

Monthly Pulse Check

Economy. FI. FX

March 13th 2026

For contact details and classification of the report see the [last page](#)

Our view in a nutshell ($\geq 1Y$ horizon)

Macro outlook

- ❖ **US:** There is no doubt that the labor market report for February took market participants off guard and showed a negative surprise. However, we do not draw too far-reaching conclusions as we assume that a lot of the weakness came from one-off events like harsh winter and strikes. The same applies to weakish GDP growth in Q4 (due to a govt shutdown). At the same time, manufacturing activity seems to be gathering pace, which bodes well for the future. Our take stays the same: the economy will grow more than the Fed expects.
- ❖ **Euro Area:** In February, rumors that Lagarde might step down (before her term at the ECB expires in October 2027) took centre stage. Ultimately, the ECB denied the rumors, claiming that Lagarde will serve her term as scheduled. Other than that, there are some promising signs from the German economy as to fiscal policy. Namely, the federal government's balance has begun to deteriorate, suggesting that a fiscal stimulus is being deployed into the economy. Although the war in the Middle East could affect market sentiment and push inflation up to some extent in the short term, our base scenario of a gradual recovery remains unchanged.
- ❖ **China:** One of the most interesting developments in China recently was the February CPI release, which produced the highest figure in over three years (1.3% YoY). This was largely due to record spending on holiday services. Furthermore, core inflation rose to 1.8% YoY. Together with the prospect of higher fuel prices, this suggests that China may have escaped deflation, at least temporarily. PBoC has also tempered hopes for fiscal stimulus, suggesting China doesn't see itself in "crisis time,,."
- ❖ **Poland.** We revised down our 2026 GDP growth forecast from 4.2% to 3.9%. A harsh winter disrupted construction and industrial activity, softening Q1 growth toward 3.6% before a rebound expected in Q2. The recovery, however, will be more gradual, as part of the investment pipeline shifts into the second half of the year. Later in 2026, the US–Iran conflict is also likely to weigh on sentiment, resulting in a modest drag on Q3 GDP (and later).

Monetary policy: Fed, ECB, NBP

- ❖ **Fed:** No meeting has taken place since our latest release. Note that we do not change our view regarding US rates due to the war in the Middle East or the poor February jobs report. We still think that an inflation issue has not yet been resolved, hence a cautious approach is still warranted. We see yet another rate cut in this cycle.
- ❖ **ECB:** No meeting has taken place since our latest release. Despite a hectic increase in oil prices, we have seen of late, we do not think that the ECB will react to this pure supply shock. Thus, our base scenario assumes the ECB will look through a temporary uptick in inflation driven by higher fuel prices. To sum up, rates in the Eurozone will remain unchanged in the foreseeable future.
- ❖ **NBP:** In spite of the risks regarding the war in the Middle East, the Polish central bank decided to cut interest rates by 25bps in March. At the same time, it also presented a new macroeconomic projection. It now sees a lower path for inflation and a higher path for GDP growth. However, note that this projection did not take into account any effects of the war in the Middle East. In response to this geopolitical event, we revised our path for rates and now see only a single 25bps cut in July. Thus, the terminal rate is now seen at 3.5%, instead of 3% previously.

FX Market

- ❖ The performance of the zloty, as well as that of the entire EMFX space, has recently been impacted by the war in the Middle East. Moreover, the zloty has also been affected by the strengthening US dollar, as a 'flight to safety' has triggered a long-lost phenomenon in which the greenback benefits from a risk-off mode. The NBP's decision to cut rates earlier this month has not helped matters. Looking ahead, despite the higher terminal rate we envisage from now on, we still expect the PLN to move down to some extent.

