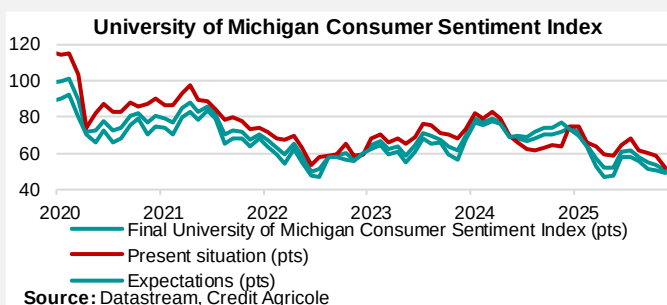
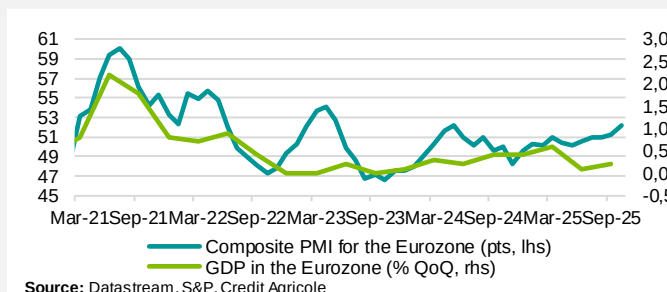


This week

- 
The publication of preliminary results of the PMI survey of key European economies planned for Friday will be the most important event this week. The market expects the composite PMI in the Eurozone for November to stay at 52.5 pts (no change compared with October) along with stabilisation in manufacturing and services. Consequently, PMI would remain above the 50-point mark separating growth from contraction for the eleventh month running. The market expects the German manufacturing PMI to go up slightly, from 49.6 pts in October to 49.8 pts in November. In our opinion, the publication of business survey results for the Eurozone, including Germany, will be neutral for financial markets.
- 
Minutes from the October FOMC meeting will be another important event this week. We believe they can bring us some important information in the light of increasing differences between Fed members as to their preferred scale of further monetary policy easing. Fed representatives' recent comments indicate that the group of rate cut sceptics among the decision makers is growing bigger. In this context, the information on how strong the objection was with regard to both the October cut itself and the scale and frequency of further cuts to be considered in subsequent meetings (including December) will be particularly interesting. In our view, the *Minutes* may add to the volatility of the PLN and yields on Polish bonds.
- 
Some important data from the US will be released this week. Delayed labour market data will be released on Thursday. We expect non-farm payrolls to have increased by 55k in September vs. 22k in August, with the rate of unemployment stabilising at 4.3%. The final University of Michigan index will be released on Friday, and it will point to subdued household sentiment (52.0 pts in November vs. 53.6 pts in October). We also expect the existing-home sales to have risen for the second month running (4.11m in October vs. 4.06m in September), but they will still be markedly below pre-COVID levels. In our view, the release of the delayed data on the US labour market may add to volatility in financial markets. Even though the government shutdown came to an end, the data release calendar for the coming weeks remains uncertain as statistics agencies have not announced new schedules for the delayed data yet.

