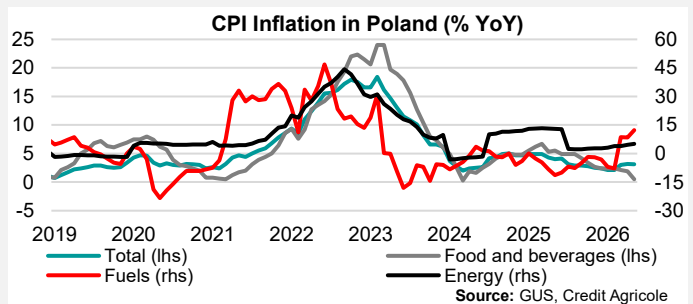


This week

✓ **New reports concerning the situation in the Middle East will remain the main risk factor for financial markets this week.** Despite persistent geopolitical tensions and the lack of clear progress in negotiations, the agreement between the US and Iran has led to a partial normalisation of shipping flows through the Strait of Hormuz. Despite ongoing disruptions to shipping, tanker traffic is gradually increasing, although it has not yet returned to its pre-conflict level. Consequently, the oil price fell last week from around USD 80/barrel to around USD 72/barrel, thereby approaching its pre-conflict level. The declining oil price contributed to lower global risk aversion, and reduced inflation expectations and the yields on bonds. However, peace talks can still be undermined by the risk of renewed military incidents and substantial differences between the parties regarding the interpretation of the peace agreement's provisions.

✓ **Poland's flash inflation estimate for June will be released tomorrow.**

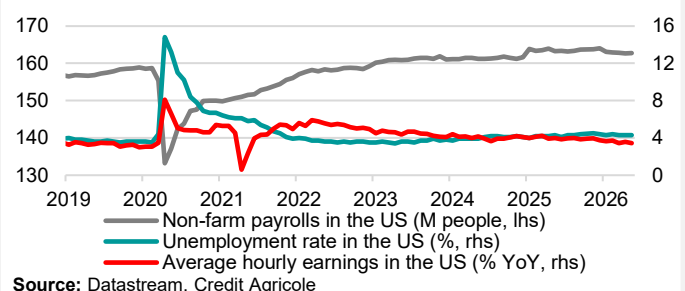
We expect CPI inflation to fall to 2.8% YoY, from 3.1% in May, due to significantly lower fuel price growth, largely resulting from the decline in global oil prices that has continued since mid-May, as well as a decrease in core inflation (3.0% YoY in June versus 3.1% in May). Our forecast is above market consensus (2.7%), so if it materialises, it will have a slight positive effect on the PLN and the yields on Polish bonds.



✓ **Poland's manufacturing PMI, which we expect to have fallen to 49.0 pts in June from 49.4 pts in May will be released on Wednesday.** In our view, the decline will represent a pullback following the sharp increase recorded in May, and will be consistent with the weakening of manufacturing PMIs in Germany and the Eurozone in June. Our forecast is below market consensus (49.7 pts), so if it materialises, it will have a slight negative effect on the PLN and the yields on Polish bonds.

✓ **Eurozone HICP inflation data for June will be released on Wednesday. In our view, we will see it go down to 2.8% YoY, from 3.2% YoY in May, due to significantly lower energy price growth and a decline in core inflation.** We expect core inflation to have eased to 2.4% YoY in June, from 2.6% in May, reflecting a partial reversal of strong increases in some service prices seen in May, particularly hotel accommodation and air fares. However, June will still be the fourth consecutive month to see the prices of goods and services grow at a rate that exceeds the ECB inflation target (2.0%). We believe that due to an indirect impact of higher prices of commodities on the prices of final goods, core inflation will not return to the inflation target at least until the end of 2027. We are still of the opinion that the strength of second-round inflation effects will initially remain limited, with their impact on inflation becoming fully visible only in Q4 2026 and H1 2027.

