important. We expect it to increase to 46.8 pts from 44.8 pts in May, although it would still indicate very weak consumer sentiment and risks to consumption in the coming months. Particular attention should also be paid to measures of inflation expectations within the index, especially long-term ones, as a further increase in these could raise the Fed's concerns regarding the persistence of the current inflation shock.

Data on new orders in German industry was released this morning. In real terms, orders decreased by 3.8% MoM in April following an upwardly revised increase of 4.5% in March, while at the same time standing 1.6% higher YoY compared with 6.1% YoY in March. The decline in orders was not related to large contracts, as orders excluding them fell by the same magnitude (-3.8% MoM). The result was driven mainly by weaker orders in the automotive sector (-5.3% MoM), electrical equipment (-16.3%) and machinery and equipment (-7.4%). The deterioration

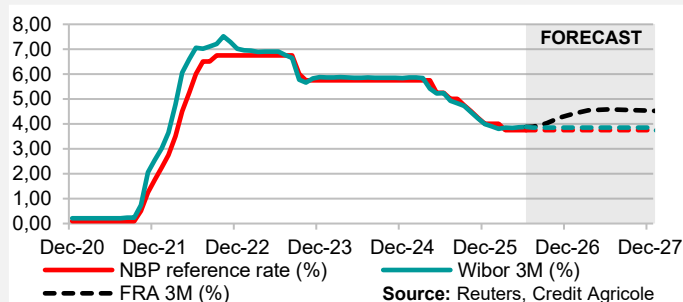
was broad-based – orders for capital goods decreased by 2.9% MoM, intermediate goods by 4.4%, and consumer goods by 6.7%. The decline in foreign orders was particularly pronounced (-4.2% MoM), including a sharp decrease in orders from the Eurozone (-11.1%), while domestic orders declined by 2.9%. April's orders data points to a weak start to Q2 and signal a high likelihood of continued stagnation in German industry. Foreign trade and industrial production figures for April will also be released tomorrow.

Last week

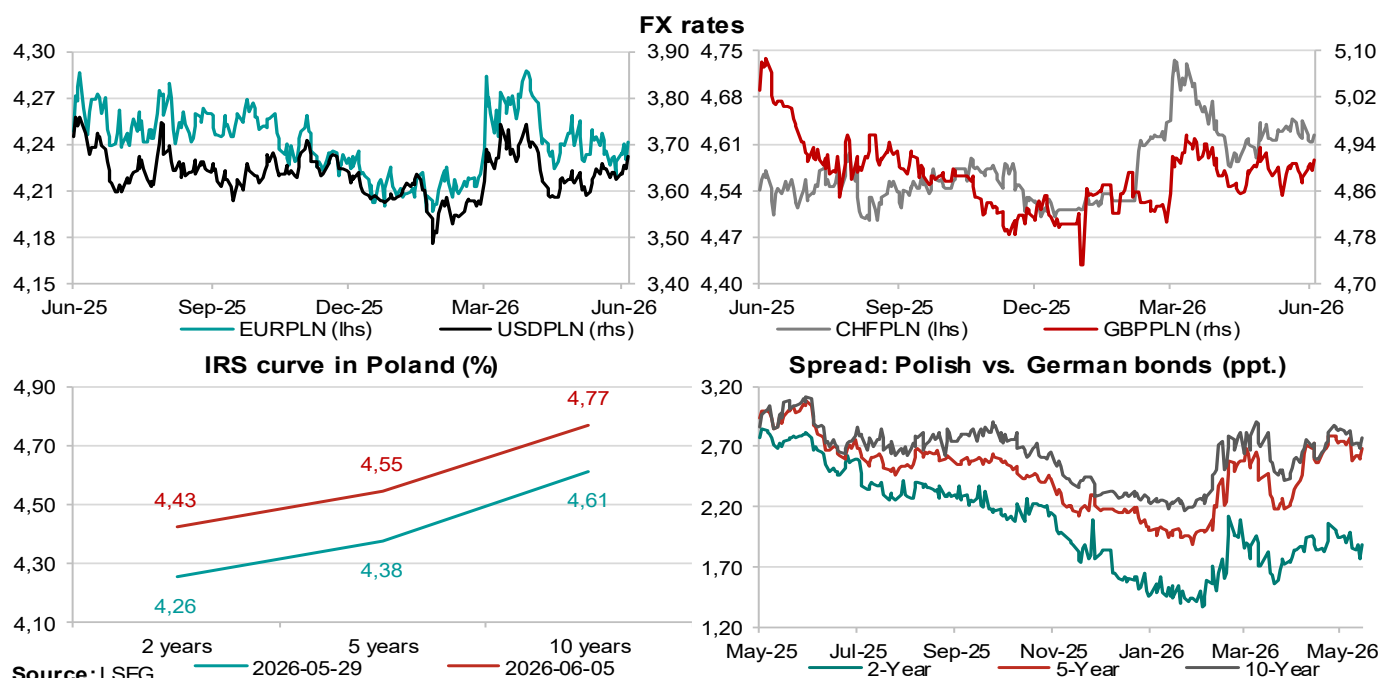
US labour market data for May was released last week and clearly surprised to the upside, strengthening expectations of a more hawkish Fed stance. Non-farm payrolls increased by 172k compared with an upwardly revised increase of 179k in April, coming in significantly above the market consensus (85k). Figures for March and April were revised up by a combined 93k. The strongest employment growth was recorded in leisure and hospitality, healthcare and local government, while employment in the information sector continued to decline, likely reflecting layoffs at tech companies. The unemployment rate remained unchanged at 4.3% and the labour force participation rate stabilised at 61.8%. The data indicates that the labour market remains resilient to the negative effects of the Middle East conflict. Following the release, the USD strengthened markedly against the EUR, US bond yields increased, and market expectations of a Fed rate hike later this year rose. While our baseline scenario continues to assume stable interest rates in the US until the end of 2026, we see growing upside risk to rates if the strong labour market conditions and elevated inflation persist.