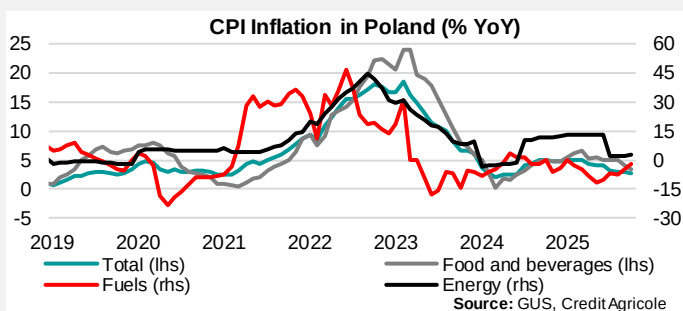


Last week

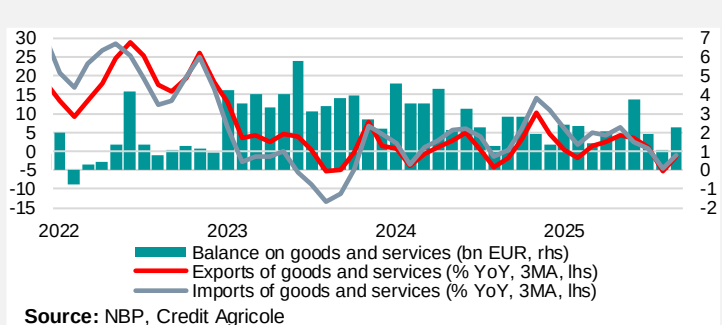
- 
In accordance with the flash estimate, GDP growth in Poland increased from 3.3% YoY in Q2 to 3.7% YoY in Q3, which was consistent with market consensus and slightly below our forecast (4.0%). Seasonally-adjusted quarterly GDP growth did not change between Q2 and Q3, and stayed at 0.8%. The data published by the GUS is a flash estimate and the full GDP data including information on its structure will be published on 1 December. In our view, stronger growth in total gross fixed capital formation, driven by its three main components (companies' investments, public investments and households' investments) was the main source of

acceleration in economic growth in Q3 (see MACROPulse of 13/11/2025). Turning to the quarters ahead, we expect economic growth in Poland to keep accelerating, driven by the expected economic recovery in the Eurozone and the increasing absorption by Poland of EU funds under the National Recovery Plan and the Cohesion Fund. Nonetheless, we believe that today's data carries a slight downside risk to our GDP growth forecast for Q4 (3.8%) and 2025 (3.6%).

In accordance with final data, CPI inflation in Poland declined from 2.9% YoY in September to 2.8% in October, in line with Statistics Poland's flash estimate. The main driver of the decline in inflation was slower growth in prices in the „food and non-alcoholic beverages” category (3.4% in October vs 4.2% in September). The weaker price growth in this category reflected lower growth in fruit and vegetable prices (a bumper harvest effect), as well as in butter prices (owing to overproduction of milk among the world's main exporters of dairy products). Lower core inflation also contributed to the decline in headline inflation, as, in line with our estimates, it fell from 3.2% YoY in September to 2.9% in October, its lowest level since November 2019. This was driven by slower price growth in, among others, “miscellaneous goods and services”, “recreation and culture”, “furnishings, household equipment and routine household maintenance”, “clothing and footwear” and “education”. It is also worth noting that monthly core inflation fell in October to 0.0% MoM from 0.2% in September, coming in below its seasonal pattern (+0.3% MoM). In our view, this points to weakening inflationary pressures. We expect headline inflation to run close to the inflation target over the coming quarters. In Q4 2026, inflation will accelerate to 3.5%, mainly due to low base effects in food and fuel prices. Given the prospect of inflation temporarily falling below the target in Q1 2026 (we forecast inflation at 2.3% then), we see a downside risk to our scenario in which the MPC will move forward with one more 25bp interest rate cut in Q1 2026. An additional risk factor is the public comments from some MPC members pointing to differences in their views on the appropriate target level of interest rates.



The Polish current account balance went up from EUR -3042m in August to EUR -725m in September, which was markedly ahead of market expectations (EUR -1422m) and our forecast (EUR -2190m). The increase in the current account balance was



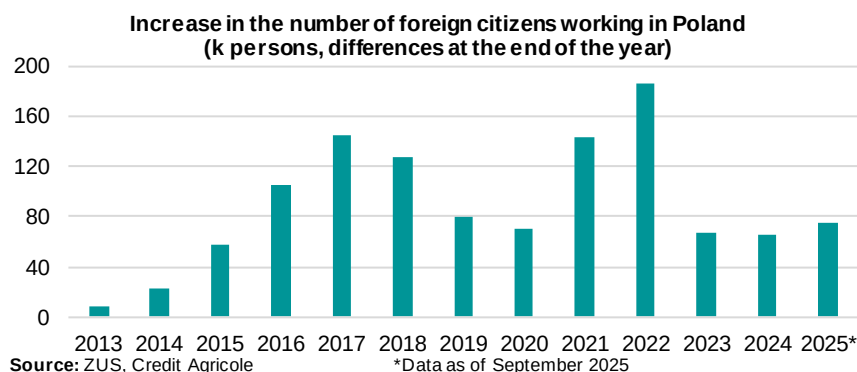
due to higher trade balances of its four main components: goods (EUR 1130m), services (EUR 55m), primary income (EUR 392m) and secondary income (EUR 740m). At the same time, both exports and imports of goods accelerated, from -1.4% YoY in August to 5.8% in September (exports) and from -1.1% to 7.3% (imports). In accordance with the press release, the strongest growth in exports was seen for agricultural products, other consumer goods and motor cars. It was noted that the increased sales volumes in the last two categories resulted mostly from re-exporting. This, in turn, supports our conclusion saying that having problems with the sale on the US market, China will redirect its exports by sending them to Europe among other places (see MACROmap of 19/05/2025). We expect the accumulated balance on the current account

for the last 4 quarters as a percentage of GDP to have decreased from -0.7% in Q2 to -0.9% in Q3.

