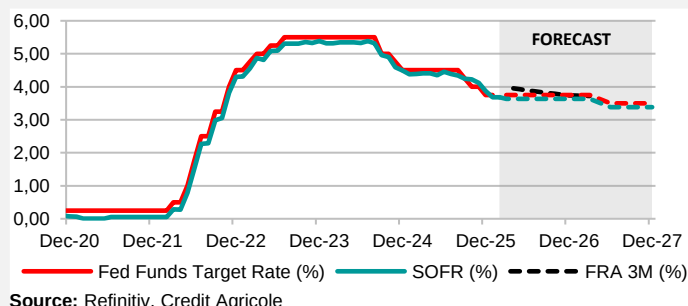


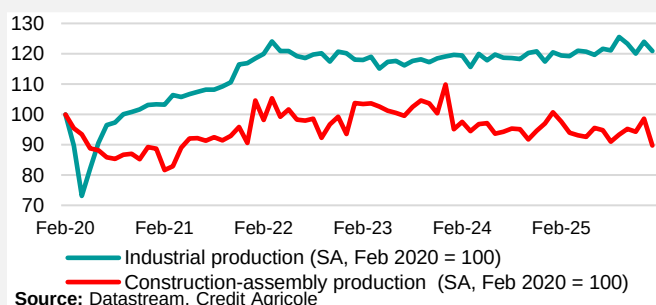
This week

➤ **The most important event in the US this week will be the FOMC meeting scheduled for Wednesday.** We anticipate that the Federal Reserve will keep the target range for the Fed funds rate at 3.50-3.75%, thus prolonging the pause in the monetary policy easing cycle after a total of 75bp in cuts implemented towards the end of 2025. Weaker labour market data for February can make some of the FOMC members opt for interest rate cuts, but in our view, persistent PCE inflation (see below) will be an argument for keeping the interest rates unchanged. In our opinion, the press release after the meeting could be modified only very slightly, if at all, and during the press conference, Chair J. Powell will once again emphasise that the Fed is “well prepared” and keep all options on the table as regards future decisions. At the same time, the outbreak of war in Iran and tensions in the Middle East drove the prices of oil up and increased the uncertainty surrounding the inflation outlook and economic activity prospects. Consequently, the Fed might opt for a more prudent approach, and keep the interest rates as they are until it is possible to assess the scale and persistence of the energy shock and its impact on the economy more precisely. Given the said uncertainty, we think that Fed’s new macroeconomic projections might only be modified very slightly. The short-term inflation forecast may be adjusted slightly upwards, but the median of expectations regarding the interest rate trajectory is likely to stay as it is (one cut in 2026 followed by another one in 2027). We still expect a more hawkish scenario, in which the interest rates in the US will not change until the end of 2026, with one final cut in 2027.



➤ **Another important event this week will be the ECB meeting planned for Thursday.** We anticipate that the ECB will keep the interest rates unchanged, and the discussion on further trajectory of the monetary policy will be limited due to an exceptionally high level of uncertainty connected with the escalation of the conflict in the Middle East and its potential impact on the prices of energy commodities. Consequently, updating the macroeconomic projections, which were prepared in a highly unstable environment and therefore reflect the impact of a potential energy shock only partially will be the key item on the agenda of the meeting. Consequently, the ECB may indicate that there is a higher risk of inflation rise in a short-term perspective accompanying a poorer outlook for economic growth. In our view, Chair Ch. Lagarde will emphasise the need for flexibility in pursuing the monetary policy, and the meeting itself is likely to merely start a discussion on ECB’s potential reaction to the energy shock rather than give any clear hints regarding the future interest rate trajectory.

➤ **Important data on labour market and activity in industry and construction sectors in Poland will be released on Thursday.** We expect the industrial production growth to have accelerated to 2.5% YoY in February vs. a 1.5% drop in January, which means that it will come in above the market consensus (1.5%). We also



forecast that construction and assembly production was markedly lower than the year before (-5.0% YoY vs. -12.8% in January), but the decline was not as sharp as the market had expected

(-7.6%). As regards both rates, we believe that the February improvement stems primarily from favourable calendar effects and less negative impact of weather conditions compared with January. We also expect the wage growth to have accelerated from 6.1% YoY in January to 7.1% in February, with the employment growth rate for the enterprise sector staying at -0.8% YoY. Our industrial production and construction and assembly production forecast is above market consensus, so if it materialises, it will have a positive effect on the PLN and the yields on Polish bonds.