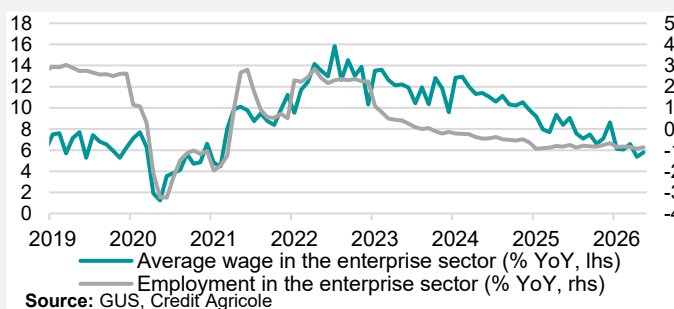
✓ **Thursday will see the release of US labour market data for May.** We expect non-farm payrolls to have contracted to 105k MoM in June vs. 172k in May, with unemployment rate still stabilized at 4.3%. Additional information will be provided by the ISM Manufacturing Index, which we believe will decrease to 53.7 pts in June from 54.0 pts in May, while continuing to indicate that conditions in US manufacturing are still moderately positive despite the decline. The data would thus suggest a stabilisation of the labour



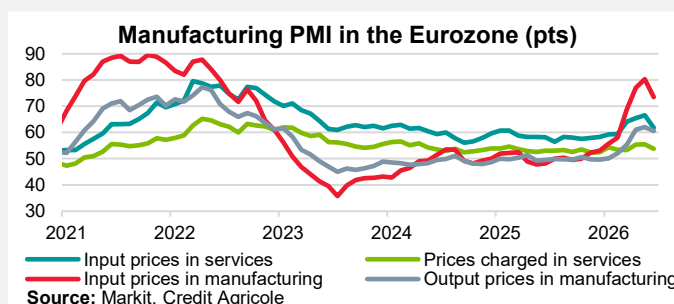
market. Combined with growing inflationary pressures (see below), it would underpin our scenario, in which the Fed does not change its interest rates in the coming months.

Last week

✓ **Last week saw the release of May data for the Polish economy, which had a moderately positive tone (see MACROPulse of 22/06/2026).** Construction and assembly production increased by 3.9% YoY, compared with growth of 4.5% in April, and rose by 0.8% MoM in seasonally adjusted terms, marking a third consecutive month of improvement in construction activity. Nevertheless, activity in the sector remained below the levels recorded at the end of 2025, indicating that it has only partly recovered the losses following the sharp winter decline. In turn, real retail sales growth increased to 3.0% YoY from 1.3% in April, while in seasonally adjusted terms it rose by 0.4% MoM in May. The main factor weighing on retail sales growth in May was slower growth in fuel sales, which in our view reflected a less favourable calendar effect around the May holiday period compared with last year, as well as still elevated fuel prices. In the remaining categories reported by Statistics Poland (GUS), annual growth in sales volumes accelerated, confirming that consumer demand remains firm. According to the May labour market data, employment in the enterprise sector declined by 0.9% YoY, in line with the April reading, while wage growth picked up to 5.8% YoY from 5.4%, and real growth in the wage bill rose to 1.7% YoY from 1.1%. The pickup in wage growth was, however, partly driven by a shift in the timing of payments of variable remuneration components in the mining sector. Overall, the May data indicate that the conflict in the Middle East has so far had a limited negative impact on economic conditions in Poland, thereby supporting our forecast of average annual GDP growth of 3.3% in 2026.



✓ **Last week saw the release of the flash June PMIs for the Eurozone and Germany.** In the Eurozone, the composite PMI increased to 49.5 pts in June from 48.5 pts in May, yet remained below the 50 threshold for the third consecutive month. The improvement was driven by a rise in the services activity index (48.9 pts vs 47.7 pts), while the pace of growth in manufacturing output eased slightly (51.2 pts vs 51.3 pts). The decline in new orders slowed in June to its weakest pace since March. Although new orders in manufacturing increased, despite a decline in export orders, this was not sufficient to offset the fall in new orders in the services sector. Price components of the PMI survey also provided a positive signal. The input price index fell to its lowest level since the start of the conflict in the Middle East in both manufacturing and services. At the same time, indices for output prices and services charges declined, pointing to a gradual easing of inflationary pressures. It should be noted that most responses used to compile the flash PMI reading were collected before the agreement between the US and Iran was signed. This means that the June

