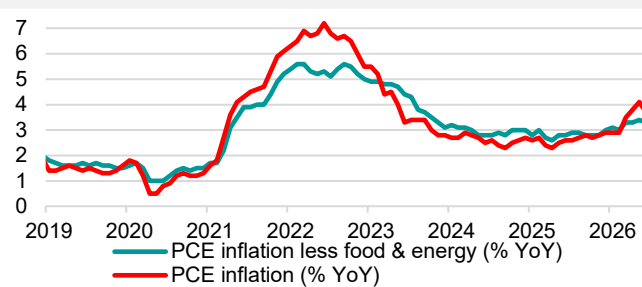


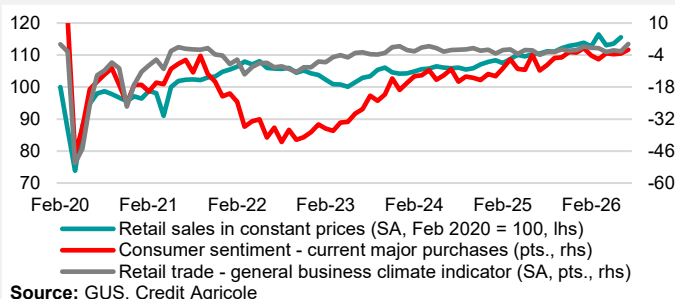
This week

✓ **This week, markets will focus primarily on the annual Jackson Hole symposium, where the key event will be Fed Chair K. Warsh's speech (most likely on Friday).** We do not anticipate he will use the occasion to provide clear guidance on the September FOMC decision. Instead, he is more likely to maintain his



current approach of moving away from traditional *forward guidance* and focus on broader issues relating to the Fed's strategy and the work being carried out by the five committees he has established. An important point of reference for markets ahead of his speech will be the July inflation data due on Wednesday. We expect PCE inflation to have eased to 3.6% YoY, from 3.7% in June, while core PCE inflation is likely to have remained unchanged at 3.3% YoY. Although core inflation would remain above the Fed's comfort zone, the underlying details are likely to be more encouraging. In our view, almost half of the expected monthly increase in core prices (0.1% MoM) will reflect a sharp rise in prices for asset management and investment advisory services, while the remaining categories should point to more limited pricing pressures. Such a set of data could reduce expectations of a Fed rate hike ahead of K. Warsh's speech, putting downward pressure on US Treasury yields and the USD, which would be positive for the PLN and the prices of Polish bonds.

✓ **Data on Poland's retail sales in July will be published today.** We anticipate that the growth in retail sales at constant prices has slowed to 4.5% YoY, from 6.2% in June, in line with the market consensus. The slowdown was driven primarily by unfavourable calendar effects. At the same time, the underlying



factors remained supportive: car registrations continued to grow at a robust pace, while business surveys pointed to an improvement in sentiment among both consumers and retailers. Consequently, despite the lower annual growth rate, we expect the data to confirm that consumer demand remains relatively strong.

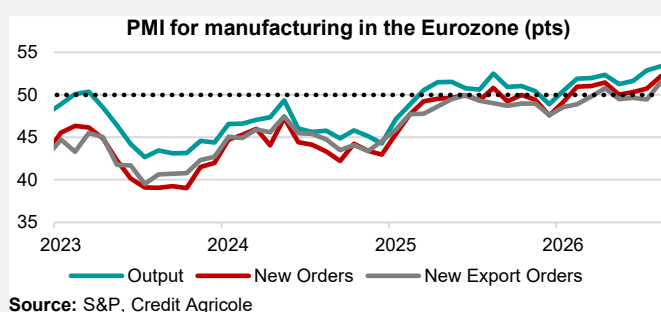
Last week

✓ **July data from China point to a broad-based loss of economic activity momentum at the start of H2.** Industrial production growth slowed to 4.5% YoY in July, from 5.3% in June, with retail sales growth easing to 0.6% from 1.0%, and the decline in urban investments deepening to 6.7% YoY from 5.7% in June. The slowdown in activity reflected persistently weak domestic demand, the continued downturn in the property market and adverse weather conditions, while high-tech industries benefiting from the global investment boom linked to artificial intelligence remained relatively resilient. The weaker-than-expected data prompted us to revise our 2026 GDP growth forecast for China down to 4.5%, from 4.7%. At the same time, we expect stronger economic policy support in H2. This should support a moderate improvement in activity in the coming months, although a more pronounced rebound in GDP growth is unlikely to happen without a stronger boost to domestic demand.