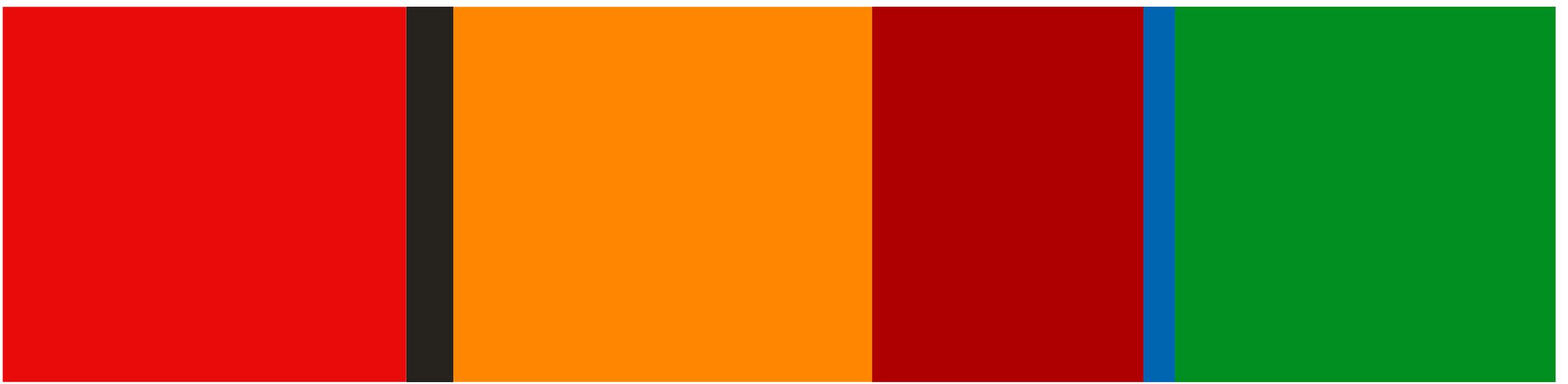
Major forecasts

		2024	2024	2024	2024	2025	2025	2025	2025	2026	2026	2026	2026	2024*	2025*	2026*
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1-Q4	Q1-Q4	Q1-Q4
GDP y/y	%	2.3	3.4	2.8	3.5	3.2	3.3	3.8	4.0	3.6	3.8	4.1	4.2	3.0	3.6	3.9
Individual consumption y/y	%	3.9	4.2	0.2	3.6	2.6	4.5	3.5	4.1	3.7	3.4	3.5	3.0	2.9	3.7	3.4
Investment y/y	%	4.0	5.0	-2.8	-5.1	6.4	-0.7	7.1	4.7	3.9	6.9	7.9	8.5	-0.9	4.2	6.8
Inflation rate (eop)	%	2.7	2.6	4.9	4.7	4.9	4.1	2.9	2.4	2.9	2.9	2.7	3.1	3.7	3.6	2.9
Unemployment rate (eop)	%	5.3	4.9	5.0	5.1	5.3	5.2	5.6	5.7	5.9	5.7	5.4	5.5	5.1	5.7	5.5
Employment y/y	%	-0.8	-0.5	0.0	-0.4	-0.8	0.0	0.5	0.6	0.4	0.3	0.2	0.1	-0.4	-0.1	0.3
Wages y/y	%	14.4	14.7	13.4	12.4	10.0	8.8	7.5	8.5	7.4	7.2	6.9	6.4	13.7	8.7	7.0
Current account	% GDP	1.5	1.3	0.7	0.3	-0.4	-0.7	-0.8	-0.8	-0.9	-1.1	-1.0	-1.0	0.3	-0.8	-1.0
GG budget balance	% GDP	-	-	-	-	-	-	-	-	-	-	-	-	-6.6	-6.9	-6.4
Primary GG budget balance	% GDP	-	-	-	-	-	-	-	-	-	-	-	-	-4.4	-4.4	-3.9
GG debt	% GDP	-	-	-	-	-	-	-	-	-	-	-	-	55.1	60.6	66.5
NBP repo rate (eop)	%	5.75	5.75	5.75	5.75	5.75	5.25	4.75	4.00	3.75	3.75	3.50	3.50	5.75	4.00	3.50
EUR/PLN (eop)	%	4.29	4.31	4.28	4.28	4.19	4.24	4.27	4.22	4.26	4.28	4.29	4.30	4.29	4.23	4.28
USD/PLN (eop)	%	3.98	4.02	3.85	4.13	3.87	3.60	3.64	3.59	3.67	3.63	3.58	3.58	4.00	3.68	3.61