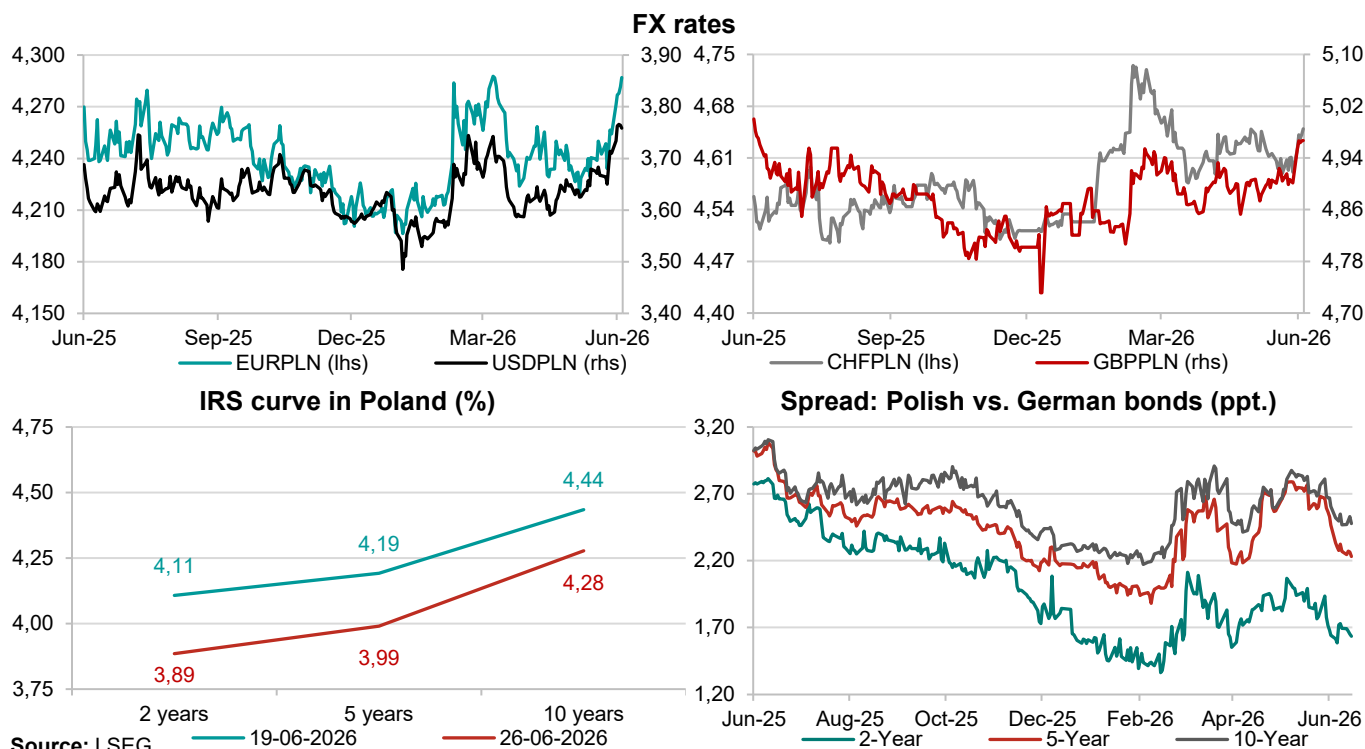


data does not yet reflect the full impact of de-escalation on economic conditions. In Germany, the composite PMI declined to 48.0 pts from 48.8 pts in May, remaining below the 50 threshold. The drop in the index was driven primarily by a deterioration in the services sector, where the PMI fell to 46.8 pts from 48.1 pts in May, marking the lowest level since November 2022, while the manufacturing PMI edged down only marginally compared with April (50.0 pts vs 50.1 pts). Overall, the June PMI data remains consistent with our scenario of slower GDP growth in the Eurozone in Q2 2026 (0.1% QoQ vs 0.2% in Q1).

✓ **Last week brought new data from the US.** PCE inflation increased to 4.1% YoY in May from 3.8% YoY in April, alongside a rise in core inflation to 3.4% YoY in May from 3.3% in April, in both cases in line with market expectations and our forecast. Core inflation thus reached its highest level since November 2023, which may prompt the Fed to adopt a more hawkish tone; however, in our view, this does not constitute sufficient grounds to justify a return to interest rate hikes.