Last week, the Monetary Policy Council – in line with our forecast and market expectations – left NBP interest rates unchanged, keeping the reference rate at 3.75%, as at the previous meeting. In its statement, the Council emphasised that, amid the tense geopolitical situation, global prospects for economic activity and inflation have deteriorated and remain subject to uncertainty. The MPC reiterated that the main risk factors for inflation remain the stance of fiscal policy, regulations affecting fuel prices, changes in the pace of economic activity, and future wage developments. At the post-meeting press conference, NBP Governor A. Głapiński stressed that interest rates are “appropriately high” and there is no reason to discuss their adjustment. He also noted that the lower-than-expected inflation reading for May can be interpreted as a signal of a lower probability of rate hikes, and that any discussion of monetary tightening could only emerge in the event of a sustained increase in oil and fuel prices and the end of government intervention in the fuel market. In our view, the MPC’s press release and the NBP Governor’s comments strongly support our scenario of stable NBP interest rates until the end of 2027, while the lower-than-expected inflation reading for May (see MACROmap of 01/06/2026) reduces the risk of a one-off, “signalling” rate hike in H2 2026.



Market sentiment stabilises

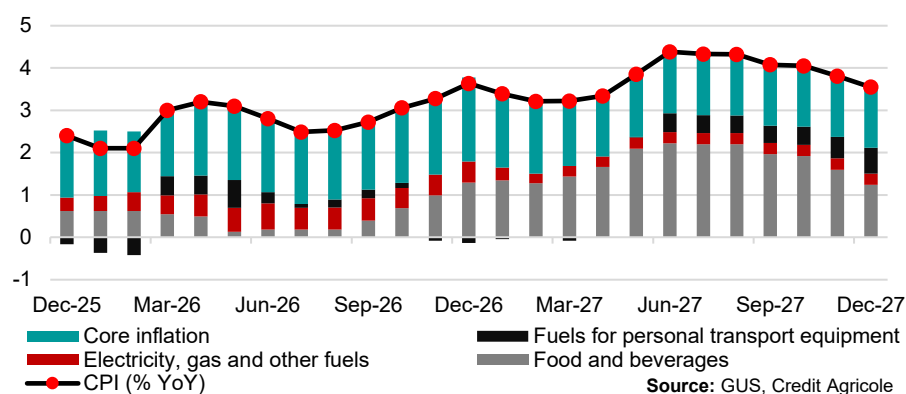


Financial markets were volatile over the past week, with news from the Middle East and its impact on oil prices and global risk aversion remaining the key drivers. Early in the week, sentiment deteriorated following reports of a stalemate in US-Iran talks and an escalation of Israeli operations in Lebanon, which supported the USD, weakened the PLN and led to an increase in Polish government bond yields and IRS rates. In the following days, sentiment partially improved on signals that talks with Iran were still ongoing. On Friday, investor attention was drawn primarily to the significantly stronger-than-expected US labour market report, which supported the USD and expectations of a prolonged period of restrictive Fed policy, limiting room for a further decline in yields and for PLN appreciation. As a result, over the week as a whole, EURPLN remained close to 4.23-4.24, while Polish government bond yields and IRS rates ended the week higher than at its start.

