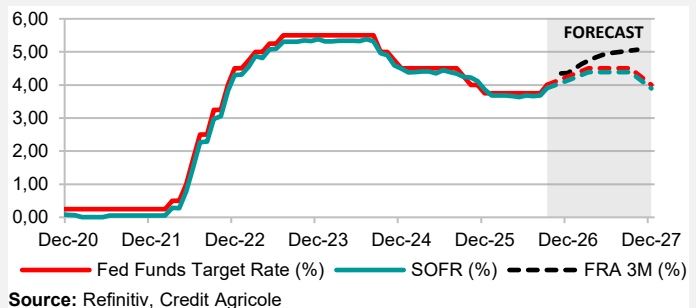


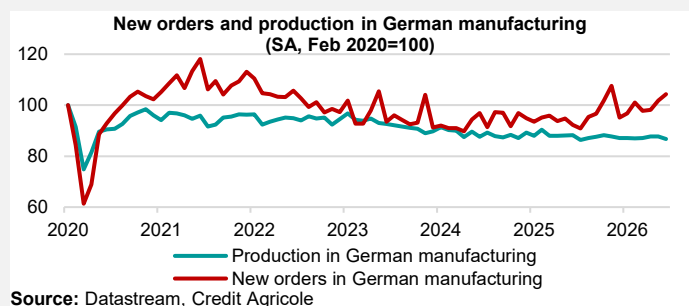
This week

➤ **On Wednesday, the Monetary Policy Council (MPC) will hold its meeting.** We expect the MPC to leave interest rates unchanged. We believe that despite the sharp rise in inflation in September, the NBP Governor will seek to temper market expectations of rate hikes (FRA contracts are currently pricing in nearly 100bp of monetary policy tightening). We maintain our forecast of a one-off 25bp rate hike in November. At the same time, we see a risk that, given the resumption of government intervention in the fuel market, this hike may ultimately not materialise (see below).

➤ **We expect the FOMC Minutes to indicate that most Fed members see a need for further monetary policy tightening, although without providing clear guidance on the pace and scale of subsequent rate hikes.** However, the Minutes may be of limited importance to the market, as new information released since the September meeting has partly rendered the assessment of the economic situation at that time outdated. This applies in particular to the weaker-than-expected US labour market data and lower PCE inflation released last week, which support a more cautious approach by the Fed to further rate hikes (see below).

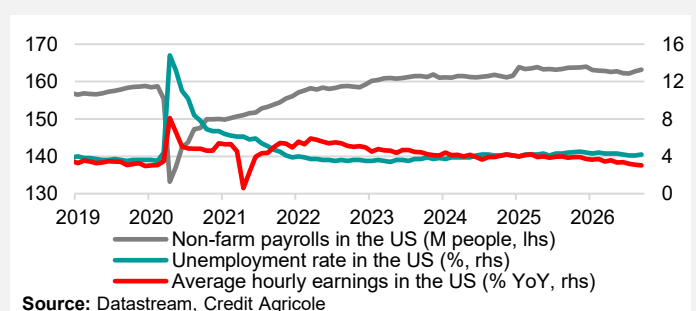


➤ **A set of August data from German industry will be released this week.** On Tuesday, we will see data on new industrial orders, with the consensus expecting a 0.8% MoM decline following a 2.5% increase in July. Industrial production data will be released on Wednesday, with output expected to rise by 0.5% MoM following a 1.1% decline in July. Foreign trade data will follow on Thursday, with the consensus expecting the trade surplus to narrow to EUR 19.0bn from EUR 21.3bn in July. These releases will be important in assessing whether the improvement in business conditions visible in PMI surveys (see MACROmap of 28 September 2026) is translating into an actual recovery in German industry.