✓ **The Minutes of the July FOMC meeting did not provide any significant new information on the monetary policy outlook, but confirmed persistent differences of opinion within the Fed.** Most

members supported leaving interest rates unchanged, arguing that incoming data would allow a better assessment of the persistence of inflationary pressures, while several favoured a 25bp rate hike as early as in the July meeting. At the same time, many members believed that further monetary policy tightening could prove necessary if inflation fails to moderate. The discussion remained focused on inflation risks rather than labour market conditions, with FOMC members viewing the labour market as stable and continuing to see upside risks to inflation. It should be noted, though, that since the July FOMC meeting, softer inflation data and significantly weaker-than-expected labour market data have been released, which, in our view, makes a rate hike at the September meeting less likely. Taken together, the *Minutes* and subsequent data support our scenario of the Fed keeping interest rates unchanged at least until the end of 2026.

✓ **Flash PMI readings for August pointed to continued moderate growth in the Eurozone, alongside a marked acceleration in manufacturing activity, particularly in Germany.** The Eurozone Composite PMI edged up to 52.1 pts in August, from 52.0 pts in July, with the services PMI unchanged at 51.7 pts and the manufacturing PMI rising



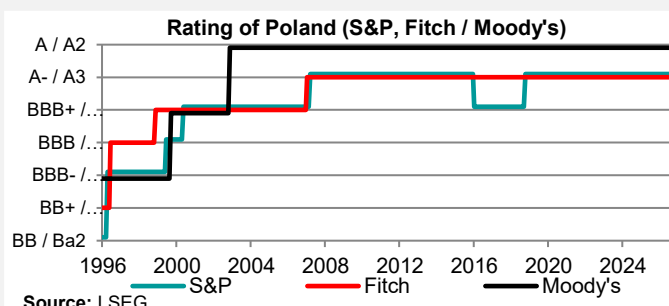
from 51.9 pts to 52.8 pts. At the same time, the current output index has reached its highest level in four and a half years. New orders recorded their strongest growth in 40 months, with new export orders increasing for the first time since 2022. Surveyed companies pointed, among other factors, to precautionary inventory building amid ongoing supply chain disruptions linked to the Middle East, rising demand for AI-related technologies, and stronger equipment orders driven by higher defence spending. Germany stood out in particular, with the Manufacturing PMI rising to 54.1 pts in August, from 52.2 pts in July, while the industrial production index went up from 54.7 pts to 56.7 pts, its highest level since early 2022. At the same time, conditions in the German services sector kept deteriorating, with the Services PMI falling from 49.8 pts in July to 48.5 pts in August, resulting in a slight decline in the Composite PMI, from 51.3 pts to 51.0 pts.

✓ **July data from the Polish economy pointed to a continued recovery in industry, alongside a temporary weakening in construction activity and still-moderate wage pressures (see MACROPulse of 20/08/2026).** Industrial production went up by 5.1% YoY vs. 7.4% in June, coming in below our forecast (6.0%) but above the market consensus (4.8%). Seasonally-adjusted production rose by 0.5% MoM, confirming that the upward trend remains intact. Particularly noteworthy is the continued acceleration in capital goods production growth, to 11.1% YoY from 7.3%, indicating a progressing recovery in investments. By contrast, construction and assembly production declined by 2.4% YoY, following a 5.2% growth in June, and coming in markedly below expectations. The decline was driven primarily by the developments in the “civil engineering works” category, and partly reflected the irregular timing of settlements following the completion of works, suggesting that the weakness is temporary in nature. In the labour market, employment growth edged up to -0.8% YoY in July, from -0.9% in June, while wage growth accelerated to 6.8% YoY, from 5.9%, driven mainly by a sharp increase in pay growth in mining and energy sectors, most likely linked to shifts in the timing of bonus and award payments. As a result, real wage fund growth accelerated to 2.8% YoY in July, from 2.3% in June, underpinning our scenario of a modest pickup in consumption growth in Q3.