✓ **Some important data from China was released last week.** Data on industrial production (4.9% vs. 6.5%), urban investments (-1.7% vs. -0.5%) and retail sales (2.9% vs. 3.0%) show that the activity in the Chinese economy has slowed. The slowdown in activity results, among others, from the fading effect of programmes boosting consumption and investments, from consumers' persistent cautiousness amidst a slower growth in wages, and a downturn in the real estate market. Recently, China has introduced fiscal subsidies for households with young children (ca. RMB 120bn per year), but the package is too small to markedly boost consumption. The positive impact of the recent rebound in the stock market on wealth was limited as it had an effect on a small part of the population only: investments in shares represent as little as approx. 20% of assets held by households in urban areas. China has also increased spending on key infrastructure and local projects (RMB 500bn as equity in projects, using the policy financing tool, plus RMB 500bn by increasing the local government bond issue limit to secure debt repayment and project funding), though the programme will not have an immediate impact on investments. In our view, last week's data is indicative of the need to continue easing macroeconomic policy in order to stimulate demand. We do not think, though, that China will adopt any new substantial easing measures soon. Even though the economic growth slowed markedly in October, the Chinese government still seems to be quite confident that the GDP growth of ~5.0% will be reached in 2025. Consequently, the information to be published by the Political Bureau and the Central Economic Work Conference in early December, which is likely to contain more details and guidelines on China's growth priorities for 2026, will be of key importance. In 2026, we expect growth to slow down, particularly in the first half of the year, though China will probably set the GDP growth target at approx. 5.0% again in order to anchor the expectations. To achieve such an ambitious goal, China will most probably increase the scale of policy easing in 2026. We anticipate an increase in the consolidated fiscal deficit rate (to 11.2% of the GDP vs. 10.2% estimated for 2025) and further PBoC rate cuts, totalling 20bp by the end of 2026.

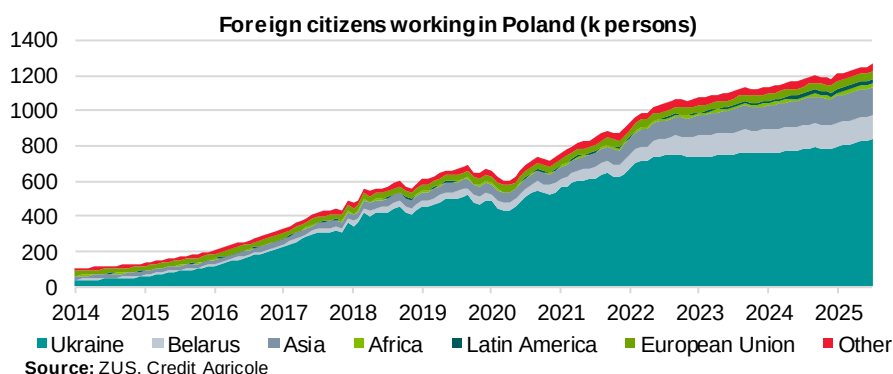
✓ **According to the second estimate, quarterly GDP growth in the Eurozone rose to 0.2% in Q3 from 0.1% in Q2 (unchanged compared with the first estimate).** Year-on-year, GDP growth in the Eurozone slowed to 1.4% YoY in Q3 from 1.5% in Q2 (upward revision from 1.3% in the first estimate). Among the largest Eurozone economies, quarterly GDP growth picked up in Germany (0.0% QoQ in Q3 vs. -0.2% in Q2), France (0.5% vs. 0.3%) and Italy (0.0% vs. -0.1%). By contrast, GDP growth in Spain declined from 0.8% to 0.6%. The data is preliminary and does not include GDP growth breakdown details. In the light of the latest business survey results for the Eurozone (see MACROmap of 27/10/2025), we maintain our scenario under which quarterly GDP growth in the Eurozone area will remain unchanged in Q4 compared with Q3, at 0.2%, and that for 2025 as a whole GDP will rise by 1.3% YoY, following an increase of 0.8% in 2024.