* yearly average for inflation rate, EUR/PLN and USD/PLN

Highlights of this edition

- ❖ Although [the US economy](#) saw a poor jobs report in February and Q4 GDP growth surprised to the downside, we believe these results were primarily caused by one-off events. Note that private domestic demand remains solid. Therefore, there is no reason to be alarmed. Consequently, we maintain our view that the economy will ultimately surpass the Fed's expectations in terms of growth.
- ❖ German fiscal stimulus was expected to have a positive impact on the German economy already in 2025 and thereby spilled positively to [the Eurozone](#). The reality proved different, though we do not throw in the towel. Instead, we are beginning to see some upbeat signals of this stimulus being injected into the economy. Although the outlook has been recently dimmed by the war in the Middle East of late (an impact of higher oil prices must be felt), we believe that the overall impact will only be short-lived. Thus, our baseline still assumes a gradual economic recovery ahead.
- ❖ Poland's economy might slow to 3.6% in terms of GDP growth in Q1, as reflected in our [GDP tracker](#). January data were highly uneven: severe frost caused a sharp construction slump and weaker manufacturing. Compared with this picture, [consumer](#) spending remained strong. However, falling Elixir transaction values and rising energy bills point to softer consumer activity ahead, making Q1 economic performance likely weaker.
- ❖ [Inflation](#) remained stable at 2.1% in February on broad-based easing, but a sharp rebound in fuel prices in March (≈12%+) is set to push CPI back above the target. Core inflation should keep easing in the near term, with little changes expected in April–May, before renewed some upward pressures emerging in the second half of the year. The MPC is likely to respond to the shifting outlook by pausing the easing cycle. We still see room for one more rate cut in July, but from the second half of the year onwards interest rates are expected to remain flat.
- ❖ The Fitch rating agency was undoubtedly the most significant event in February [with regard to Polish fiscal policy](#). As widely anticipated, the agency did not change the rating or outlook. It also increased its GDP estimate for 2026 from 3.2% to 3.6%. Looking ahead, we believe that Fitch will not lower Poland's credit rating. In March, the war in the Middle East took center stage, forcing the Ministry of Finance to cancel a bond auction scheduled for this week. Additionally, some Law & Justice policymakers have proposed lowering fuel prices for consumers by temporarily reducing VAT and excise duty. The government has not yet made a decision on this issue.
- ❖ The outbreak of war in the Middle East has dominated changes in the FX market over the past several days. As expected, this environment has not been supportive of [the Polish currency](#), to say the least. In fact, the entire EMFX basket was affected, and the performance of the zloty was not particularly different. What can we expect going forward? Well, our base case remains basically unchanged. We still expect the PLN to depreciate gradually as we anticipate the EUR/USD exchange rate to rise slightly over the coming quarters. Note that downside risks stemming from a geopolitical risk premium should prevail over upside risks from a higher terminal rate (3.5% instead of 3%).