✓ **We have revised our CPI inflation forecast for Poland to 2.9% YoY in 2026 and 3.5% in 2027, versus 2.8% and 3.8%, respectively.** The revision is driven mainly by changes in assumptions regarding fuel prices. On the one hand, a lower oil price path points to lower fuel prices and lower headline inflation; on the other hand, the reinstatement of excise duty from mid-June this year and the earlier-than-previously-assumed withdrawal of intervention in the retail fuel market will have the opposite impact. We now assume that the price cap mechanism and the reduced VAT rate will be phased out in September 2026, rather than in February 2027 as previously expected. As a result, the projected path of fuel prices and headline inflation is higher in the short term, but lower in 2027 due to base effects. Assumptions for the remaining main components of the CPI basket – food, energy and core inflation – remain unchanged.

Oil price decline in market spotlight

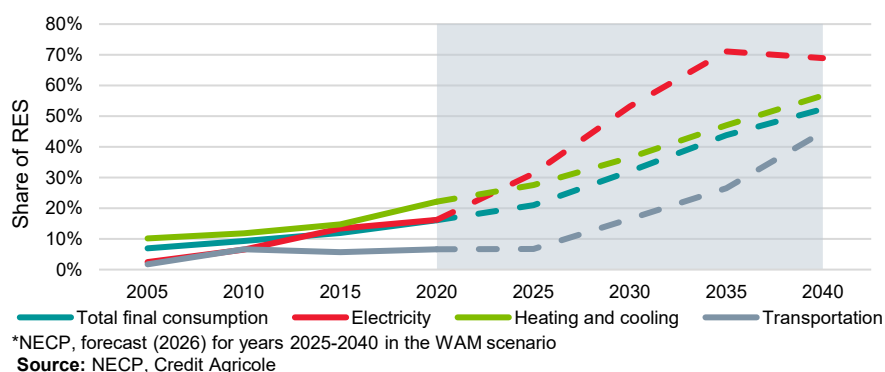


Elevated volatility persisted in financial markets last week. The key factors shaping market developments remained events in the Middle East, most notably the gradual normalisation of shipping through the Strait of Hormuz. Despite intermittent incidents, the week brought a further gradual decline in oil prices to approx. USD 72 per barrel towards the end of the week. De-escalation thus reduced the risk of higher commodity prices and inflation expectations, contributing to a further decline in bond yields. The past week also saw a further strengthening of the USD, which translated into a weakening of the PLN. As a result, over the week as a whole, EUR/PLN increased to approx. 4.29, USD/PLN rose to approx. 3.76, while Polish government bond yields and IRS rates declined.

In the coming week, sentiment in financial markets will be driven primarily by developments in the Strait of Hormuz area. Tuesday's flash CPI inflation data for Poland may also affect the PLN and the yield curve, albeit to a lesser extent; should our forecast materialise, it would contribute to PLN appreciation and higher bond yields. In contrast, Wednesday's PMI data for Polish manufacturing, if our forecast materialises, should lead to PLN weakening and a decline in Polish bond yields.