Has the migration strategy slowed the inflow of labour migrants to Poland?



In October 2024, the government adopted a migration strategy set out in the document “Regain Control. Ensure Security. A Comprehensive and Responsible Migration Strategy for Poland for 2025-2030”. Above all, this document provides for restricting and strictly controlling the inflow of foreign nationals, basing migration policy on the overriding priorities of

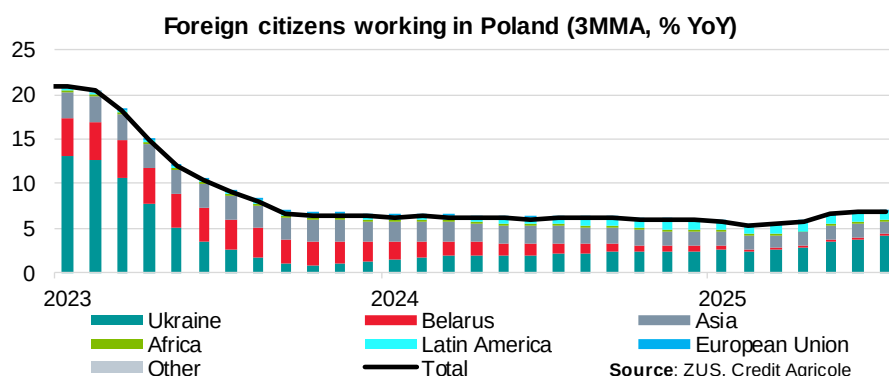
state security and social cohesion. The strategy introduces selective rules for access to Polish territory, in particular by tightening visa policy and residence-legalisation procedures, eliminating abuses linked to migration intermediation, and enhancing border protection, especially in the context of hybrid threats from Belarus and Russia. It also provides for the possibility of temporarily and territorially suspending the right to lodge asylum applications in situations of security threat. At the same time, it limits the role of immigration as an instrument for easing labour shortages – admitting foreign nationals mainly to occupations with long-standing deficits and under strictly controlled procedures – and tightens access to education in order to prevent studies undertaken solely to legalise residence. The overall strategy is designed to restore full control over migration processes, increase the transparency and security of the system and minimise the risks (social, cultural and economic) associated with the inflow of foreign nationals. Below, we analyse the main trends in the number of foreigners in Poland in the year since the strategy was adopted.



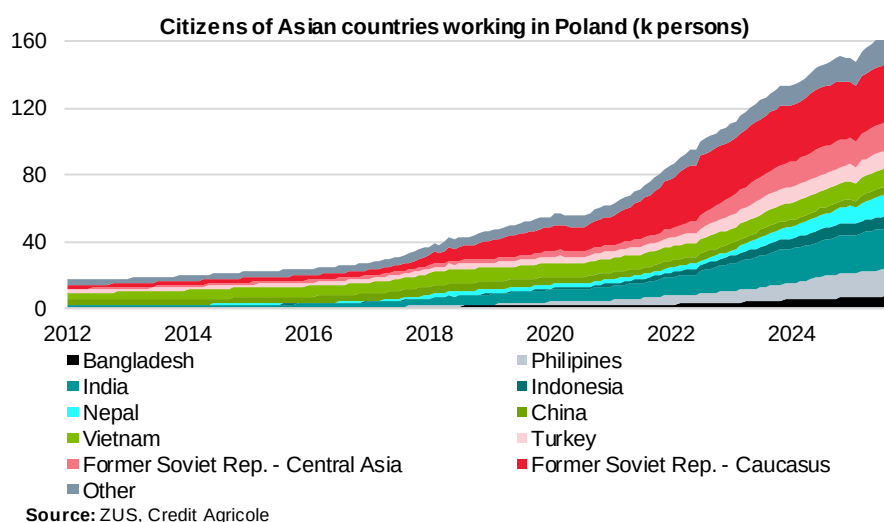
Immediately after the strategy was passed, we observed a decline in the number of foreign nationals in October, November and December 2024. However, this was not the result of a “tightening” of the border. It had a purely seasonal basis. As in every year, Q4 saw a fall in the number of foreigners employed seasonally in construction and agriculture. In