Last week

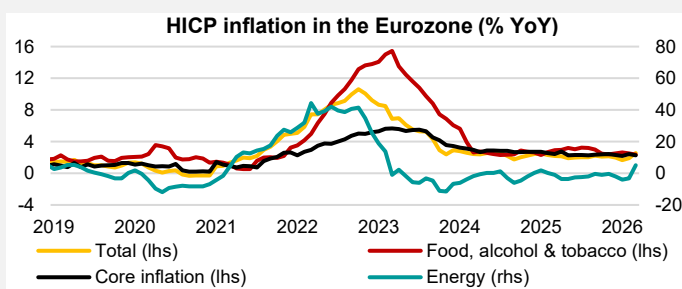
➤ **The latest US data pointed to a simultaneous easing of inflationary pressures and a clear cooling of the labour market.** In August, headline PCE inflation stood at 3.4% YoY and core PCE inflation at 3.0%. Both measures were unchanged from downward-revised July figures and came in 0.3pp below the consensus.



At the same time, non-farm payrolls increased by just 29k in September, compared with 133k in August, while the July and August figures were revised down by a combined 60k. The

unemployment rate rose to 4.2% in September from 4.1% in August, although this was primarily due to an increase in the labour force participation rate to 61.8% from 61.6%. Wage growth also slowed to 3.0% YoY from 3.1%, pointing to a further easing of wage pressures. In our view, these data reduce the need for the FOMC to rapidly continue its rate-hiking cycle and point to slight downside risk to our scenario assuming a further 50bp of monetary policy tightening in the US by the end of Q1 2027.

✓ **Euro area HICP inflation increased to 3.8% YoY in September from 3.2% in August, coming in slightly above our forecast, which was in line with the market consensus (3.7%).** The increase in inflation was driven primarily by a further acceleration in energy and fuel price growth to 18.8% YoY in September