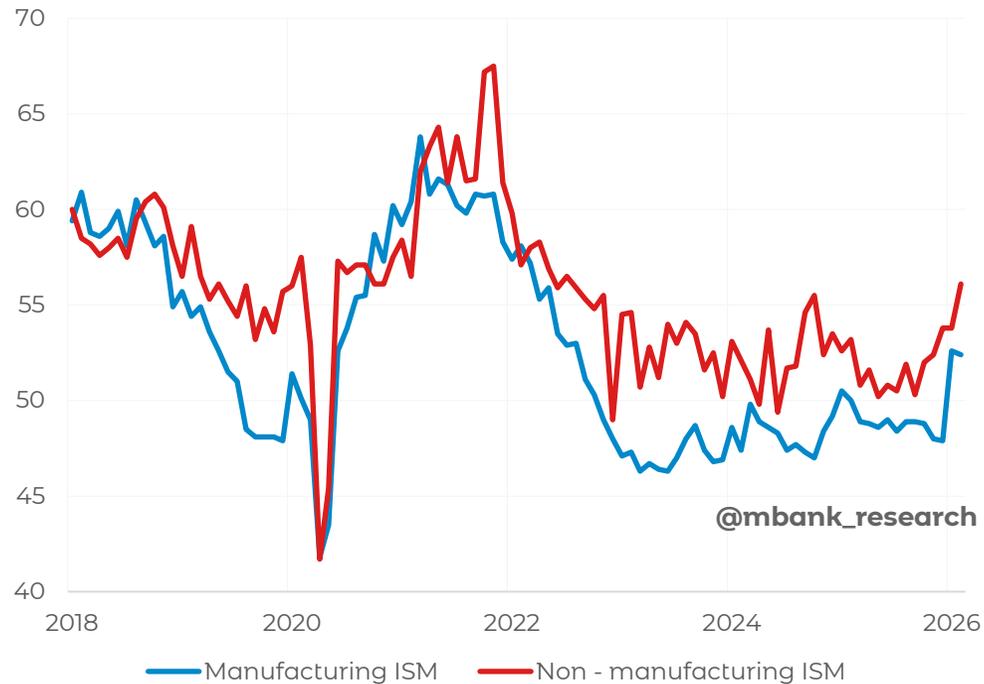


Global economy



USA: Economy health check

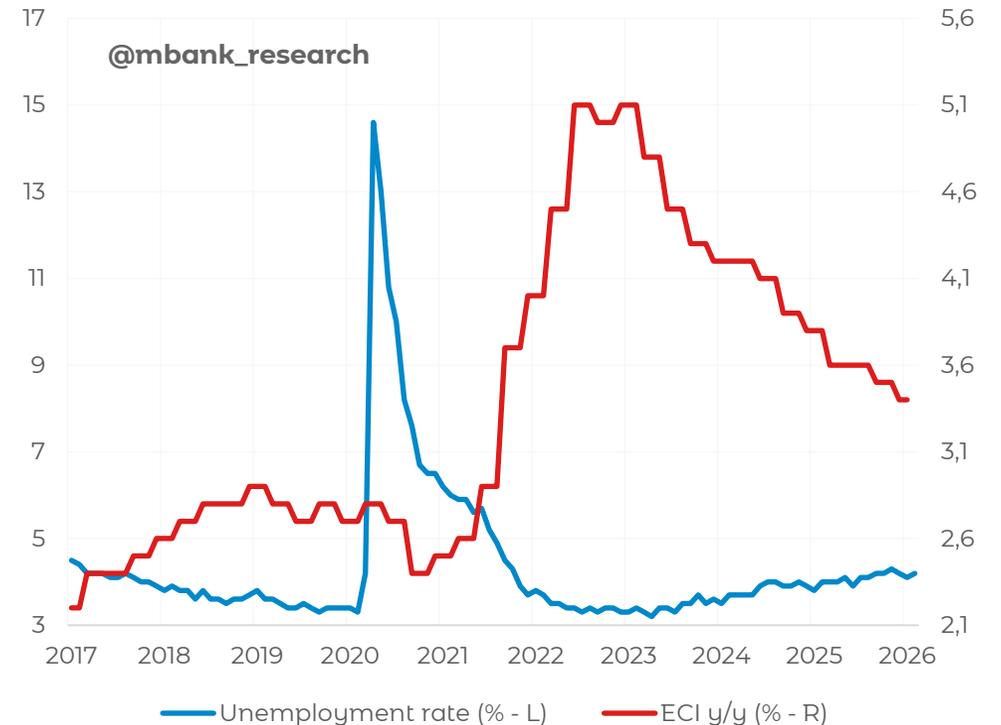
ISM PMI: manufacturing & non-manufacturing



Source: ISM.