subsequent months, by contrast, the number of immigrants in Poland rose steadily. It should be noted that most of the key pieces of legislation provided for in the strategy – including new regulations on selective admission of foreign nationals, a points-based system for admission to work, tighter visa and residence rules and mechanisms for suspending the right to asylum – have not yet been fully adopted or brought into force. Press reports to date indicate that, although certain changes in migration law have been announced for 2025, there are still no final government resolutions or acts of parliament that would fully implement all elements of the strategy. As a result, in September 2025 the number of foreign nationals working in Poland reached 1,267k, the highest level on record. According to data from Statistics Poland (GUS), Ukrainians were the largest group of foreign workers in Poland (839k). They were followed by Belarusians (137k), Georgians (26k), Indians (25k) and Colombians (19k).

Over the past year, the number of foreign nationals working in Poland increased by 90k (i.e. by 7.6% YoY as at September 2025). The main driver of the increase in the number of immigrants working in Poland



overall was immigration from Ukraine, which accelerated markedly after two years of slowdown. Thus, immigration from Ukraine once again accounted for around two-thirds (5.1 pp.) of the total increase in the number of foreigners in Poland recorded over the past year. It is worth noting that this trend did not stem from new individuals crossing the border, but mainly from existing immigrants formalising their stay. This was primarily linked to the approaching expiry of the existing system of automatic extension of the lawful stay in Poland of Ukrainian nationals under the special act adopted in connection with the war in Ukraine. This deadline, initially set for the end of September this year, was finally extended a few days before to March 2026. After that date, anyone wishing to continue to reside legally in Poland will have to submit an individual application – e.g. for a temporary residence permit. Obtaining a temporary residence permit for the purpose of work requires proof of employment. An additional factor supporting the take-up of formal legal status by Ukrainians was the entry into force, on 1 June 2025, of the Act on the conditions for permissible employment of foreign nationals in the territory of the Republic of Poland. The new regulations simplified procedures for employing foreigners in Poland, primarily through full digitalisation of the process and the abolition of the so-called labour market test (the requirement for the labour office to confirm that there are no suitable candidates among registered unemployed persons for the given position). At the same time, we can observe a marked slowdown in immigration of Belarusian nationals to Poland: in 2025 they accounted for only 3% (0.2 pp.) of the increase in the overall number of foreigners working in Poland, compared with 13% (0.7 pp.) in 2024 and 42% (2.7 pp.) in 2023.

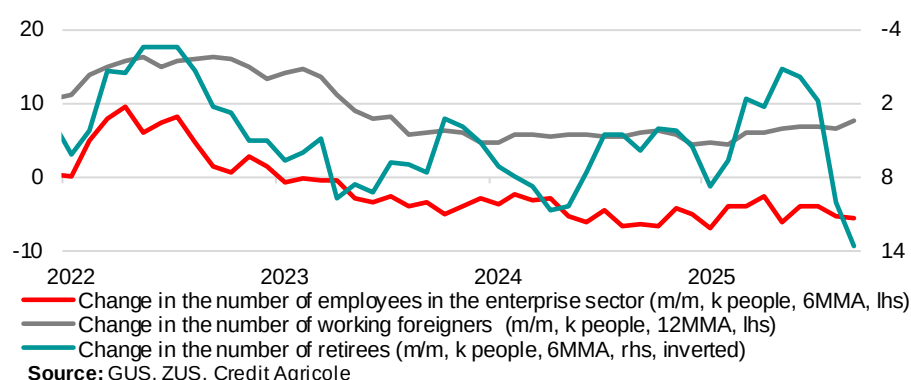


The second major group were immigrants from Asia, whose number rose to 157k in September 2025 from 141k in September 2024 (an increase of 10.9%). In our previous analysis (see MACROmap of 29/07/2024), we highlighted the importance of Georgia, which in 2020-2022 played a significant role in overall immigration to Poland. However, immigration from Georgia has been on a slight downward trend since September 2022. It should be noted that Georgia is a relatively small country, which limits the available labour supply from this

direction. In 2025, the key role in immigration from Asia was played by nationals of South Asian countries, in particular Nepal (up by 4.4k), India (2.8k) and the Philippines (1.8k). In the case of these countries, immigration to Poland is driven by large wage differences and should therefore be seen as classic labour migration. It should also be noted that high migration from South Asian countries is observed in many highly developed economies (including the United States, Canada and the United Kingdom), so the presence of immigrants from this region in Poland is merely one aspect of a broader phenomenon. Given the tightening of immigration policy in the US, it can be expected that in the coming years a larger inflow of migrants from this region will be directed towards European Union countries, including Poland.