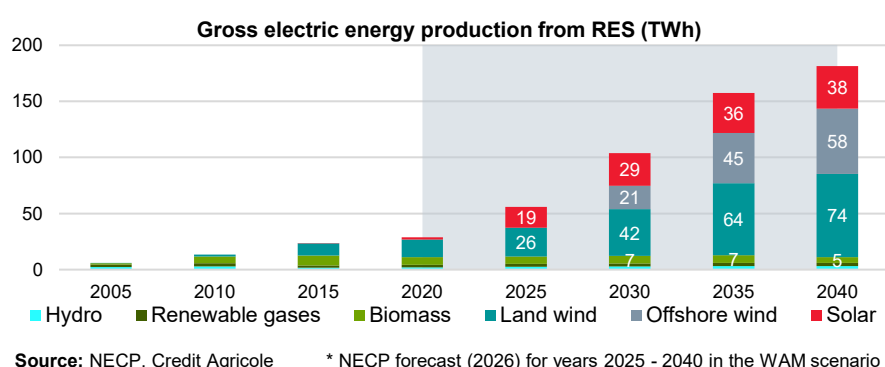
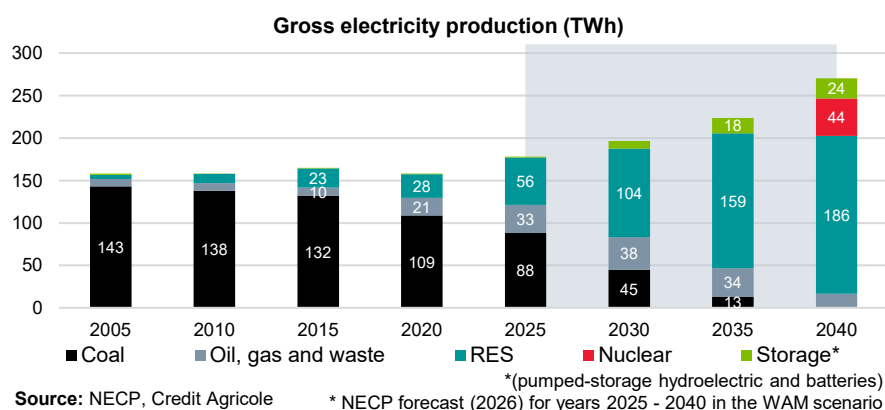
What will 15 years of the energy transition bring?

On 8 June 2026, the Council of Ministers adopted the National Energy and Climate Plan (NECP) prepared by the Ministry of Energy. It sets out a comprehensive action plan for the energy transition, covering multiple areas as well as projections extending to 2040. The document has been sent to the European Commission, where it will be assessed and additional recommendations will be prepared. Below we present the key conclusions arising from this document from a medium-term perspective, along with the main changes relative to the previous version of the plan.



Similarly to the previous version published in October 2024 (see MACROmap of 21/10/2024), the plan includes two scenarios: the ambitious WAM scenario (with additional measures), which entails an acceleration in the pace of economic transition, and the passive WEM scenario (with existing measures), which presents a projection based on the current legal and investment framework.

The analysis below focuses exclusively on the WAM scenario, which is most likely to be implemented by the government. The WAM scenario presented in the updated NECP assumes that the share of renewable energy sources (RES) in gross final energy consumption (including electricity, heating, cooling and transport) will increase to 32.0% in 2030 (vs 32.6% in the original version) and 52.3% in 2040 (vs 58.4%), up from 21.0% in 2025. In the case of RES in electricity generation, the share is projected to rise to 53.0% (vs 56.1%) and 68.8% (vs 69.4%), respectively, from 31.3% in 2025. The lower projected share in 2030 reflects an upward revision to total electricity generation, while the decline in 2040 is driven by both weaker projected RES output and lower overall generation.

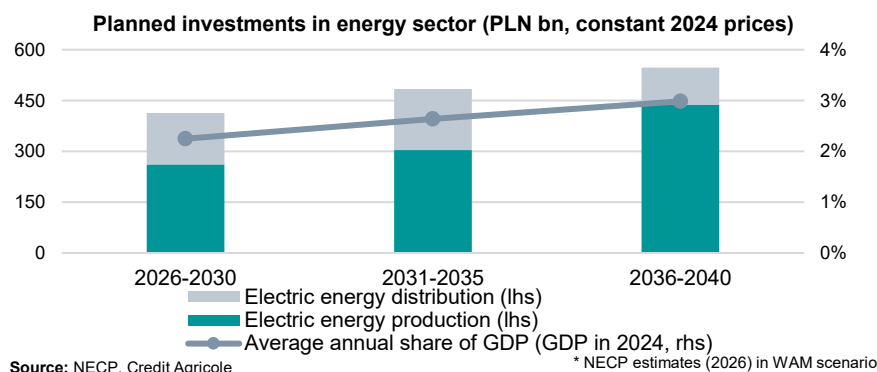


At the same time, it should be noted that the scenario outlined in the NECP assumes an increase in total electricity generation of approx. 10% in 2025-2030 and a further approx. 38% by 2040. The final 2040 target has been revised down by 12% relative to the previous projection (270 TWh vs 308 TWh). Given the simultaneous phase-out of fossil-fuel-based generation, including the complete closure of coal-fired power plants within the next 15 years, this implies a need for a substantial increase in RES output in order to meet the targets outlined above. The NECP assumes that electricity generation from RES will almost double between 2025 and 2030 and increase by a further 79% between 2030 and 2040. This transition will be driven primarily by an increasing share of wind power (from 14.4% in 2025 to 31.8% in