✓ **Since our last interest rate forecast revision incorporating a 25bp cut in the NBP reference rate in September (see MACROmap of 20/07/2026), the risk that such a move will not materialise has increased.** Tensions in the Middle East have intensified again in recent weeks, with oil prices still elevated, increasing uncertainty surrounding the inflation outlook. At the same time, the initially dovish comments made by NBP Governor A. Głapiński following the July MPC meeting

have not been broadly reflected in subsequent remarks by other Council members. H. Wnorowski, M. Zarzecki and J. Tyrowicz expressed scepticism about further monetary policy easing, while L. Kotecki shifted from being open to a September rate cut towards a wait-and-see approach, citing, among other factors, the renewed increase in oil prices. For now, we continue to expect a 25bp rate cut in September, although the likelihood of rates remaining unchanged has increased significantly. In our view, the key factors for the September MPC decision will include the flash inflation data for August, due to be released at the end of the month, as well as the government's decision on whether to extend its intervention in the retail fuel market beyond August.

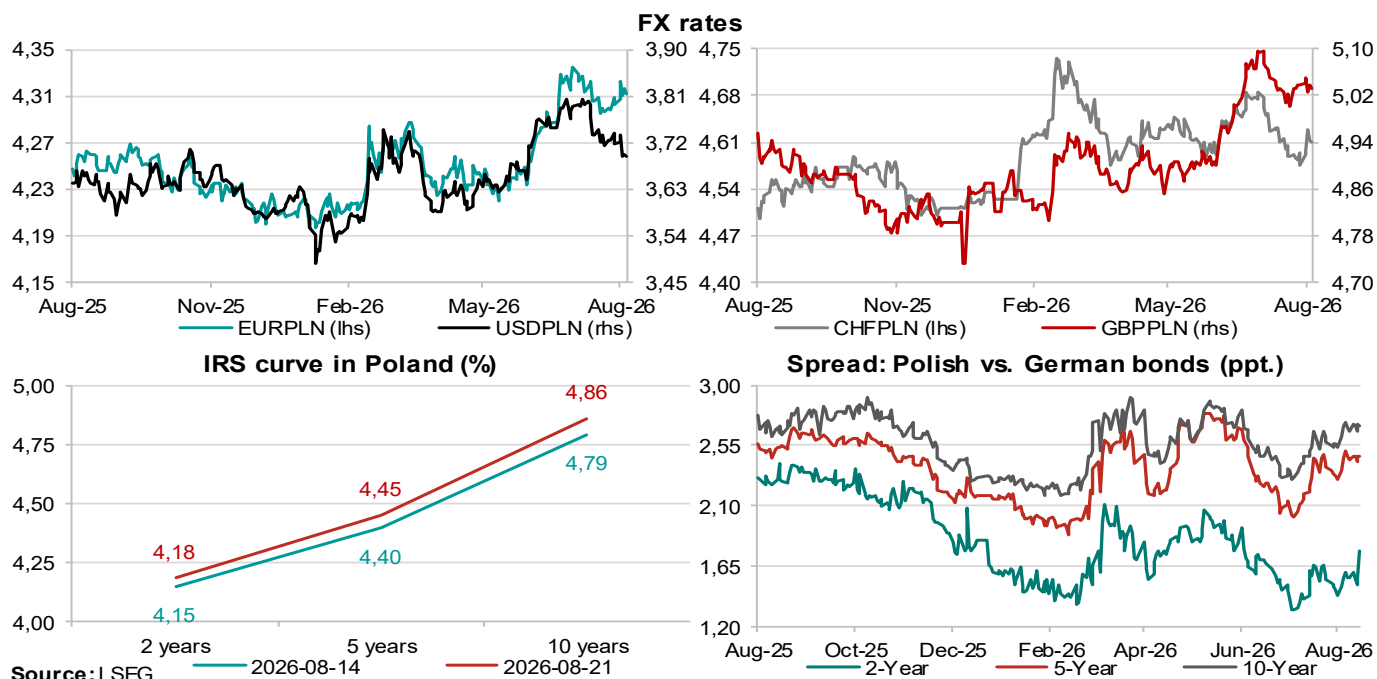
✓ **Fitch affirms Poland's long-term rating at 'A-' with a negative outlook** The agency cited Poland's large, diversified and resilient economy, its EU membership, a credible monetary and exchange rate policy framework, and low external indebtedness as key factors underpinning its assessment. At the same time, the