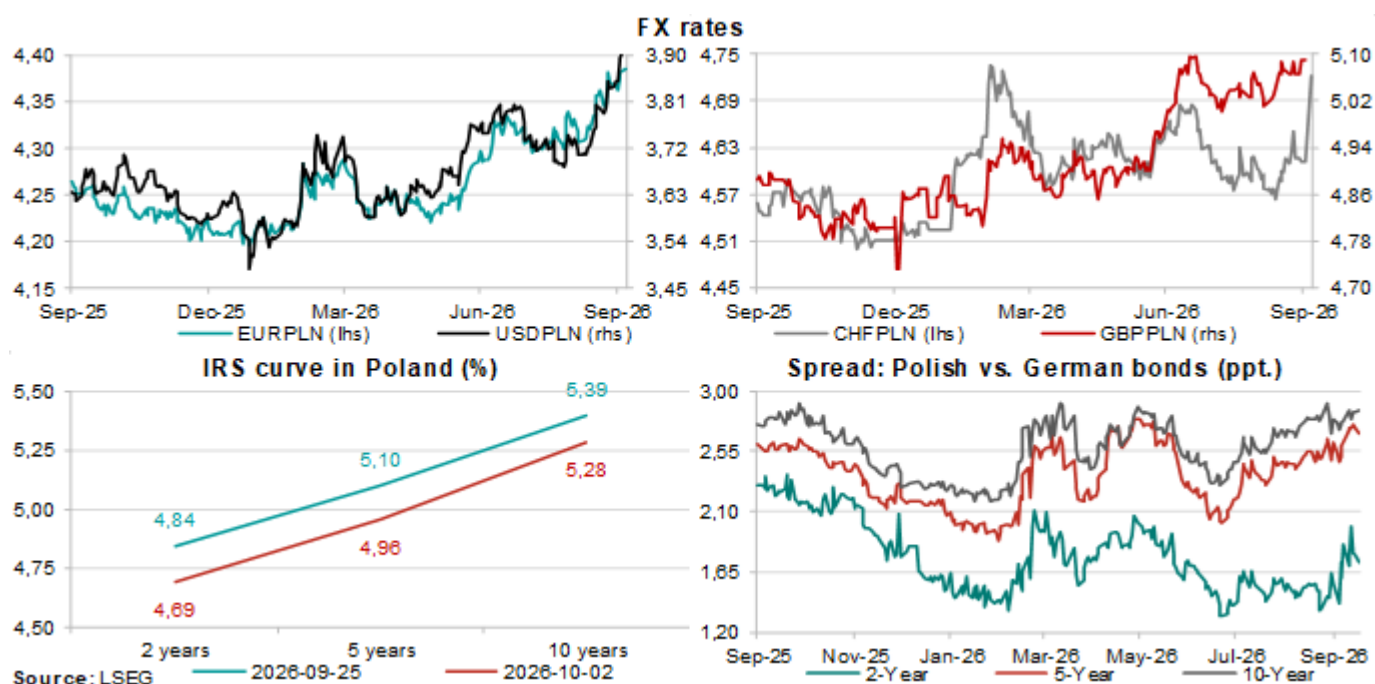


from 14.3% in August. At the same time, core inflation rose to 2.5% YoY in September from 2.4% in August, in line with expectations. The structure of the data therefore confirms that the current rise in inflation continues to be driven largely by the energy shock, while underlying price pressures are increasing much more slowly. We maintain our scenario in which headline HICP inflation will remain close to 4% until early 2027 before gradually declining as the impact of energy prices fades.

✓ **CPI inflation in Poland increased to 4.0% YoY in September from 3.4% in August, primarily due to a further acceleration in fuel price growth.** Fuel prices rose by 36.1% YoY, compared with 24.2% in August, following the expiry of the government intervention in the retail fuel market. At the same time, the decline in food prices slowed to -0.5% YoY in September from -0.9% in August, while growth in energy prices accelerated to 4.9% from 4.1%. We estimate that core inflation declined to 3.0–3.1% YoY in September from 3.3% in August. It is worth noting that on 3 October the government relaunched the “Ceny Paliwa Niżej” (“Lower Fuel Prices”) programme, which includes reductions in VAT and excise duty on fuels as well as an administrative cap on retail prices, and is intended to remain in force until the end of 2026. We expect the intervention to result in a double-digit MoM decline in fuel prices in October, significantly reducing their contribution to headline inflation in the coming months (see below).

✓ **The PMI for Polish manufacturing increased to 49.0pts in September from 48.3pts in August, in line with our forecast and above the market consensus (48.7pts).** The improvement was broad-based and reflected higher contributions from new orders, output, employment and input inventories, although both new orders and output continued to decline, albeit at a slower pace than in August. At the same time, expectations for output over the next 12 months improved, providing a moderately positive signal for economic activity in the coming months (see MACROPulse of 1 October 2026).

Oil prices and the monetary policy outlook remain key for markets



Last week, financial markets were driven primarily by expectations regarding further monetary policy tightening in the US, changes in oil prices and, in the second half of the week, growing concerns over the state of French public finances. At the beginning of the week, the PLN exchange rate stabilised, while Polish government bond yields and IRS rates rose markedly, supported by high oil prices, the lack of progress in US-Iran talks and growing expectations of further Fed rate hikes. On Tuesday, a moderate decline in oil prices following the resumption of flows through Saudi Arabia's East-West Pipeline allowed Polish government bond yields and IRS rates to edge lower. This trend continued on Wednesday following the release of lower-than-expected inflation data in Poland and the US. On Thursday, the PLN came under renewed pressure as market sentiment deteriorated amid concerns over France's fiscal situation, while Polish government bond yields continued to decline slightly as market expectations of monetary policy tightening by the MPC weakened. On Friday, weaker-than-expected US labour market data weighed on the dollar but had only a limited impact on the PLN exchange rate and Polish government bond prices.