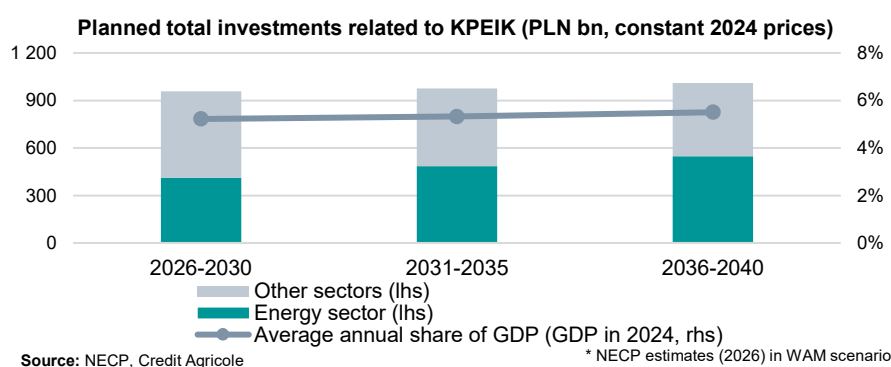
2030 and 48.9% in 2040) and photovoltaic generation (from 10.4% to 14.8% and 14.1%, respectively) in total electricity output. The share of other RES (hydropower, biogas and biomass) in total electricity output is not expected to change significantly. Compared with the previous version of the plan, a stronger short-term increase in photovoltaic output is now expected (29.0 TWh in 2030 vs 24.6 TWh previously), alongside a weaker increase in wind generation (62.5 TWh vs 69.1 TWh). At the same time, both wind and solar output have been revised up for 2035 and revised down for 2040. As a result, by 2030, photovoltaic generation is projected to rise by 64% and wind generation by 143% relative to 2025 levels. More than half (57%) of the increase in wind output in 2025–2030 will come from offshore wind farms in the Baltic Sea, the first of which are likely to be commissioned as early as 2026. Notably, according to the plan, the share of RES in electricity generation will exceed 50% for the first time in 2030.

In 2031–2040, a further strong increase in total electricity generation is planned, alongside the elimination of coal and a reduction in the role of oil and gas to a combined share of approx. 6% of total output. Implementation of this scenario would imply a further near doubling of RES generation (186 TWh in 2040 vs 104 TWh in 2030), as well as an approx. 16% share of nuclear energy in total output. The introduction of nuclear into the Polish energy mix will lead to a decline in the RES share between 2035 and 2040, despite continued absolute growth in output. In the previous version of the plan, nuclear power was expected to be introduced on a limited scale as early as 2035; however, implementation has been delayed, and projected output in 2040 has been revised down by 24%.

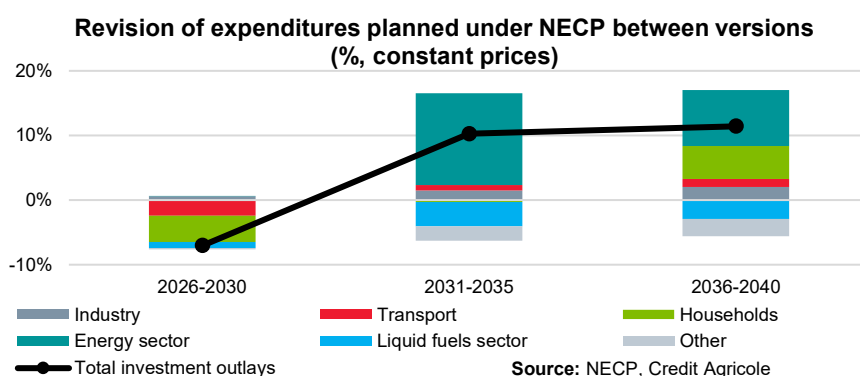
What will 15 years of the energy transition bring?