rating is still constrained by the high general government deficit, rapidly rising public debt, and levels of GDP per capita and governance indicators that remain weaker than those of peers with similar ratings. The negative outlook primarily reflects the absence of a credible fiscal consolidation plan, political tensions and the risk of further fiscal policy easing ahead of the 2027 parliamentary election, which reduces Fitch's confidence in the authorities' ability to put the deficit on a sustained downward path. Compared with its February review, Fitch has become more pessimistic about Poland's fiscal outlook, raising its 2027 deficit forecast to 6.7% of GDP from 6.2%, and placing greater emphasis on the risk of pre-election spending increases. The agency expects the general government deficit to amount to 6.9% of GDP in 2026, 6.7% in 2027 and 6.1% in 2028, while public debt is projected to rise to 72.7% of GDP by 2028. A downgrade could be triggered by a failure to reduce the deficit, further pre-election spending increases, weaker economic growth or a significant rise in debt servicing costs, as well as a lasting deterioration in medium-term growth prospects resulting from a loss of competitiveness or a weaker external environment. Conversely, a substantial reduction in the deficit and a slowdown in the growth of the public debt-to-GDP ratio, supported by economic growth, could prompt Fitch initially to revise the outlook to stable and, in time, provide grounds for a potential upgrade.

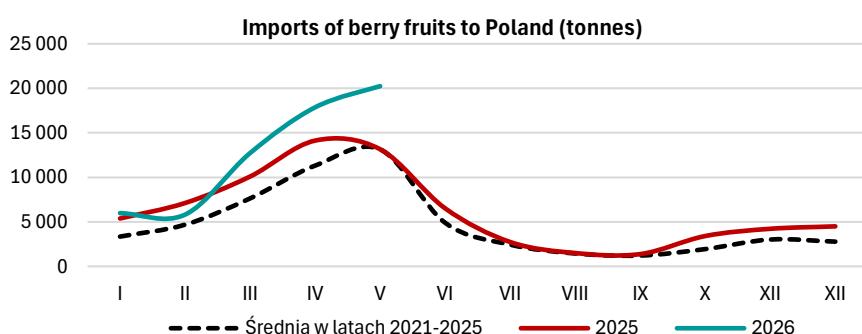
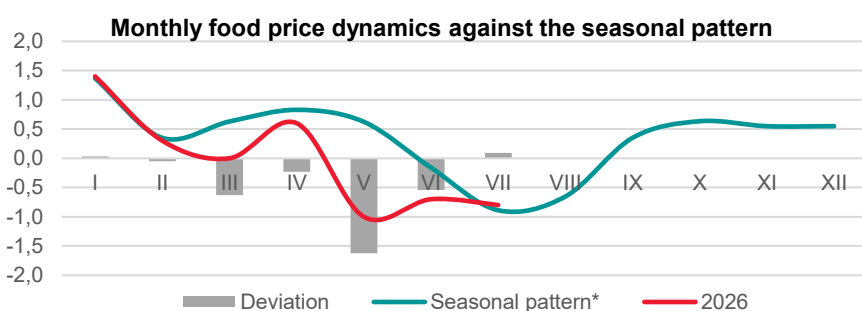
✓ US Treasury intervention neutral for the Polish debt market