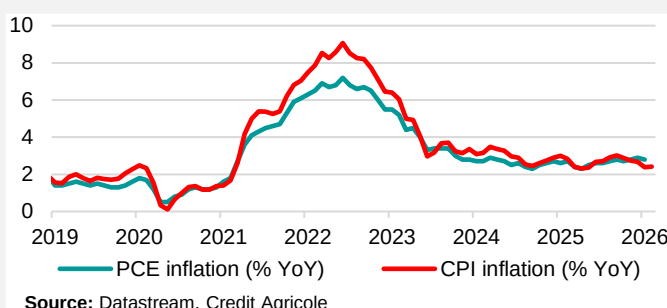
✓ **Better-than-expected data on economic activity in January and February in China has been released today.** Industrial production went up by 6.3% YoY, compared with a 5.2% growth in December and market consensus of 5.1%. Retail sales growth accelerated from 0.9% YoY in December to 2.8%, coming in above the market expectations of 2.5%. Urban investments accelerated by 1.8% YoY following a 3.8% drop, with market expecting a further decline (by 2.0%). The data indicates that Chinese manufacturing is still competitive, while investments in infrastructure are recovering amidst a relatively weak consumer demand. Consequently, the data for January and February is indicative of an upside risk to our 2026 GDP growth forecast for China (4.7%), though the risk is still limited due to the war in Iran and the related, strong growth in the prices of energy commodities, which might have a negative impact on global trade and the margins imposed by Chinese manufacturers.

✓ **Moody's decision on Poland's credit rating is scheduled for Friday.** In September 2025, Moody's kept Poland's long-term rating at A2, but downgraded its outlook from stable to negative due to a worsening outlook for public finances, including in particular the anticipated rise in the general government deficit and a gradual increase in the public debt to GDP ratio expected for the coming years. At the same time, the decision to keep the rating at A2 was underpinned by a quick GDP growth, large and diversified economy, still moderate public debt and good debt service indicators. Moody's also pointed out that the rating could be downgraded if Poland's fiscal standing declined substantially and if the public debt kept growing, while the outlook could be upgraded back to stable if Poland presented a credible fiscal consolidation trajectory. In our view, on Friday, the agency will change neither the rating nor the outlook as there have been no new factors since the last decision that would materially change the assessment of Poland's macroeconomic fundamentals or medium-term fiscal outlook. Consequently, we expect Moody's decision to be neutral for the PLN and the yields on Polish bonds.

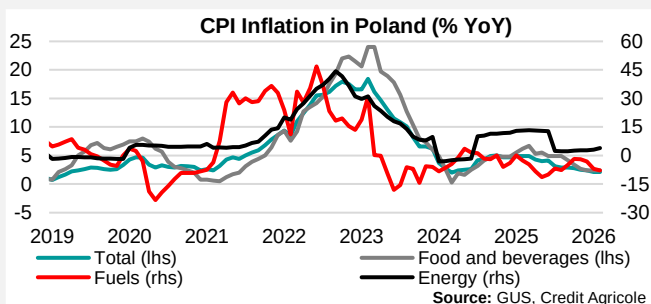
Last week

✓ **Last week saw the release of important inflation data for the US.** Headline CPI inflation and core inflation for February remained unchanged at 2.4% YoY and 2.5% YoY, respectively. On the other hand, PCE inflation data for January confirmed that price pressures remain elevated. Headline PCE