In recent years, immigration from Latin America has also grown in importance. The number of working foreign nationals from this region rose from 14k in September 2024 to 24k in September 2025 (an increase of 66% YoY). As with the Asian countries mentioned above, this primarily represented labour migration. A 2024 survey by the EWL employment agency provides additional insight into the role played by immigrants from Asia and South America on the labour market. The majority (54%) of workers from these regions perform manual jobs in Poland. Their employment is concentrated in manufacturing (30% of surveyed workers), trade and sales (20%), and hospitality and catering (12%). Within the migration flow from Latin America, Colombians formed the largest national group. In their responses, many survey participants indicated that their decision to migrate was strongly influenced by adverse conditions in South America, such as political instability, poverty and high crime rates.

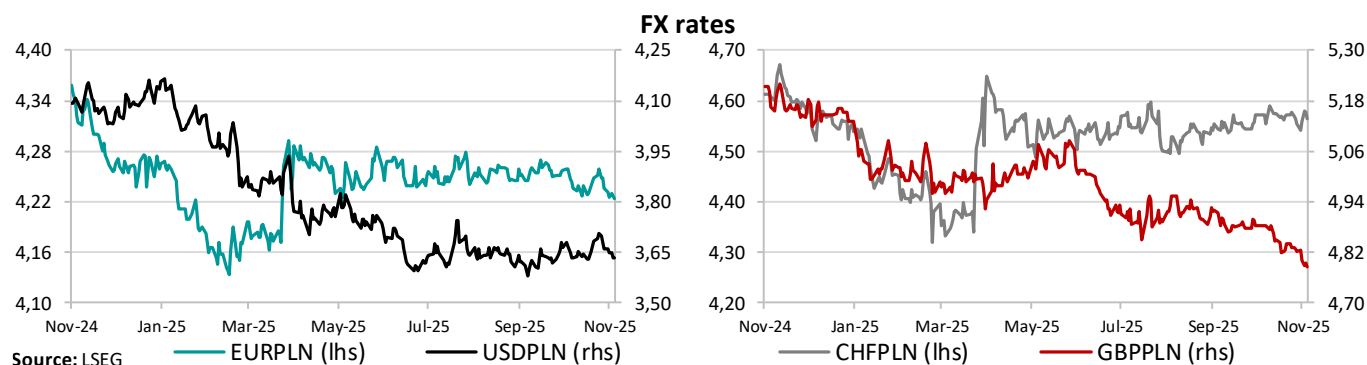
For immigration from Africa, the increase in the number of foreign nationals over the past year was modest (18k in September 2025 compared with 16k in September 2024), and was mainly due to a rise in the number of immigrants from Zimbabwe (4.4k versus 3.3k), and to a lesser extent from North African countries. To date, the inflow of immigrants from Zimbabwe has been concentrated in the Lubelskie voivodeship and has been partly linked to the undertaking of studies.



According to Statistics Poland, employment in the enterprise sector has been falling year-on-year continuously since October 2023. This pattern largely reflects unfavourable supply-side factors – a shrinking workforce as baby boomers reach retirement age (see chart). It is worth noting that in recent years the impact of the negative demographic environment

on labour market trends was offset by an influx of migrant workers. Over the last ten years, the number of foreigners legally employed in Poland has increased twelvefold, from around 100k at the beginning of 2014 to more than 1.2m today. We believe that in the short term the growth rate of the number of foreigners working in Poland, as reported by the Social Insurance Institution (ZUS), will remain relatively stable, which will be linked to the need for Ukrainians to legalise their stay before March 2026. In addition, since the end of August this year the Ukrainian government has allowed men aged 18-22 to travel abroad, which will contribute to a stronger inflow of new migrants. We expect that the inflow of foreign nationals to Poland will begin to decline only once further pieces of migration-policy legislation envisaged in the strategy are adopted. The precise course of events in this area is difficult to predict, as it will depend to a large extent on the government's determination.