In the coming week, market developments will be driven primarily by the situation in the Middle East, US CPI inflation data and the ECB meeting, which is likely to contribute to elevated volatility in the FX market and the domestic interest rate market.

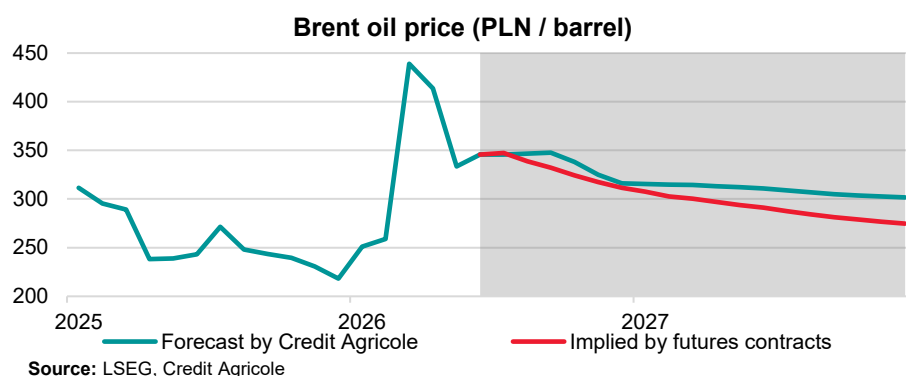
Forecasts for CE-4 countries

The latest macroeconomic data prompted us to update our forecasts for the economies of Central and Eastern Europe (Poland, Czechia, Hungary and Romania; hereinafter: CE-4), although the overall picture of our scenario has not changed materially. In our revised forecasts, we have incorporated data on the structure of GDP growth in Q1 2026 and inflation releases from recent months. It should be emphasised that our scenario is subject to heightened uncertainty regarding the further course of the conflict in the Middle East.



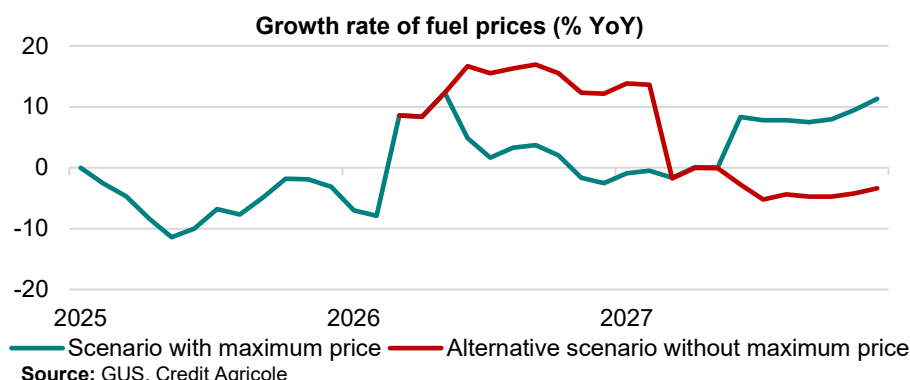
Before the publication of the May figures, we had assumed that annual average CPI inflation in Poland would fall to 3.2% YoY in 2026 and then rise to 3.9% in 2027. We are now revising this path downwards, expecting inflation to average 2.8% in 2026 and 3.8% in 2027. This change mainly reflects a lower starting point. According to Statistics Poland's flash estimate, food and non-alcoholic beverage price growth fell to 0.5%

