



Poland: Weekly Macroeconomic Update

LAST WEEK:

The **PMI index** in industry for May amounted to 49.4 points after 48.8 points in April, remaining still in the contraction zone. In May, the number of new orders has been falling at the slowest pace in six months, and production increased, among others, due to the increase in purchases of raw materials, components, and semi-finished products by entrepreneurs. Production cost inflation and producer price inflation weakened slightly but remained high. Production forecasts over a 12-month horizon were still optimistic.

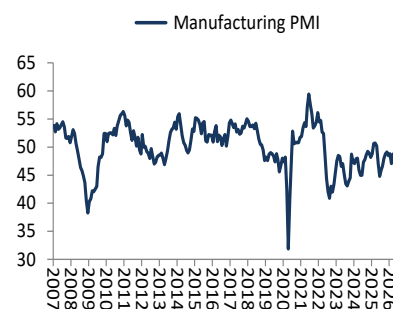
GDP in Q1 2026 increased by 0.6% quarter-on-quarter in real terms and grew by 3.5% year-on-year. In Q1 of this year, household consumption increased by 3.3% year-on-year in real terms, and public consumption grew by 6.0% year-on-year. Gross fixed capital formation increased by 2.4% year-on-year in real terms, and gross accumulation grew by 2.7% year-on-year. In Q1 of this year, private consumption contributed 2.0 percentage points to real GDP growth, public consumption 1.2 percentage points, gross fixed capital formation 0.3 percentage points, while net exports had a neutral contribution to GDP.

The **Monetary Policy Council** (RPP), as expected, did not change interest rates. The Council maintained the main reference rate at 3.75%. The Council emphasized that as a result of supply constraints related to the conflict in the Middle East, global fuel prices have increased, leading to higher inflation in many economies, and noted the gradual rise in agricultural commodity prices. The RPP indicated that the GDP growth slowdown in Q1 2026 to 3.5% from 4.1% in Q4 2025 was mainly due to lower investment dynamics and a decline in consumption growth. The Council highlighted that the annual wage growth in the national economy in Q1 2026 was lower than in the previous quarter, and in April wage growth in the enterprise sector decreased. The Council stated that the decline in inflation to 3.1% in May from 3.2% in April was mainly influenced by a drop in food prices. The RPP stated that its decisions will depend on incoming information regarding inflation prospects and economic activity in Poland. As factors for inflation risks, the Council mentioned the shape of fiscal policy and regulations regarding fuel prices, as well as changes in the dynamics of activity in the Polish economy, and the further development of wage dynamics.

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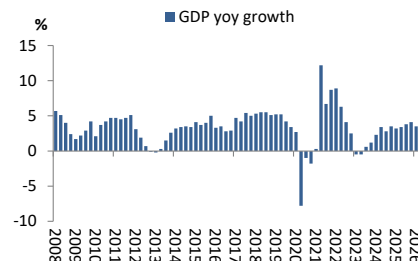
On Friday, the NBP will release data on the **balance of payments** for April. Our forecast is a current account deficit of -150 million EUR and a trade deficit of -650 million EUR.

Figure 1. PMI manufacturing



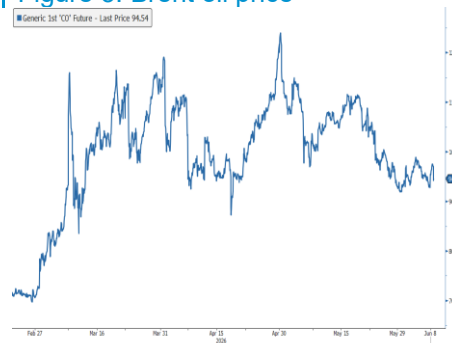
Source: S&P Global

Figure 2. Real GDP growth



Source: GUS

Figure 3. Brent oil price



Source: Bloomberg



DIARY (this week)

Date	CET	Release/Event	DB Expected	Actual	Consensus
Jun-12	14:00	Current account (Apr)	EUR-150 m		EUR-104 m
Jun-12	14:00	Trade balance (Apr)	EUR-650 m		EUR-780 m

Source: Deutsche Bank Estimates.. Reuters and Bloomberg Finance LP

FX and interest rate forecasts

	EUR/PLN	USD/PLN	CHF/PLN	GBP/PLN	EUR/USD	NBP Reference rate	WIBOR 3M*	WIBOR 6M*	EURIBOR 3M	Fed Funds (mid)	CPI (Poland)	Yield on 10Y POLGB
	(end of period)											
Jun-26	4.245	3.628	4.655	4.880	1.170	3.75	3.95	4.00	2.40	3.625	3.3	5.60
Jul-26	4.255	3.637	4.650	4.910	1.170	3.75	4.02	4.08	2.45	3.625	3.2	5.50
Aug-26	4.260	3.626	4.630	4.894	1.175	3.75	4.08	4.17	2.50	3.625	3.3	5.40
Sep-26	4.260	3.610	4.620	4.910	1.180	4.00	4.15	4.25	2.65	3.625	3.3	5.35
Oct-26	4.260	3.595	4.605	4.889	1.185	4.00	4.20	4.33	2.65	3.625	3.5	5.32
Nov-26	4.262	3.582	4.593	4.871	1.190	4.00	4.20	4.35	2.65	3.625	3.5	5.30
Dec-26	4.265	3.584	4.586	4.874	1.190	4.00	4.20	4.40	2.65	3.625	3.6	5.30
Jan-27	4.263	3.582	4.584	4.872	1.190	4.00	4.23	4.42	2.65	3.625	3.5	5.30
Feb-27	4.260	3.574	4.581	4.871	1.192	4.00	4.24	4.43	2.65	3.625	3.7	5.30
Mar-27	4.255	3.564	4.575	4.864	1.194	4.25	4.28	4.45	2.65	3.625	2.9	5.30
Apr-27	4.250	3.556	4.570	4.855	1.195	4.25	4.30	4.50	2.65	3.625	2.6	5.30
May-27	4.250	3.556	4.570	4.855	1.195	4.25	4.40	4.60	2.65	3.625	3.2	5.30

*- According to the announcement published by the Polish Financial Supervision Authority (UKNF) and GPW Benchmark. the departure from WIBOR for currently existing contracts based on WIBOR is to take place on January 1. 2037. The departure from WIBOR for new contracts is to take place from the beginning of 2027.

Note: Due to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 the way of calculation of WIBOR rates and their values may be subject to change.

Source: Deutsche Bank Polska S.A.



Appendix 1

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Additional information available upon request

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