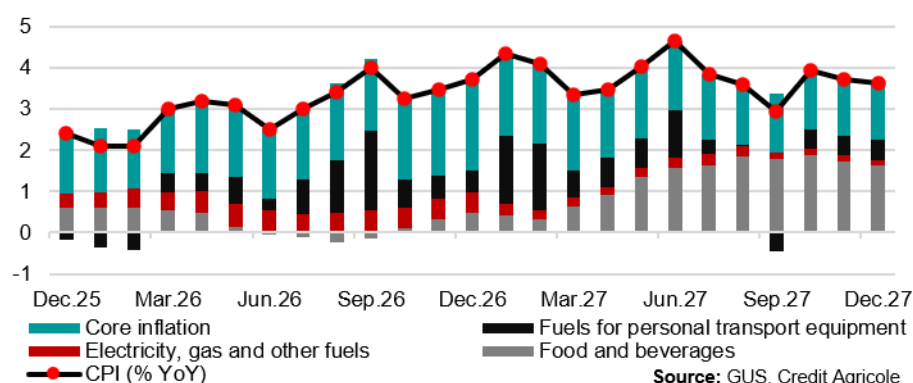
This week, developments in the Middle East will remain a key factor shaping financial market sentiment. The main domestic event will be Wednesday's MPC meeting. We expect interest rates to remain unchanged, with market attention focused on the Council's communication in the context of the September rise in inflation and the resumption of intervention in the fuel market, which reduces the likelihood of a rate hike in the coming months. The FOMC minutes will be released on the same day, although their importance may be limited following the recent weaker US labour market data and lower PCE inflation.



Likelihood of an interest rate hike is declining

The Monetary Policy Council will meet on Wednesday. We expect the MPC to leave interest rates unchanged. More important than the decision itself will be the tone of the post-meeting statement and press conference, particularly with regard to the outlook for interest rates in the coming months. Below, we present our scenario in this respect and the main associated risk factors.

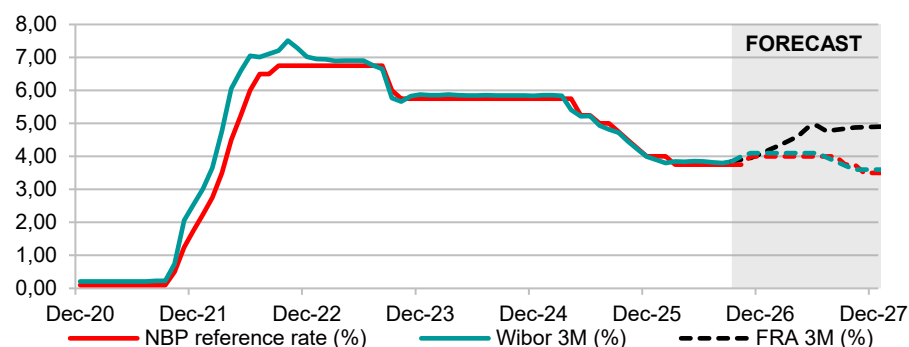
According to Statistics Poland's flash estimate, CPI inflation in Poland increased to 4.0% YoY in September from 3.4% in August. The main factor driving the increase was the acceleration in fuel price growth to 36.1% YoY from 24.2% in August. At the same time, we estimate that core inflation excluding food and energy prices declined to 3.0-3.1% YoY in September from 3.3% in August (see above). The decline indicates that there has so far been no significant pass-through of the commodity price shock to core price categories. The rise in headline inflation therefore continues to be driven primarily by higher fuel prices rather than by a broad-based intensification of price pressures across goods and services.



The resumption of government intervention in the retail fuel market (lower VAT and excise duty rates and the introduction of a maximum price; see above) will contribute to a decline in headline inflation to 3.3% YoY in October. Nevertheless, inflation exceeding the 3.5% upper bound of the NBP target band will not be a short-lived phenomenon. We expect inflation to remain above

this level until Q2 2027, temporarily reaching around 4.5% YoY in January 2027. From a monetary policy perspective, not only the scale of the increase in fuel prices but also the duration of the shock is important. A prolonged period of high commodity prices increases the risk that higher transport and production costs will be passed on to final consumers. In this context, it is worth noting that both we and the market consensus expect PPI inflation to increase to 5.7% YoY in September from 4.2% in August, pointing to growing cost pressures. Similar trends are signalled by the increase in the PMI input-cost component (see MACROPulse of 1 October 2026).