YoY in May from 1.9% in April, coming in clearly below our forecast of 1.8%. At the same time, food prices fell by 1.0% MoM, marking their steepest May decline in more than 20 years; food prices usually rise seasonally in May. Although Statistics Poland (GUS) has not yet published the data breakdown, we suspect that the main source of the surprise was the recent aggressive promotional activity by retail chains, including sharp cuts in butter prices. In some cases, these promotions are not driven by the fundamental factors determining agricultural commodity prices, which makes inflation forecasting more difficult. For this reason, we have revised our forecast and lowered its starting point. However, we maintain our scenario assuming an acceleration in price growth in the coming quarters, driven by the lagged effects of the shock to energy and fertiliser markets related to the blockade of the Strait of Hormuz, as well as this year's expected weak fruit and vegetable harvests resulting from unfavourable agrometeorological conditions. As a result, we now forecast that food and non-alcoholic beverage price growth will fall to 2.0% YoY in 2026, compared with 3.2% before the revision and 4.7% in 2025, and then rise to 6.8% in 2027, compared with 7.4% previously. At the same time, we believe it will reach a local peak of around 8.2% in Q3 2027.



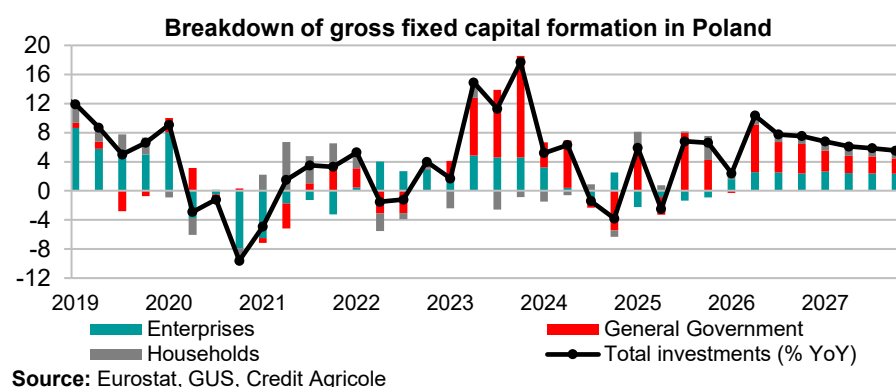
The oil price scenario remains an important element of our forecast. We assume that, amid persistent disruptions to crude oil transport through the Strait of Hormuz, oil prices will remain elevated until the end of Q3 2026. From Q4 2026, the situation in the oil market should begin to normalise gradually, supported by a partial recovery in crude oil flows and the adjustment of global supply chains. However,

over the forecast horizon, we do not assume that oil prices will return to the levels observed before the escalation of the crisis in the Middle East. This means that the cost impulse will weaken but will not fade completely, affecting inflation both directly through fuel prices and indirectly through production costs, transport costs and food prices.



transmission of the oil shock. However, this intervention does not eliminate the impact of higher oil prices on inflation; rather, it primarily changes its profile over time. In the short term, it reduces fuel price growth and curbs the increase in CPI, while in the medium term, as administrative measures expire and low base effects emerge, it will push inflation up. Therefore, despite lowering our annual average CPI forecast for 2026, we still expect inflation to remain persistent in 2027 and to stay above the upper limit of the permitted deviation band around the NBP target for most of the year.

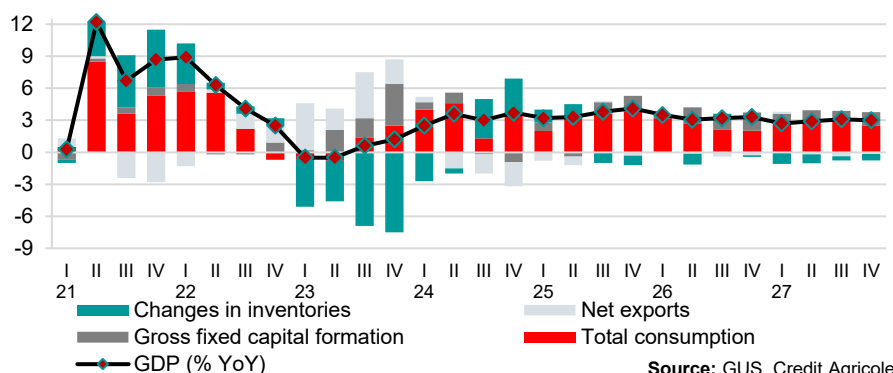
At the same time, we maintain our previous assumption (see MACROmap of 07/04/2026) that the government will keep its fuel-market intervention in place until February 2027. In our view, this mechanism will continue to limit the direct pass-through of elevated oil prices to retail fuel prices, which will be one of the main factors lowering inflation in 2026 compared with a scenario of full