Early last week, the global debt sell-off also pushed Polish bond yields and IRS rates higher, while weaker risk appetite weighed on the PLN, with the EURPLN rising above 4.33. The key development of the week was the US Treasury Department's unexpected decision to at least double the scale of its long-term bond buybacks from September onwards. The announcement initially triggered a sharp decline in US Treasury yields. However, in our view, the scale of the programme is too small relative to the size of the US debt market to bring about a lasting decline in yields. We see it primarily as a signal that the Treasury Department is concerned about rising borrowing costs at the long end of the curve and is willing to use all available tools to contain them. The swift reversal of much of Wednesday's decline in US Treasury yields on Thursday underpinned our view. The impact of the intervention on the domestic yield curve was limited.



This week, markets will remain focused on developments in the Middle East. Other key events will include the annual Jackson Hole symposium and Fed Chair K. Warsh's speech. An important point of reference ahead of the symposium will be Wednesday's US PCE inflation data. If it confirmed that underlying price pressures continue to gradually ease, this would reduce expectations of a Fed rate hike, putting downward pressure on US Treasury yields and weighing on the USD, which would be positive for the PLN and Polish bonds. By contrast, today's Polish retail sales data, which were in line with market expectations, should be neutral for financial markets.

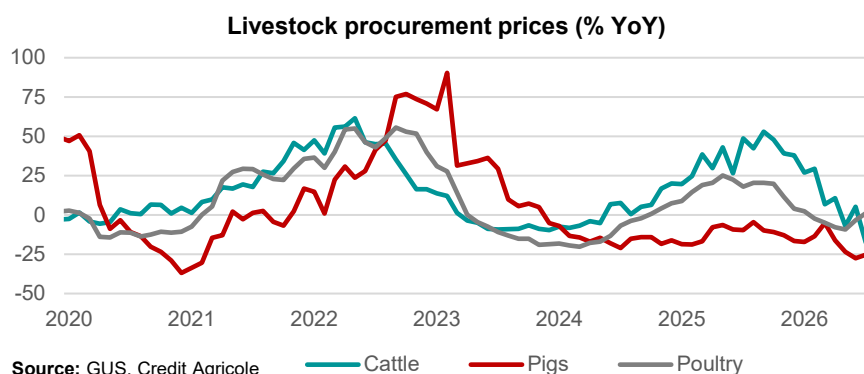
Food price deflation is temporary



Between March and June, monthly food and non-alcoholic beverage price growth deviated substantially from its seasonal pattern. Although the slowdown in price growth was broad-based across product sub-categories, it was driven primarily by a sharp decline in fruit price inflation. In accordance with GUS data, this reflected falling prices of fresh berries and slower growth in prices of fresh stone fruits and pome fruits than a year earlier. The sharp decline in fruit price inflation occurred despite adverse agrometeorological conditions in Poland in H1 2026 (drought and frost; see AGROmap of 16/06/2026). This suggests that the

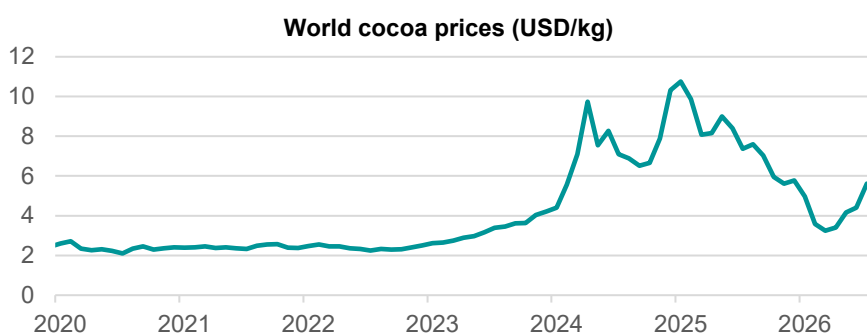
first signs of weaker domestic harvests this year, particularly for berries, which enter the market earlier, are being offset by low-cost imports, which is consistent with the available data.