2031–2040. Under the plan, average annual investment is expected to increase from 2.2% of GDP (2024) in 2026–2030 to 3.0% of GDP in 2036–2040 (see chart).



electromobility. This is followed by household-related investment (approx. 10%), focused mainly on heating system upgrades and building thermal retrofitting. Also noteworthy are investments in the gas sector (6% of the total), closely linked to strengthening Poland's energy security. Total investment in the energy transition through to 2040 is expected to reach approx. PLN 2.9tn, equivalent to an average of PLN 196.4bn per year. The average annual share of NECP-related investment in GDP (at 2024 constant prices) is projected to range between 5.2% and 5.5% over this horizon.



and transport. By contrast, planned expenditure for 2031–2040 has increased by 10.8% in constant prices. The largest increases concern the energy sector (+24.7%), households (+27.9%), transport (+6.9%) and industry (+41.2%). A significant reduction is recorded only in the liquid fuels sector (-56.4%). Changes in other sectors are limited and have no material impact on total expenditure.

The scale-up in RES electricity generation assumed in the NECP, alongside the creation of a nuclear sector in Poland from scratch, will require substantial investment to expand generation capacity. In addition, significant spending on energy distribution and storage is planned. According to the WAM scenario, total outlays in these two areas will amount to PLN 412bn by 2030 and a further PLN 1,032bn in

Beyond electricity generation and distribution, the NECP also envisages investment in a range of additional areas, with planned expenditure (PLN 1,501bn) comparable to that in the energy sector. After energy, the largest category is investment aimed at reducing transport emissions (approx. 16% of the total), primarily related to supporting

Compared with the previous version of the plan, total planned outlays have been revised up significantly. The 2024 plan was presented in 2020 prices, whereas the latest version uses 2024 prices. After adjusting for these methodological differences, total outlays for 2026–2030 have been reduced by 7.0% relative to the previous version. The decrease is mainly due to lower planned spending in households

A key challenge for the NECP is securing sufficient sources of financing to cover the planned expenditure outlined above. One of the main funding sources identified in the document is EU funding, in particular the RRF, FEnKS, SCF and cohesion funds. It should be noted, however, that the RRF expires as early as 2026, while the remaining funds under the current financial framework expire in 2027. As such, negotiations on the new EU budget for 2028–2034, which will take place over the coming year, will be critical for the success of the NECP. Another important source of funding will be the USD 72.1bn loan from the US Export-Import Bank to support the construction of Poland’s nuclear power plant. Additional support will be provided by the State Treasury through a PLN 60.2bn increase in the share capital of Polskie Elekrownie Jądrowe, the state-owned company responsible for Poland’s nuclear programme. Given overlapping objectives, spending under the transport component of the NECP is also likely to overlap with expenditure under the National Railway Programme and the Central Communication Port investment programme. Accordingly, caution is warranted when aggregating the total value of planned investment.