In our previous scenario, we assumed that economic growth in Poland would remain moderately strong in 2026, supported on the one hand by still relatively robust private consumption and, on the other, by a gradual recovery in investment related to the growing absorption of EU funds. However, the Q1 GDP data published in recent weeks was slightly weaker than we had expected. The biggest

disappointment in the Q1 data was investment growth, which fell to 2.4% YoY from 6.6% in Q4. However, we do not interpret the weak Q1 investment reading as the beginning of a lasting deterioration in the trend. On the contrary, we maintain our scenario of a gradual recovery in investment outlays in the coming quarters. This process will be supported by the growing absorption of EU funds under the National Recovery and Resilience Plan, the Cohesion Fund and the SAFE programme, which should boost public investment, particularly infrastructure investment. Additional support for investment will come from the expected rebound in construction after a weak start to the year and from an improvement in corporate investment activity, related among other things to machinery upgrades, the automation of production processes, improved credit availability and the crowding-in effect of public investment on private investment. At the same time, we recognise that the conflict in the Middle East and persistently elevated energy commodity prices are increasing uncertainty and may prompt some companies to take a more cautious approach to investment (see MACROmaps of 27/04/2026 and 11/05/2026).

In the coming quarters, elevated inflation will weigh on households' real purchasing power, which should contribute to a slowdown in consumption. However, we maintain our assessment that households will smooth their spending path, i.e. they will adjust consumption only partially to the temporary decline in real income growth by drawing on previously accumulated savings. This means that consumption will no longer be as strong a source of growth acceleration as in previous quarters, but it will remain an important stabiliser of economic activity. Taking into account the weaker-than-expected starting point after Q1, while maintaining our assumptions regarding consumption smoothing and an investment recovery later



consumption. However, the balance of risks to this scenario remains slightly tilted to the downside, mainly due to uncertainty over the further course of the conflict in the Middle East, the persistence of elevated energy prices, possible disruptions to supply chains and the pace of implementation of projects co-financed with EU funds.

in the year, we leave our annual average GDP growth forecasts unchanged. We expect Poland's GDP to increase by 3.3% in 2026, with growth reaching 3.0% in 2027. This means that the negative impact of weaker Q1 data should be offset in the coming quarters by a gradual acceleration in investment and relatively resilient private

	Real GDP (% YoY)			CPI (% YoY)		
	2025	2026	2027	2025	2026	2027
Czech Rep.	2,6	2,4	2,3	2,5	2,5	2,5
Hungary	0,4	2,0	2,3	4,4	3,8	3,4
Romania	0,7	0,1	1,8	7,3	7,5	3,9
Poland	3,6	3,3	3,0	3,6	2,8	3,8

Source: Datastream, Credit Agricole

In the case of the other CE-4 economies, the scale of changes to the macroeconomic scenario is also limited. The overall trends remain similar to those assumed in the previous forecasting round (see MACROmap of 23/03/2026): the conflict in the Middle East and elevated oil prices remain a

significant source of uncertainty for inflation and economic growth, but the latest data does not justify a major revision of the medium-term scenario. The adjustments to GDP forecasts mainly reflect Q1 data, which was better than expected in Czechia and Hungary and weaker in Romania. In the case of inflation, we take into account the latest surprises in monthly data. In Czechia, this means a slightly lower inflation path, with our assessment of medium-term price pressures broadly unchanged. In Hungary, the inflation profile has been shifted downwards mainly due to lower recent readings and the assumption that fuel price liberalisation and the lifting of the administrative cap on retail margins will be delayed or implemented more gradually than we had previously assumed. In Romania, by contrast, forecast inflation remains more persistent, reflecting the overlap of several factors: earlier tax and regulatory shocks, the weaker RON, elevated energy prices and persistent macroeconomic imbalances, in particular the high fiscal deficit and strongly negative current account balance. It is also worth noting that, as in Poland, annual food price growth fell markedly in Czechia in May, supported among other things by lower processed food price growth. Given the high correlation of food and non-alcoholic beverage price growth across the CE-4 countries (see MACROmap of 13/04/2026), we see downside risk to our food price paths for Romania and Hungary.