The continued slowdown in vegetable price inflation has also come as something of a surprise, reflecting falling prices of cucumbers, tomatoes and peppers. It is worth noting, though, that greenhouse production plays a key role in the supply of these products and is largely insulated from adverse agrometeorological conditions. At the same time, imports have followed their usual seasonal pattern and have not exerted downward pressure on vegetable prices.



only a marginal share of meat consumption in Poland. In all cases, lower prices are the result of rising supply. Conditions are particularly challenging in the pig market, where prices have remained below the profitability threshold over the last couple of months.

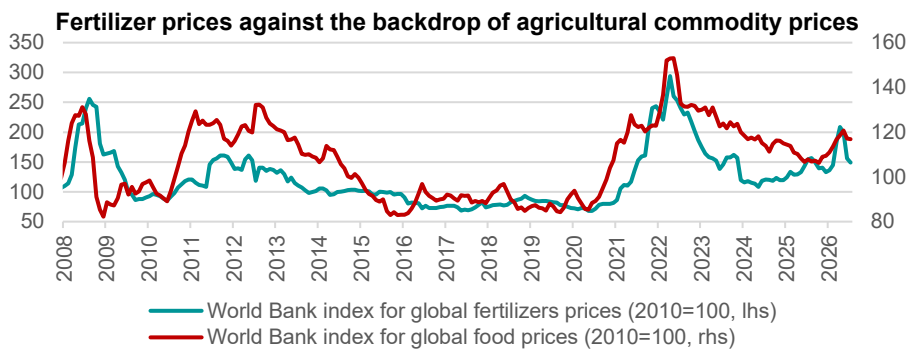
The slowdown in food price growth in recent months has also been supported by lower price growth in the “live animals, and meat and other parts of slaughtered land animals” category. This reflects the decline in pig and poultry procurement prices observed in recent months. Procurement prices for cattle are also currently falling sharply, although beef accounts for



Lower price growth in the “sugar, confectionery and desserts” category has also contributed to the moderation in food price inflation in recent months, mainly due to a marked decline in chocolate and cocoa prices. This reflects the fall in global cocoa prices from their 2025 peak as supply has increased. It is worth noting, though, that the renewed rise in cocoa prices

currently under way is likely to become a source of inflationary pressure in the near future.

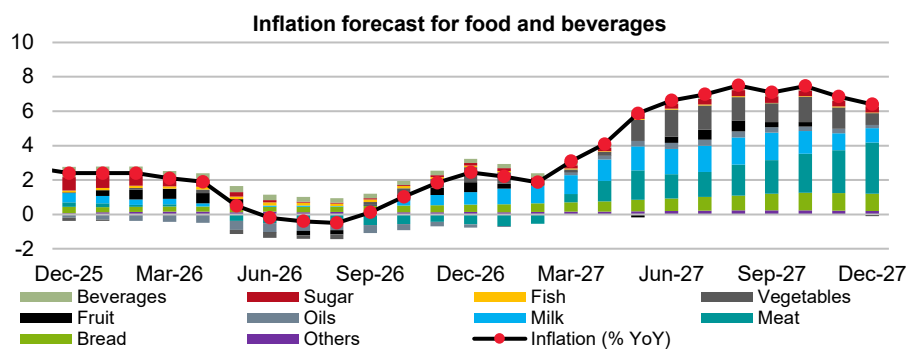
Price growth has also slowed in the “cereals and cereal products”, “oils and fats” and “non-alcoholic beverages” categories. In this context, it is worth noting that, alongside the underlying factors, intense competition among retail chains continues to exert downward pressure on prices, contributing to the broad-based slowdown in food price growth.