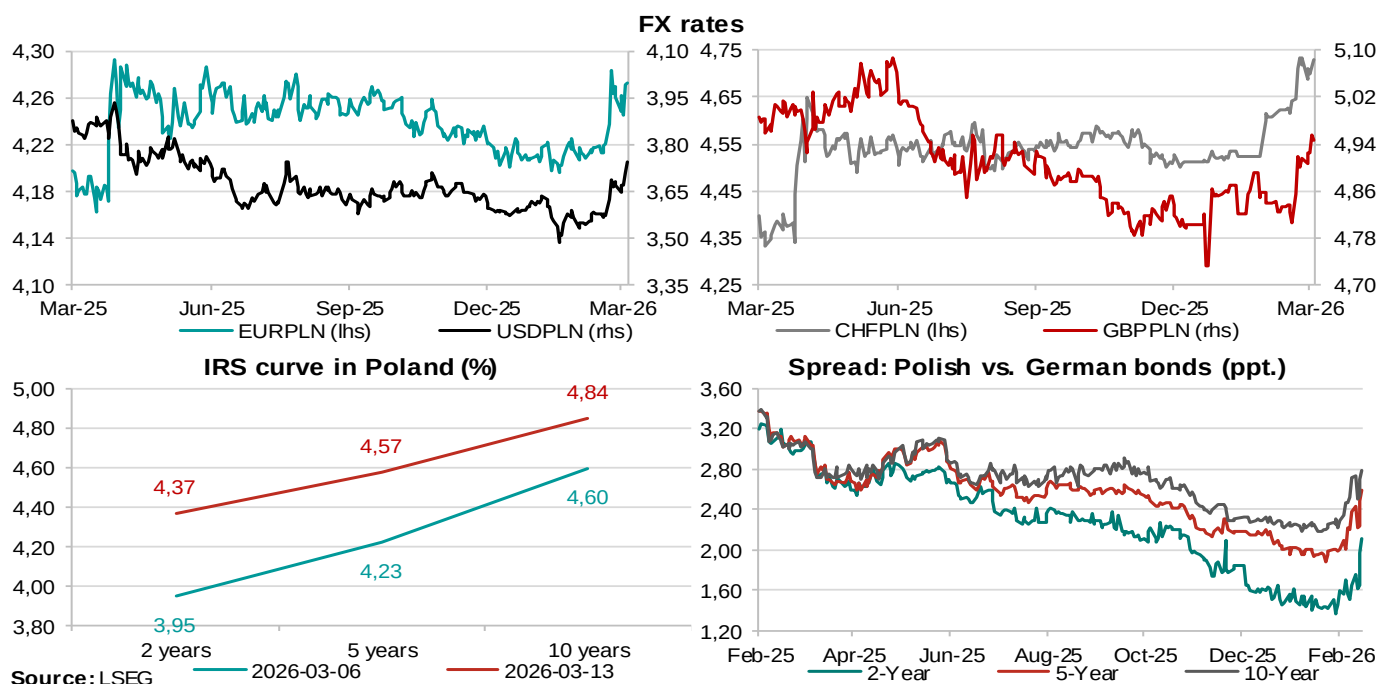
inflation declined only slightly to 2.8% YoY in January from 2.9% in December, while core PCE inflation increased to 3.1% YoY from 3.0%, reaching its highest level since March 2024. Particular attention should also be paid to the increase in the three-month annualised growth rate of core PCE inflation to 3.7% in January, up from 3.1% in December, which indicates a lack of further progress in the disinflation process. In our view, persistently elevated PCE inflation limits the scope for a rapid resumption of interest rate cuts in the US.



 **CPI inflation in Poland remained unchanged compared with January at 2.1% YoY, in line with both our expectations and the market consensus (see MACROPulse of 13/03/2026).** We estimate that core inflation remained at around 2.6% YoY in February, i.e. close to the NBP inflation target (2.5%). In our view, the February data alone do not materially change the short-term assessment of inflation processes. However, in light of the increase in fuel prices recorded in March, the depreciation of the PLN, and the risk of rising cost pressures related to the war in Iran, the balance of risks to our 2026 inflation forecast (2.2% YoY on average) has clearly shifted up.



FOMC and EBC meetings in the spotlight



Last week, financial markets continued to be driven by the conflict in the Middle East and the associated strong volatility in oil prices. At the beginning of the week, oil prices briefly rose above USD 110 per barrel, triggering a temporary increase in risk aversion, weakening of the PLN to around PLN 4.30 per EUR, and a rise in domestic bond yields and IRS rates. The following days saw a partial correction. As oil prices declined, the PLN recouped part of its losses and the debt market temporarily stabilised; however, the improvement in sentiment proved short-lived. In the second half of the week, markets returned to risk-off mode. Oil prices moved back to around USD 100, EURUSD declined towards 1.15, and the PLN weakened again, while domestic bond yields and IRS rates rose to their highest levels this year.