In monetary policy, the changes in the scenario mainly concern Hungary, while we leave our forecasts for Czechia and Romania unchanged. For Hungary, we are significantly lowering the projected path of MNB interest rates. This is supported by inflation data coming in below the central bank's target, a higher probability that administrative price-limiting measures will be extended or phased out more gradually, and the strengthening of the forint after the elections, supported by more pro-European rhetoric, improved prospects for inflows of EU funds and the growing importance of the narrative around future Eurozone membership. As a result, we now assume that the MNB base rate will fall to 5.25% at the end of 2026 and to 4.75% at the end of 2027. At the same time, we have revised our EURHUF forecast slightly downwards. In Czechia, we maintain our scenario of monetary policy stabilisation, while in Romania we continue to assume a cautious approach from the central bank. As regards EURRON, we do not see strong

arguments for a sustained reversal of the RON's recent depreciation. Given the persistent external and fiscal imbalances as well as political risk, we assume instead that another episode of weakening of the Romanian currency may occur over the forecast horizon, potentially around mid-2027 (see table below).

	Central banks' base rates (%)								
	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Czech Rep.	3,50	3,50	3,50	3,50	3,50	3,50	3,50	3,50	3,50
Hungary	6,50	6,25	6,00	5,75	5,25	5,00	4,75	4,75	4,75
Romania	6,50	6,50	6,50	6,50	6,00	6,00	5,50	5,00	4,50
Poland	4,00	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75

	FX rates								
	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
EURCZK	24,1	24,5	24,4	24,0	23,6	23,4	23,1	22,8	22,6
EURHUF	384	382	352	349	346	345	344	342	340
EURRON	5,09	5,10	5,23	5,23	5,23	5,23	5,28	5,28	5,28
EURPLN	4,21	4,29	4,27	4,23	4,20	4,18	4,17	4,16	4,15