Source: World Bank, Datastream, Crédit Agricole

prices. This has already been reflected in partial declines in fertiliser prices, although they remain above pre-war levels. In our view, the fertiliser market shock will exert broad-based upward pressure on food prices through higher crop production costs, particularly in H2 2027.

Secondly, in the case of some agricultural commodities, we believe the prices are close to their cyclical lows and are likely to rebound soon. This applies, among others, to dairy products and pork (see AGROmap of 16/06/2026).



Source: GUS, Crédit Agricole

We believe that the food price deflation currently observed in Poland is temporary. Firstly, we continue to expect the energy market shock associated with the blockade of the Persian Gulf to feed through into prices (see MACROmap of 22/06/2026). However, we believe the impact will be weaker than we initially thought due to the recent pullback in global oil and gas

At the same time, H1 2027 will be marked by low base effects resulting from the price trends currently being observed. This will provide an additional boost to price growth in 2027. Consequently, taking into account the lower starting point and our price forecasts for individual agricultural markets, we have revised our food price scenario downwards, though we maintain our view that food price growth will

accelerate in 2027. We currently expect food and non-alcoholic beverage price growth to average 1.1% YoY in 2026 (compared with 2.0% before the revision) and to accelerate to 5.5% YoY in 2027 (compared with 6.8% previously). We also maintain our view that food price inflation will reach a local peak in Q3 2027, although the latter will be lower than previously forecast (7.2% vs. 8.2% in our earlier projection). The main risk factors for our food price path remain developments in the Middle East and agrometeorological conditions among key food exporters and producers.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
NBP reference rate* (%)	5,00	5,00	4,75	4,50	4,25	4,00	4,00	4,00	3,75	3,75	3,75	3,75	3,75	3,75
EURPLN*	4,27	4,26	4,26	4,25	4,23	4,21	4,21	4,22	4,29	4,25	4,23	4,30	4,31	4,31
USDPLN*	3,74	3,64	3,63	3,68	3,65	3,58	3,55	3,57	3,71	3,63	3,63	3,76	3,73	3,69
CHFPLN*	4,60	4,55	4,56	4,57	4,53	4,51	4,52	4,64	4,63	4,64	4,65	4,66	4,61	4,61
CPI inflation (% YoY)	3,1	2,9	2,9	2,8	2,5	2,4	2,1	2,1	3,0	3,2	3,1	2,5	3,0	
Core inflation (% YoY)	3,3	3,2	3,2	3,0	2,7	2,7	2,7	2,5	2,7	3,0	3,1	3,0	3,1	
Industrial production (% YoY)	3,0	0,7	7,6	3,2	-1,1	7,3	-1,5	1,3	7,5	2,9	4,1	7,4	5,1	
Constr. and assembly prod. (% YoY)	0,7	-7,0	0,3	4,2	0,1	4,4	-12,8	-13,8	0,6	4,6	3,9	5,2	-2,4	
PPI inflation (% YoY)	-1,3	-1,3	-1,4	-2,2	-2,3	-2,5	-2,6	-2,0	1,2	2,1	2,4	1,7	2,1	
Retail sales (% YoY)	4,8	3,0	6,6	5,5	2,8	5,0	3,9	4,3	9,8	2,8	4,4	6,8	6,5	
Corporate sector wages (% YoY)	7,6	7,1	7,5	6,6	7,1	8,6	6,1	6,1	6,6	5,4	5,8	5,9	6,8	
Employment (% YoY)	-0,9	-0,8	-0,8	-0,8	-0,8	-0,7	-0,8	-0,8	-0,9	-0,9	-0,9	-0,9	-0,8	
Unemployment rate* (%)	5,4	5,5	5,6	5,6	5,6	5,7	6,0	6,1	6,1	6,0	5,9	5,8	5,8	
Current account (M EUR)	-1780	-2593	-797	1767	-402	-2194	1312	-632	272	-1541	-1071	-2216		
Exports (% YoY EUR)	3,2	-1,3	5,9	5,2	2,4	9,4	-2,1	2,5	7,9	6,7	5,5	12,3		
Imports (% YoY EUR)	2,7	-1,0	7,4	2,7	2,9	9,8	-5,9	3,8	4,2	7,8	3,7	16,9		