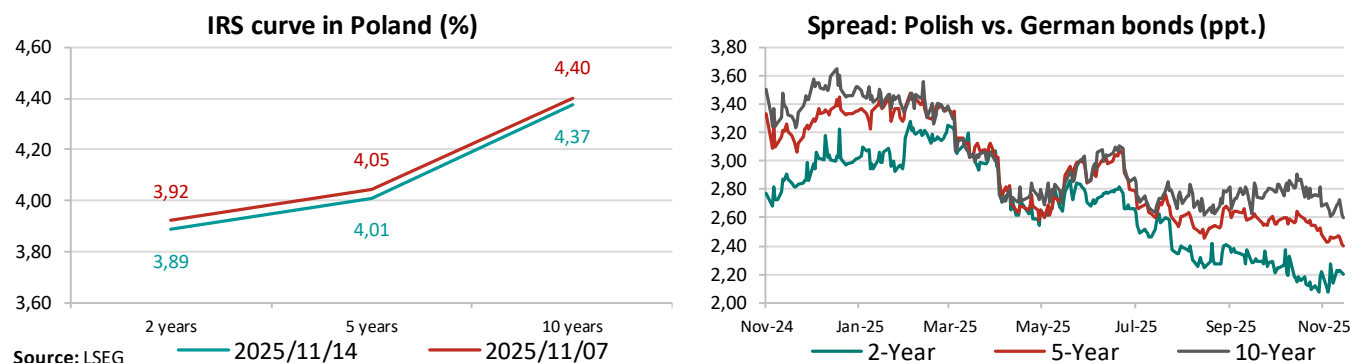
Publication of US labour market data key for the PLN



Last week, the EURPLN exchange rate fell to 4.2234 (a 0.3% appreciation of the PLN). Throughout the week the EURPLN rate was relatively stable, trading around 4.23. At the same time, however, the USD weakened against the EUR, supported by rising expectations among some investors for further interest rate cuts in the US.

This week, the key event for the PLN will be Thursday's release of the delayed US non-farm payrolls data. We believe it may add to the volatility of the PLN. A similar effect may come from Wednesday's publication of the Minutes from the FOMC's October meeting. We believe that the other macroeconomic releases scheduled for this week will be neutral for the PLN.

Release of delayed US labour market data in the spotlight



Last week, 2-year IRS rates fell to 3.89 (down by 3bp), 5-year rates dropped to 4.01 (down by 4bp) and 10-year rates decreased to 4.37 (down by 3bp). Throughout last week IRS rates declined across the entire curve, driven by rising expectations of further interest rate cuts in Poland. This assessment was supported by last week's drop in IRS rates.