In the coming week, developments in the Middle East conflict will remain the main factor shaping financial markets. The Fed and ECB meetings will also be in focus. We believe that Thursday's industrial and

construction and assembly production data, which we expect to come in above market consensus, should support the PLN and IRS rates.



What are the long-term demand prospects for non-food FMCG products?

Adverse demographic trends will be an important factor shaping Poland's economic situation in the medium term. In this report, we analyse how population ageing in Poland will affect the outlook for consumption of FMCG, i.e. fast-moving consumer goods sold frequently and typically at relatively low prices. Population ageing influences private consumption both through changes in the size of individual age groups and through shifts in household spending patterns. At the same time, over the longer term the structure of private consumption will also be shaped by Poland's income convergence with more developed EU economies. Historically, this process has been associated with a rising share of services in the consumption basket and a declining share of spending on goods, including FMCG. In this analysis we focus on FMCG categories excluding food and non-alcoholic beverages. The food sector will be discussed in a separate report in the next MACROmap.

Our analysis starts with Eurostat demographic projections, which point to a systematic decline in Poland's population in the coming years. According to these projections, Poland's population will decrease by an average of around 0.5% per year until 2035, implying a decline of approximately 2 million people over the next decade. At the same time, demographic changes will have a pronounced structural dimension. The number of people aged below 65 is expected to decline by around 2.8 million, while the population aged 65 and over will increase by approximately 750 thousand. This will result in a further increase in the share of households whose main source of income is pensions, affecting not only the level but also the structure of private consumption in the Polish economy.

The overall share of spending on non-food FMCG products in household budgets is broadly similar in households whose main source of income is work and in households primarily supported by pensions. For the purposes of this analysis, we identified within the COICOP classification a set of categories that can be classified as FMCG goods. These include, among others, tobacco products, alcoholic beverages, personal hygiene products and non-durable household goods. Based on Statistics Poland (GUS) weights for individual categories, we estimate that in 2025 the combined share of these products in consumer expenditure amounted to 12.8% in households whose main source of income is work and 13.3% in households primarily supported by pensions. However, a similar overall share does not imply an identical expenditure structure, as individual FMCG categories play different roles in the consumption baskets of these two types of households. The detailed scope of COICOP categories classified by us as part of the FMCG segment, together with their weights in the inflation basket, is presented in the table below.

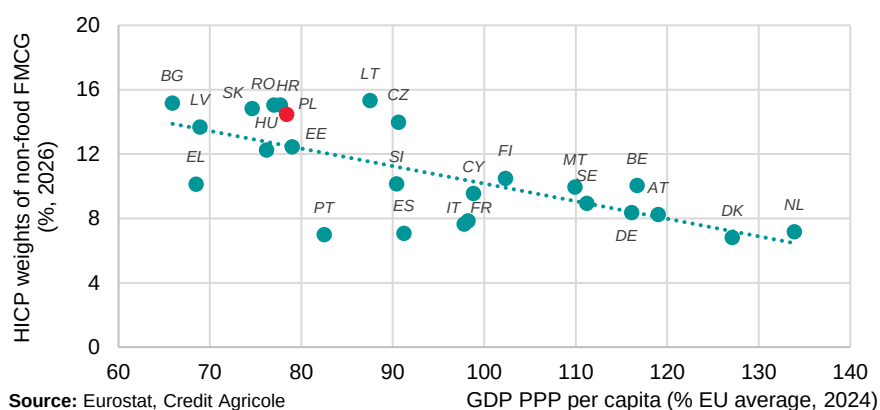
A comparison of category weights indicates that the structure of spending on non-food FMCG products differs between pensioner households and households whose main source of income is work. In the consumption basket of pensioner households, categories related to healthcare and newspapers and periodicals carry relatively greater weight. In working households, by contrast, a larger share is accounted for by, among others, alcohol and personal hygiene products. These differences reflect both age-related consumption needs and differences in the lifestyles of the two household groups. As a result, changes in the demographic structure of the population will affect not only the level but also the composition of demand for individual FMCG categories.