The deterioration in the inflation outlook in recent months has been reflected in a change in the rhetoric of some MPC members. Following the July meeting, A. Glapiński still suggested that a motion for a 25bp rate cut could be submitted after the summer. In September, he pointed instead to the prospect of a longer period of stable interest rates, while noting that "the discussion will be different once we exceed 3.5%". Meanwhile, H. Wnorowski and L. Kotecki indicated in September that a sustained period of elevated inflation in the NBP projection would provide grounds for a rate hike. These statements support our assessment that the November projection, which we expect to point to an inflation path similar to our own scenario, will provide sufficient arguments in favour of raising interest rates.



Source: Reuters, Credit Agricole

At the same time, comments from other MPC members indicate that the Council has limited appetite for embarking on a longer monetary policy tightening cycle, which is currently priced in by forward contracts (an increase in interest rates of almost 100bp by the end of 2027). In a statement on 15 September, I. Dąbrowski saw no justification for pre-emptive

monetary policy tightening, pointing to the prospect of stable core inflation and limited second-round effects. M. Zarzecki, in turn, stressed that the Council should not respond mechanically to the direct impact of higher energy prices and that the outlook for core inflation, services prices and inflation expectations is of key importance. At the beginning of September, I. Duda also indicated that interest rates could remain unchanged despite a temporary increase in inflation above 3.5%. In our view, these statements suggest that following the November rate hike we expect, the Council will be inclined to wait for the effects of this move and for further data on inflationary pressures. This supports our scenario of a one-off adjustment in the level of interest rates in November this year, aimed at anchoring inflation expectations and limiting the risk of second-round effects.

At the same time, measures taken by the Gulf states and the US to increase oil exports through the Strait of Hormuz and to make greater use of the East-West Pipeline could result in a stronger decline in oil prices than assumed in our baseline path. Moreover, as the 2027 parliamentary elections approach, we consider it likely that the government's intervention in the fuel market will be extended into part of next year. If these risk factors materialise, they would reduce both the magnitude and persistence of inflation above the upper bound of the NBP target band, thereby diminishing the need for monetary policy tightening. We therefore see a risk that the November rate hike may not materialise. Under this scenario, interest rates would remain unchanged in the coming months, before the reference rate is cut to 3.50% in Q3 2027, thereby reaching its terminal level.

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	3,6	3,7	3,0
Private consumption (% YoY)	3,3	2,8	3,1	2,5	2,8	3,3	3,3	3,0	3,7	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	4,4	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	6,8	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	2,1	1,8
	Investments (pp)	0,3	1,3	1,6	1,8	0,9	1,0	0,8	1,4	0,8	1,1
	Net exports (pp)	0,0	0,5	-0,1	-0,2	0,2	-0,2	-0,4	-0,2	-0,5	-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	4,5	4,0	4,3	3,6	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	4,00	4,00	4,00	3,75	3,50	4,00	4,00	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**
Monday 05/10/2026						
10:00	Eurozone	Services PMI (pts)	Sep	53,0	53,0	53,0
10:00	Eurozone	Final Composite PMI (pts)	Sep	53,1	53,1	53,1
10:30	Eurozone	Sentix Index (pts)	Oct	5,1		5,0
11:00	Eurozone	PPI (% YoY)	Aug	5,8		8,1
16:00	USA	ISM Non-Manufacturing Index (pts)	Sep	55,4	55,2	55,0
Tuesday 06/10/2026						
8:00	Germany	New industrial orders (% MoM)	Aug	2,5		-1,0
11:00	Eurozone	Retail sales (% MoM)	Aug	-0,6		0,2
Wednesday 07/10/2026						
	Poland	NBP rate decision (%)	Oct	3,75	3,75	3,75
8:00	Germany	Industrial production (% MoM)	Aug	-1,1		0,5
20:00	USA	FOMC Minutes	Sep			
Thursday 08/10/2026						
8:00	Germany	Trade balance (bn EUR)	Aug	21,3		19,0
16:00	USA	Wholesale inventories (% MoM)	Aug	0,7		
16:00	USA	Wholesale sales (% MoM)	Aug	0,8		
Friday 09/10/2026						
16:00	USA	Initial U. of Michigan Sentiment Index (pts)	Oct	48,1	46,5	47,8

*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