Source: Datastream, Credit Agricole

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
NBP reference rate (%)	5,25	5,25	5,00	5,00	4,75	4,50	4,25	4,00	4,00	4,00	3,75	3,75	3,75	3,75
EURPLN*	4,24	4,24	4,27	4,26	4,26	4,25	4,23	4,21	4,21	4,22	4,29	4,25	4,23	4,27
USDPLN*	3,74	3,60	3,74	3,64	3,63	3,68	3,65	3,58	3,55	3,57	3,71	3,63	3,63	3,75
CHFPLN*	4,54	4,53	4,60	4,55	4,56	4,57	4,53	4,51	4,52	4,64	4,63	4,64	4,65	4,59
CPI inflation (% YoY)	4,0	4,1	3,1	2,9	2,9	2,8	2,5	2,4	2,1	2,1	3,0	3,2	3,1	
Core inflation (% YoY)	3,3	3,4	3,3	3,2	3,2	3,0	2,7	2,7	2,7	2,5	2,7	3,0	3,1	
Industrial production (% YoY)	4,0	-0,4	3,0	0,7	7,6	3,2	-1,1	7,3	-1,5	1,3	7,5	3,1	3,5	
Constr. and assembly prod. (% YoY)	-2,8	2,1	0,7	-7,0	0,3	4,2	0,1	4,4	-12,8	-13,8	0,6	4,5	6,5	
PPI inflation (% YoY)	-1,5	-1,5	-1,3	-1,3	-1,4	-2,2	-2,3	-2,5	-2,6	-2,0	1,2	1,9	2,6	
Retail sales (% YoY)	4,3	2,1	4,8	3,0	6,6	5,5	2,8	5,0	3,9	4,3	9,8	2,8	5,2	
Corporate sector wages (% YoY)	8,4	9,0	7,6	7,1	7,5	6,6	7,1	8,6	6,1	6,1	6,6	5,4	6,0	
Employment (% YoY)	-0,8	-0,8	-0,9	-0,8	-0,8	-0,8	-0,8	-0,7	-0,8	-0,8	-0,9	-0,9	-0,9	
Unemployment rate* (%)	5,1	5,1	5,4	5,5	5,6	5,6	5,6	5,7	6,0	6,1	6,1	6,0	5,9	
Current account (M EUR)	-1168	-445	-1780	-2593	-797	2103	-250	-1975	1053	-1034	-234	-104		
Exports (% YoY EUR)	6,0	3,7	3,2	-1,3	5,9	5,2	2,4	9,4	-2,6	1,9	7,4	5,8		
Imports (% YoY EUR)	7,9	2,4	2,7	-1,0	7,4	2,7	2,9	9,8	-6,3	3,4	3,8	3,4		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland											
Indicator	2026				2027				2025	2026	2027
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	3,5	3,0	3,2	3,3	2,7	2,9	3,1	3,0	3,6	3,3	3,0
Private consumption (% YoY)	3,3	2,8	2,0	2,1	2,8	3,3	3,3	3,0	3,7	2,5	3,2
Gross fixed capital formation (% YoY)	2,4	10,3	7,8	7,5	6,8	6,1	5,9	5,5	4,4	7,3	6,4
Export - constant prices (% YoY)	5,6	4,9	4,5	5,0	5,2	5,4	5,5	5,5	5,5	5,0	5,6
Import - constant prices (% YoY)	6,1	5,5	5,6	5,9	5,2	6,1	6,5	6,1	6,8	5,8	6,3
GDP growth contributions	Private consumption (pp)	2,0	1,6	1,1	1,0	1,7	1,9	1,9	1,5	2,1	1,8
	Investments (pp)	0,3	1,6	1,3	1,7	0,9	1,0	1,0	1,3	0,8	1,1
	Net exports (pp)	0,0	-0,1	-0,4	-0,3	0,2	-0,2	-0,4	-0,2	-0,5	-0,2
Current account (% of GDP)***	-0,8	-1,0	-1,1	-1,3	-1,4	-1,5	-1,4	-1,3	-0,9	-1,3	-1,3
Unemployment rate (%)**	6,1	5,5	5,5	5,6	5,8	5,4	5,4	5,5	5,7	5,6	5,5
Non-agricultural employment (% YoY)	0,9	0,5	0,2	0,0	-0,5	-0,5	-0,5	-0,5	0,4	0,2	-0,5
Wages in national economy (% YoY)	6,7	6,5	6,1	6,0	6,0	6,0	6,0	6,0	8,7	6,4	6,0
CPI Inflation (% YoY)*	2,4	3,0	2,6	3,3	3,3	3,9	4,2	3,8	3,6	2,8	3,8
Wibor 3M (%)**	3,85	3,85	3,85	3,85	3,85	3,85	3,85	3,85	3,99	3,85	3,85
NBP reference rate (%)**	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	4,00	3,75	3,75
EURPLN**	4,29	4,27	4,23	4,20	4,18	4,17	4,16	4,15	4,21	4,20	4,15
USDPLN**	3,71	3,75	3,78	3,72	3,70	3,66	3,59	3,55	3,58	3,72	3,55

* quarterly average

** end of period

***cumulative for the last 4 quarters

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
Monday 08/06/2026						
8:00	Germany	New industrial orders (% MoM)	Apr	5,0		-2,0
10:30	Eurozone	Sentix Index (pts)	Jun	-16,4		-14,2
Tuesday 09/06/2026						
8:00	Germany	Industrial production (% MoM)	Apr	-0,7		0,5
8:00	Germany	Trade balance (bn EUR)	Apr	14,3		
16:00	USA	Wholesale inventories (% MoM)	Apr	0,5		
16:00	USA	Wholesale sales (% MoM)	Apr	2,8		
16:00	USA	Existing home sales (M MoM)	May	4,02	4,08	4,06
	China	Trade balance (bn USD)	May	84,8		91,5
Wednesday 10/06/2026						
3:30	China	PPI (% YoY)	May	2,8		3,8
3:30	China	CPI (% YoY)	May	1,2		1,3
14:30	USA	Core CPI (% MoM)	May	0,4	0,2	0,3
14:30	USA	CPI (% MoM)	May	0,6	0,6	0,5
Thursday 11/06/2026						
14:15	Eurozone	ECB rate decision (%)	Jun	2,15	2,40	2,40
14:30	USA	Initial jobless claims (k)	w/e	225		
Friday 12/06/2026						
14:00	Poland	Current account (M EUR)	Apr	-234	-104	-505
16:00	USA	Initial U. of Michigan Sentiment Index (pts)	Jun	44,8	46,8	45,5

*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