Code	Category name	Group	Weight inside FMCG	Weight in the total CPI	Weight in the CPI basket of pensioners*	Weight in the CPI basket of the employed**
02110	Spirits and liquors	Alcohol	11,7%	1,53%	0,65%	1,71%
02121	Wine from grapes		3,0%	0,39%	0,18%	0,53%
02122	Wine from other sources		0,3%	0,04%	0,02%	0,04%
02130	Beer		10,7%	1,40%	0,51%	1,59%
02190	Other alcoholic beverages		0,3%	0,04%	0,01%	0,07%
02301	Cigarettes	Tobacco products	9,4%	1,22%	1,37%	1,15%
02302	Cigars		0,0%	0,00%	0,00%	0,00%
02309	Other tobacco products		1,5%	0,19%	0,20%	0,20%
05611	Household cleaning and maintenance products	Non-durable household goods	7,9%	1,03%	1,10%	0,99%
05619	Other non-durable household goods		4,4%	0,57%	0,60%	0,56%
06111	Medicines, vaccines and other pharmaceutical preparations	Pharmaceutical products and other medical products	24,0%	3,13%	5,23%	2,45%
06112	Herbal medicines and homeopathic products		0,4%	0,05%	0,07%	0,04%
06121	Medical diagnostic products		0,2%	0,02%	0,04%	0,02%
06122	Preventive and protective devices		0,1%	0,01%	0,01%	0,01%
06123	Treatment devices for personal use		0,5%	0,06%	0,10%	0,05%
09322	Products for pets and other household animals	Products for pets	6,7%	0,88%	0,91%	0,86%
09721	Newspapers	Newspapers and periodicals	0,2%	0,03%	0,08%	0,02%
09722	Magazines and periodicals		0,5%	0,06%	0,14%	0,03%
13120	Other appliances, articles and products for personal care	Personal care	18,3%	2,39%	2,07%	2,45%
SUM:			100,0%	13,04%	13,29%	12,77%

*households where the main source of income is a pension; **households where the main source of income is employment

Source: GUS, Crédit Agricole

Data for 2026. Data concern only non-food FMCG



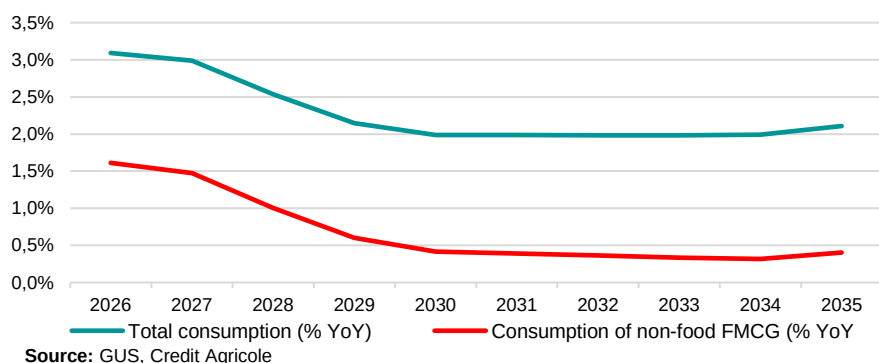
Source: Eurostat, Crédit Agricole
*Luxembourg and Ireland were excluded

trend reflects shifts in consumer preferences, as higher incomes increase demand for services related, among others, to recreation, tourism and culture.