*end of month

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	3,8	3,3	3,4	2,7	2,9	3,1	3,0	3,6	3,5	3,0
Private consumption (% YoY)	3,3	2,0	2,3	2,4	2,8	3,3	3,3	3,0	3,7	2,5	3,2
Gross fixed capital formation (% YoY)	2,4	10,3	8,1	7,9	6,8	6,1	5,9	5,5	4,4	7,5	6,4
Export - constant prices (% YoY)	5,6	5,3	4,5	5,0	5,2	5,4	5,5	5,5	5,5	5,1	5,6
Import - constant prices (% YoY)	6,1	5,1	5,6	5,9	5,2	6,1	6,5	6,1	6,8	5,7	6,3
GDP growth contributions	Private consumption (pp)	2,0	1,2	1,3	1,2	1,7	1,9	1,9	1,5	2,1	1,8
	Investments (pp)	0,3	1,6	1,3	1,8	0,9	1,0	1,0	1,3	0,8	1,1
	Net exports (pp)	0,0	0,3	-0,4	-0,3	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	0,5	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	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	2,7	3,4	3,2	3,4	3,5	3,0	3,6	2,8	3,3
Wibor 3M (%)**	3,85	3,85	3,60	3,60	3,60	3,60	3,60	3,60	3,99	3,60	3,60
NBP reference rate (%)**	3,75	3,75	3,50	3,50	3,50	3,50	3,50	3,50	4,00	3,50	3,50
EURPLN**	4,29	4,30	4,28	4,25	4,23	4,21	4,19	4,17	4,21	4,25	4,17
USDPLN**	3,71	3,76	3,75	3,76	3,74	3,69	3,61	3,56	3,58	3,76	3,56

* quarterly average

** end of period

***cumulative over the last four quarters

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
Monday 24/08/2026						
9:30	Poland	Retail sales - current prices(% YoY)	Jul	6,8	6,5	5,6
9:30	Poland	Retail sales - constant prices (% YoY)	Jul	6,2	4,5	4,5
14:00	Poland	M3 money supply (% YoY)	Jul	11,8	11,7	11,6
Tuesday 25/08/2026						
8:00	Germany	Final GDP (% QoQ)	Q2	0,2	0,2	0,2
9:30	Poland	Registered unemployment rate (%)	Jul	5,8	5,8	5,8
10:00	Germany	Ifo business climate (pts)	Aug	86,6		87,1
15:00	USA	Case-Shiller Index (% MoM)	Jun	0,2		0,2
16:00	USA	New home sales (k)	Jul	628	630	620
16:00	USA	Consumer Confidence Index	Aug	90,8	89,5	90,1
16:00	USA	Richmond Fed Index	Aug	5,0		
Wednesday 26/08/2026						
14:30	USA	Second estimate of GDP (% YoY)	Q2	1,5	1,5	1,5
14:30	USA	Durable goods orders (% MoM)	Jul	0,5	-0,3	0,6
14:30	USA	PCE core inflation (% YoY)	Jul	3,3	3,3	3,3
14:30	USA	PCE Inflation (% YoY)	Jul	3,7	3,6	3,7
14:30	USA	Real private consumption (% MoM)	Jul	0,4		
Thursday 27/08/2026						
10:00	Eurozone	M3 money supply (% MoM)	Jul	3,3		3,4
Friday 28/08/2026						
11:00	Eurozone	Business Climate Indicator (pts)	Aug	-0,19		
16:00	USA	Final U. of Michigan Sentiment Index (pts)	Aug	51,0	51,0	51,2

*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