This week, the market's focus will be on the delayed release of US labour market data, which may spur increased volatility in IRS rates. Higher volatility on the rates market may also be supported by Thursday's publication of the Minutes from the FOMC's October meeting. We expect the other macroeconomic releases scheduled for this week to have no significant impact on the yield curve.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	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	Nov-25
NBP reference rate (%)	5,75	5,75	5,75	5,75	5,75	5,75	5,75	5,25	5,25	5,00	5,00	4,75	4,50	4,25
EURPLN*	4,35	4,30	4,27	4,21	4,19	4,19	4,27	4,24	4,24	4,27	4,26	4,26	4,25	4,25
USDPLN*	4,00	4,06	4,13	4,06	4,04	3,87	3,77	3,74	3,60	3,74	3,64	3,63	3,68	3,66
CHFPLN*	4,64	4,60	4,54	4,46	4,46	4,38	4,56	4,54	4,53	4,60	4,55	4,56	4,57	4,52
CPI inflation (% YoY)	5,0	4,7	4,7	4,9	4,9	4,9	4,3	4,0	4,1	3,1	2,9	2,9	2,8	
Core inflation (% YoY)	4,1	4,3	4,0	3,7	3,6	3,6	3,4	3,3	3,4	3,3	3,2	3,2	2,9	
Industrial production (% YoY)	4,7	-1,3	0,3	-0,9	-1,8	2,5	1,3	4,0	-0,4	3,0	0,7	7,4	1,8	
Constr. and assembly prod. (% YoY)	-9,6	-9,4	-8,0	4,2	-0,1	-1,1	-4,2	-2,8	2,1	0,7	-7,0	0,2	1,0	
PPI inflation (% YoY)	-5,1	-3,8	-2,7	-1,0	-1,3	-1,0	-1,6	-1,5	-1,5	-1,3	-1,3	-1,2	-1,7	
Retail sales (% YoY)	2,3	3,4	2,7	6,1	0,6	0,6	7,9	4,3	2,1	4,8	3,0	6,6	4,0	
Corporate sector wages (% YoY)	10,2	10,5	9,8	9,2	7,9	7,7	9,3	8,4	9,0	7,6	7,1	7,5	7,4	
Employment (% YoY)	-0,5	-0,5	-0,6	-0,9	-0,9	-0,9	-0,8	-0,8	-0,8	-0,9	-0,8	-0,8	-0,8	
Unemployment rate* (%)	4,9	5,0	5,1	5,4	5,4	5,3	5,2	5,0	5,2	5,4	5,5	5,6	5,6	
Current account (M EUR)	918	-281	-1427	-35	115	-1136	-424	-1004	-194	-1168	-3042	-725		
Exports (% YoY EUR)	2,9	-2,3	0,7	2,7	1,2	3,9	-1,2	4,9	2,7	3,0	-1,4	5,8		
Imports (% YoY EUR)	6,5	-0,4	3,9	10,4	4,0	10,5	6,3	6,1	0,6	2,6	-1,1	7,3		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland											
Indicator	2025				2026				2024	2025	2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	3,2	3,3	4,0	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	7,4	8,6	10,9	7,2	6,5	-0,9	5,0	7,9
Export - constant prices (% YoY)	2,1	1,9	2,2	2,8	4,5	5,8	5,8	5,3	2,0	2,3	5,4
Import - constant prices (% YoY)	4,3	3,4	2,9	2,8	5,0	6,1	6,5	6,1	4,5	3,3	6,0
GDP growth contributions	Private consumption (pp)	1,6	2,6	2,3	1,7	1,7	1,8	1,6	1,7	2,1	1,7
	Investments (pp)	0,8	-0,1	0,9	1,7	1,1	1,7	1,2	-0,2	0,8	1,3
	Net exports (pp)	-0,9	-0,7	-0,3	0,1	-0,1	0,0	-0,2	-0,2	-0,4	-0,1
Current account (% of GDP)***	-0,4	-0,7	-0,9	-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	2,6	2,3	2,8	2,9	3,5	3,6	3,7	2,9
Wibor 3M (%)**	5,84	5,23	4,72	4,35	4,10	4,10	4,10	4,11	5,84	4,35	4,11
NBP reference rate (%)**	5,75	5,25	4,75	4,25	4,00	4,00	4,00	4,00	5,75	4,25	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 11/17/2025						
14:00	Poland	Core inflation (% YoY)	Oct	3,2	2,9	2,9
Wednesday 11/19/2025						
9:00	Eurozone	Current account (bn EUR)	Sep	11,9		
11:00	Eurozone	HICP (% YoY)	Oct	2,1	2,1	2,1
20:00	USA	FOMC Minutes	Oct			
Thursday 11/20/2025						
14:30	USA	Unemployment rate (%)	Sep	4,3	4,3	4,3
14:30	USA	Non-farm payrolls (k MoM)	Sep	22	55	50
14:30	USA	Philadelphia Fed Index (pts)	Nov	-12,8		2,0
16:00	Eurozone	Consumer Confidence Index (pts)	Nov	-14,2		-14,0
16:00	USA	Existing home sales (M MoM)	Oct	4,06	4,11	4,08
Friday 11/21/2025						
9:30	Germany	Flash Manufacturing PMI (pts)	Nov	49,6		49,8
10:00	Eurozone	Flash Services PMI (pts)	Nov	53,0		53,0
10:00	Eurozone	Flash Manufacturing PMI (pts)	Nov	50,0		50,2
10:00	Eurozone	Flash Composite PMI (pts)	Nov	52,5		52,5
15:45	USA	Flash Manufacturing PMI (pts)	Nov	52,5		52,0
16:00	USA	Final U. of Michigan Sentiment Index (pts)	Nov	50,3	52,0	50,4

*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

** According to Thomson Reuters, Bloomberg or Parkiet daily