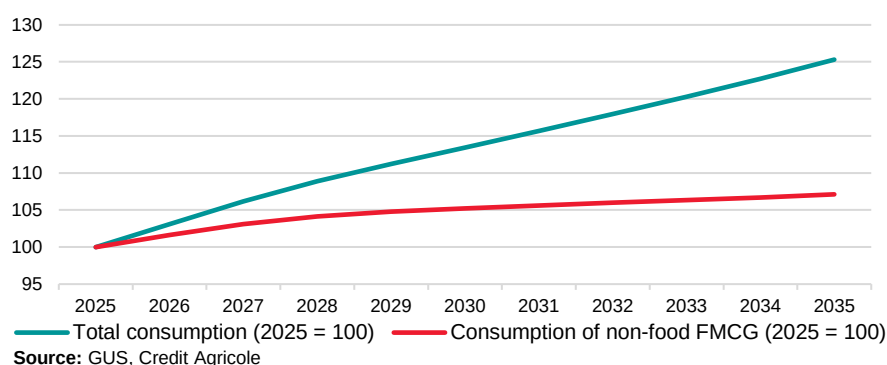
We assume that over the horizon of our analysis Poland will continue to converge towards the income levels of more developed EU economies. We estimate that GDP per capita in Poland, measured in purchasing power parity terms, will increase from around 80% of the EU average currently to approximately 95% in 2035. Taking these trends into account, we assume that by 2035 the share of spending on FMCG goods in the consumption basket will decline to around 11.4% in pensioner households and 10.9% in households whose main source of income is work. The scale of change will, however, vary across individual categories. In countries with higher GDP per capita, relatively stronger declines in expenditure shares are typically observed for categories such as tobacco products and alcoholic beverages, whereas in some categories related to household functioning these changes tend to be significantly more moderate.

The next step in our analysis is to estimate the trajectory of per capita consumption expenditure in the two household groups analysed. To this end, we use our long-term assumptions regarding the growth rate of nominal wages and CPI inflation, which allow us to extrapolate the level of consumption expenditure in subsequent years. The resulting per capita expenditure paths for pensioner households and households whose main source of income is work are then combined with projected changes in the

population below and above the age of 65. This approach makes it possible to estimate the total value of private consumption in both groups and analyse its evolution over the horizon to 2035.



estimate that the growth rate of FMCG consumption will decline from around 1.6% YoY in 2026 to approximately 0.3-0.4% YoY in 2030, stabilising at a similar level thereafter. This implies that even in an environment of declining population and a falling share of this category in the household consumption basket, rising real incomes will allow FMCG sales in Poland to continue increasing.

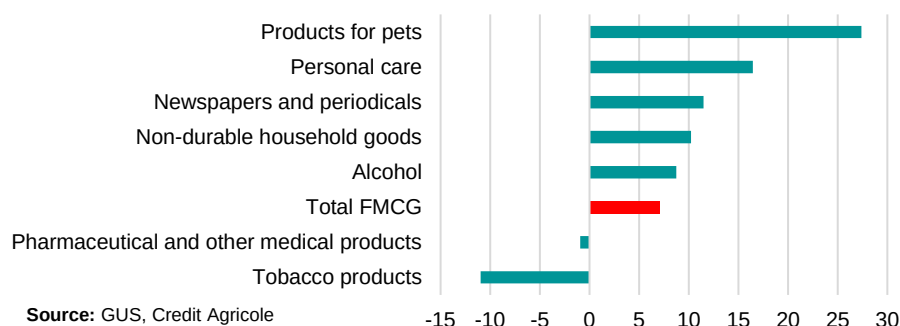


In real terms, we expect the growth rate of private consumption to gradually decline in the coming years – from 3.1% YoY in 2026 to around 2.0% YoY in 2030, before stabilising over the remaining forecast horizon. A similar trend exists for spending on non-food FMCG products, although their growth in constant prices will remain noticeably lower. We

As a result, we estimate that private consumption in Poland will increase by around 25% in real terms between 2025 and 2035. Over the same period, spending on non-food FMCG products is expected to increase by around 7%. The significantly lower growth rate of this category primarily reflects the assumed decline in the share of spending on FMCG goods in household consumption baskets,

affecting both pensioner households and households whose main source of income is work. Consequently, despite expected growth in household incomes and continued expansion of private consumption, demand for FMCG products will grow significantly more slowly than overall consumption.