The NECP points to a clear acceleration in investment growth in the energy transition (particularly in the energy sector) in the second half of the current decade. This scenario is consistent with our medium-term forecast, which assumes relatively strong economic growth in the coming years, supported by an investment boom. The updated NECP also assumes that a high pace of transition-related investment will be maintained throughout 2030–2040; however, sustaining elevated spending over such a prolonged period is subject to multiple risks, with the most significant at present being the shape of the EU budget for 2028–2034. The success of the project will also depend on the future condition of public finances, the economic outlook in Poland and political factors.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
NBP reference rate (%)	5,25	5,25	5,00	5,00	4,75	4,50	4,25	4,00	4,00	4,00	3,75	3,75	3,75	3,75
EURPLN*	4,24	4,24	4,27	4,26	4,26	4,25	4,23	4,21	4,21	4,22	4,29	4,25	4,23	4,27
USDPLN*	3,74	3,60	3,74	3,64	3,63	3,68	3,65	3,58	3,55	3,57	3,71	3,63	3,63	3,75
CHFPLN*	4,54	4,53	4,60	4,55	4,56	4,57	4,53	4,51	4,52	4,64	4,63	4,64	4,65	4,59
CPI inflation (% YoY)	4,0	4,1	3,1	2,9	2,9	2,8	2,5	2,4	2,1	2,1	3,0	3,2	3,1	
Core inflation (% YoY)	3,3	3,4	3,3	3,2	3,2	3,0	2,7	2,7	2,7	2,5	2,7	3,0	3,1	
Industrial production (% YoY)	4,0	-0,4	3,0	0,7	7,6	3,2	-1,1	7,3	-1,5	1,3	7,5	2,9	4,1	
Constr. and assembly prod. (% YoY)	-2,8	2,1	0,7	-7,0	0,3	4,2	0,1	4,4	-12,8	-13,8	0,6	4,5	3,9	
PPI inflation (% YoY)	-1,5	-1,5	-1,3	-1,3	-1,4	-2,2	-2,3	-2,5	-2,6	-2,0	1,2	2,1	2,4	
Retail sales (% YoY)	4,3	2,1	4,8	3,0	6,6	5,5	2,8	5,0	3,9	4,3	9,8	2,8	4,4	
Corporate sector wages (% YoY)	8,4	9,0	7,6	7,1	7,5	6,6	7,1	8,6	6,1	6,1	6,6	5,4	5,8	
Employment (% YoY)	-0,8	-0,8	-0,9	-0,8	-0,8	-0,8	-0,8	-0,7	-0,8	-0,8	-0,9	-0,9	-0,9	
Unemployment rate* (%)	5,1	5,1	5,4	5,5	5,6	5,6	5,6	5,7	6,0	6,1	6,1	6,0	5,9	
Current account (M EUR)	-1168	-445	-1780	-2593	-797	2103	-250	-1975	1053	-1034	-234	-1558		
Exports (% YoY EUR)	6,0	3,7	3,2	-1,3	5,9	5,2	2,4	9,4	-2,6	1,9	7,4	6,6		
Imports (% YoY EUR)	7,9	2,4	2,7	-1,0	7,4	2,7	2,9	9,8	-6,3	3,4	3,8	7,8		

*end of period

Forecasts of the quarterly macroeconomic indicators

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

* quarterly average

** end of period

***cumulative for the last 4 quarters

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
Monday 29/06/2026						
10:00	Eurozone	M3 money supply (% MoM)	May	2,7		2,7
11:00	Eurozone	Business Climate Indicator (pts)	Jun	-0,26		
Tuesday 30/06/2026						
3:30	China	NBS Manufacturing PMI (pts)	Jun	50,0		50,1
9:30	Poland	Flash CPI (% YoY)	Jun	3,1	2,8	2,7
14:00	Germany	Preliminary HICP (% YoY)	Jun	2,7		2,60
15:00	USA	Case-Shiller Index (% MoM)	Apr	-0,2		
15:45	USA	Chicago PMI (pts)	Jun	62,7		
16:00	USA	Consumer Confidence Index	Jun	93,1		94,8
Wednesday 01/07/2026						
3:45	China	RatingDog Manufacturing PMI (pts)	Jun	51,8		51,7
9:00	Poland	Manufacturing PMI (pts)	Jun	49,4	49,0	49,7
9:55	Germany	Final Manufacturing PMI (pts)	Jun	50,0		50,0
10:00	Eurozone	Final Manufacturing PMI (pts)	Jun	51,3		51,3
11:00	Eurozone	Preliminary HICP (% YoY)	Jun	3,2	2,8	3,0
14:15	USA	ADP employment report (k)	Jun	122		113
15:45	USA	Flash Manufacturing PMI (pts)	Jun	55,7		
16:00	USA	ISM Manufacturing PMI (pts)	Jun	54,0	53,7	54,0
Thursday 02/07/2026						
11:00	Eurozone	Unemployment rate (%)	May	6,3		6,3
14:30	USA	Unemployment rate (%)	Jun	4,3	4,3	4,3
14:30	USA	Non-farm payrolls (k MoM)	Jun	172	105	110
16:00	USA	Factory orders (% MoM)	May	4,8		-2,1
Friday 03/07/2026						
10:00	Eurozone	Services PMI (pts)	Jun	47,7		48,9
10:00	Eurozone	Final Composite PMI (pts)	Jun	48,5		49,5

*The forecasts of macroeconomic indicators for Poland were prepared by Credit Agricole Bank Polska S.A. The forecasts of foreign indicators were prepared by Crédit Agricole Corporate and Investment Bank

** According to Thomson Reuters, Bloomberg or Parkiet daily