Change in non-food FMCG consumption between 2024 and 2035 (%)



At the same time, the projected changes in FMCG sales will vary significantly across individual product categories. Our estimates indicate that in 2025-2035 the largest decline in sales will be recorded in tobacco products (-10.9%), which is consistent with the long-term downward trend in consumption of this category, driven both by

regulatory factors and by changes in consumer preferences. A slight decline is also expected in the case of pharmaceutical and medical products (-0.9%). In the remaining categories, we expect sales to increase in real terms, although the scale of growth will differ. Relatively moderate growth is projected for alcoholic beverages (8.7%) and non-durable household goods (10.2%). Significantly stronger growth is expected for newspapers and magazines (11.5%) and personal hygiene products (16.5%). The highest growth rate is

projected in the pet products category (27.4%), reflecting the growing popularity of pet ownership in smaller households as well as rising spending on pet care. As a result, although total FMCG sales are expected to increase by around 7.1% over the analysed period, the structure of this growth will differ markedly across individual categories.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
NBP reference rate (%)	5,75	5,75	5,75	5,25	5,25	5,00	5,00	4,75	4,50	4,25	4,00	4,00	4,00	3,75
EURPLN*	4,19	4,19	4,27	4,24	4,24	4,27	4,26	4,26	4,25	4,23	4,21	4,21	4,22	4,21
USDPLN*	4,04	3,87	3,77	3,74	3,60	3,74	3,64	3,63	3,68	3,65	3,58	3,55	3,57	3,63
CHFPLN*	4,46	4,38	4,56	4,54	4,53	4,60	4,55	4,56	4,57	4,53	4,51	4,52	4,64	4,43
CPI inflation (% YoY)	4,9	4,9	4,3	4,0	4,1	3,1	2,9	2,9	2,8	2,5	2,4	2,1	2,1	
Core inflation (% YoY)	3,6	3,6	3,4	3,3	3,4	3,3	3,2	3,2	3,0	2,7	2,7	2,7	2,6	
Industrial production (% YoY)	-1,8	2,5	1,3	4,0	-0,4	3,0	0,7	7,6	3,2	-1,1	7,3	-1,5	2,5	
Constr. and assembly prod. (% YoY)	-0,1	-1,1	-4,2	-2,8	2,1	0,7	-7,0	0,3	4,2	0,1	4,4	-12,8	-5,0	
PPI inflation (% YoY)	-1,3	-1,0	-1,6	-1,5	-1,5	-1,3	-1,3	-1,4	-2,2	-2,3	-2,5	-2,6	-2,5	
Retail sales (% YoY)	0,6	0,6	7,9	4,3	2,1	4,8	3,0	6,6	5,5	2,8	5,0	3,9	4,9	
Corporate sector wages (% YoY)	7,9	7,7	9,3	8,4	9,0	7,6	7,1	7,5	6,6	7,1	8,6	6,1	7,1	
Employment (% YoY)	-0,9	-0,9	-0,8	-0,8	-0,8	-0,9	-0,8	-0,8	-0,8	-0,8	-0,7	-0,8	-0,8	
Unemployment rate* (%)	5,5	5,4	5,2	5,1	5,1	5,4	5,5	5,6	5,6	5,6	5,7	6,0	6,1	
Current account (M EUR)	115	-1136	88	-711	-262	-1571	-2239	-408	2053	-499	-1698	-330		
Exports (% YoY EUR)	1,2	3,9	-0,6	5,5	3,3	3,5	-0,9	6,2	5,5	2,7	9,7	-4,3		
Imports (% YoY EUR)	4,0	10,5	7,6	7,3	1,9	2,7	-1,0	7,4	2,9	3,1	10,1	-3,0		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland												
Indicator	2025				2026				2025	2026	2027	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Gross Domestic Product (% YoY)	3,2	3,3	3,8	4,0	3,9	3,7	3,5	3,3	3,6	3,6	3,0	
Private consumption (% YoY)	2,6	4,5	3,5	4,2	3,2	3,1	3,0	2,9	3,7	3,1	3,0	
Gross fixed capital formation (% YoY)	6,4	-0,7	7,1	4,7	8,4	10,9	7,9	7,7	4,3	8,5	6,6	
Export - constant prices (% YoY)	2,1	1,9	6,1	7,7	5,2	5,8	5,8	5,3	4,5	5,5	5,0	
Import - constant prices (% YoY)	4,3	3,4	5,9	8,7	5,2	6,1	6,5	6,1	5,6	6,0	5,5	
GDP growth contributions												
	Private consumption (pp)	1,6	2,6	2,0	2,1	2,0	1,8	1,7	1,4	2,1	1,7	1,7
	Investments (pp)	0,8	-0,1	1,1	1,0	1,1	1,7	1,3	1,8	0,7	1,5	1,2
	Net exports (pp)	-0,9	-0,7	0,2	-0,2	0,2	0,0	-0,2	-0,2	-0,4	-0,1	-0,1
Current account (% of GDP)***	-0,4	-0,7	-0,8	-0,7	-0,8	-0,8	-0,9	-0,9	-0,7	-0,9	-1,0	
Unemployment rate (%)**	5,4	5,1	5,6	5,7	5,9	5,5	5,5	5,6	5,7	5,6	5,5	
Non-agricultural employment (% YoY)	0,0	0,2	0,7	0,7	0,2	0,0	-0,5	-0,5	0,4	-0,2	-0,5	
Wages in national economy (% YoY)	10,0	8,8	7,5	8,5	7,5	6,5	6,1	6,0	8,7	6,5	6,0	
CPI Inflation (% YoY)*	4,9	4,1	3,0	2,6	1,8	2,2	2,2	2,7	3,6	2,2	3,0	
Wibor 3M (%)**	5,84	5,23	4,72	3,99	3,60	3,60	3,61	3,61	3,99	3,61	3,61	
NBP reference rate (%)**	5,75	5,25	4,75	4,00	3,75	3,50	3,50	3,50	4,00	3,50	3,50	
EURPLN**	4,19	4,24	4,26	4,21	4,21	4,20	4,19	4,18	4,21	4,18	4,15	
USDPLN**	3,87	3,60	3,63	3,58	3,63	3,68	3,74	3,80	3,58	3,80	3,55	

* quarterly average

** end of period

***cumulative for the last 4 quarters

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
Monday 03/16/2026						
3:00	China	Retail sales (% YoY)	Feb	0,9		2,5
3:00	China	Urban investments (% YoY)	Feb	-3,8		-2,1
3:00	China	Industrial production (% YoY)	Feb	5,2		5,0
13:30	USA	NY Fed Manufacturing Index (pts)	Mar	7,1		3,3
14:00	Poland	Current account (M EUR)	Jan	-1698	-330	-1251
14:15	USA	Capacity utilization (%)	Feb	76,2		76,2
14:15	USA	Industrial production (% MoM)	Feb	0,7	0,0	0,1
Tuesday 03/17/2026						
11:00	Germany	ZEW Economic Sentiment (pts)	Mar	58,3		38,7
Wednesday 03/18/2026						
11:00	Eurozone	HICP (% YoY)	Feb	1,9	1,9	1,9
15:00	USA	Factory orders (% MoM)	Jan	-0,7	0,5	0,2
19:00	USA	FOMC meeting (%)	Mar	3,75	3,75	3,75
Thursday 03/19/2026						
9:30	Switzerland	SNB rate decision %)	Q1	0,00		
10:00	Poland	Corporate sector wages (% YoY)	Feb	6,1	7,1	6,6
10:00	Poland	Employment (% YoY)	Feb	-0,8	-0,8	-0,8
10:00	Poland	Industrial production (% YoY)	Feb	-1,5	2,5	1,5
10:00	Poland	PPI (% YoY)	Feb	-2,6	-2,5	-2,4
10:00	Poland	Construction and assembly production (% YoY)	Feb	-12,8	-5,0	-7,6
11:00	Eurozone	Wages (% YoY)	Q4	3,0		
13:00	UK	BOE rate decision (%)	Mar	3,75	3,75	3,75
13:30	USA	Philadelphia Fed Index (pts)	Mar	16,3		9,0
13:30	USA	Initial jobless claims (k)	w/e	213		
14:15	Eurozone	EBC rate decision (%)	Mar	2,15	2,15	2,15
15:00	USA	New home sales (k)	Jan	745	723	720
15:00	USA	Wholesale inventories (% MoM)	Jan	0,0		0,2
15:00	USA	Wholesale sales (% MoM)	Jan	1,0		

*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