We have recently received some positive news about the US manufacturing sector. Firstly, the January ISM release was better than expected, and this positive trend continued in February. Furthermore, industrial output in January also exceeded expectations, with manufacturing activity being particularly strong. However, the February jobs report was alarming, showing negative employment change and an increase in the unemployment rate. However, it should be noted that the February payroll report was affected by a strike in the healthcare sector, as well as the harsh weather conditions that hit the US at the beginning of 2026. Therefore, we would not draw too far-reaching conclusions from this. Finally, the US economy grew by 1.4% SAAR in Q4, which was well below market expectations. Nevertheless, this release was significantly affected by the government shutdown. Focusing solely on the private domestic sector, however, the outlook remains promising, with sales to private domestic purchasers rising by around 2.5% SAAR. Apart from macroeconomic releases, the US Supreme Court overturned most of the sweeping global tariffs imposed by Trump, which undermined his economic policy and dealt him his biggest legal defeat since returning to the White House. Trump responded by announcing a global tariff rate hike from 10% to 15%, invoking Section 122 of the Trade Act of 1974. This increase can last for only 150 days unless Congress approves an extension.

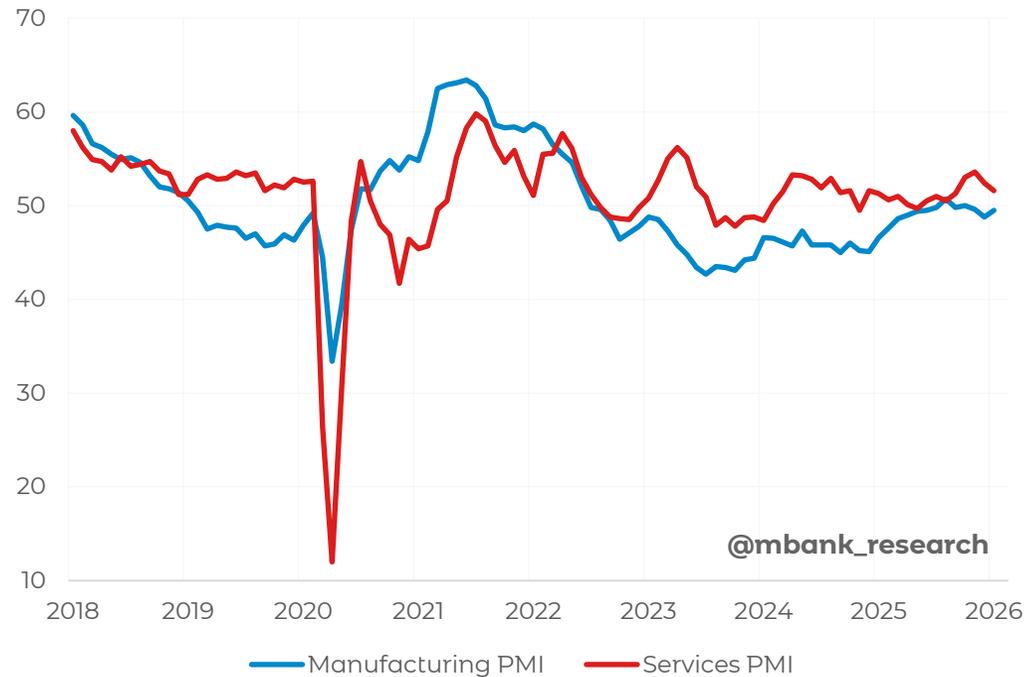
Labor market: wages & unemployment rate



Source: FRED.

Euro area: Economy health check

PMI: manufacturing & services



Source: Markit.

Labor market: wages & unemployment rate



Source: Eurostat.

The possibility of Lagarde resigning from her position as chairwoman of the ECB has been one of the most widely discussed topics regarding the Eurozone economy. Initially, there were rumors that she might step down before the French general election. However, the ECB denied these rumors in an official statement. Therefore, we assume that, barring any unforeseen circumstances, Lagarde will remain in her position until her term expires in October 2027. Turning to macroeconomic data, February saw some optimistic PMI figures, suggesting that the Eurozone economy is slowly picking up pace. Moreover, examining the German federal budget execution suggests that 'something' is already happening there. This implies that fiscal stimulus is gradually being deployed to the economy, as the fiscal position is gradually deteriorating. This outlook was quite promising until oil prices skyrocketed in response to the war in the Middle East. Although oil prices have already fallen from their peak, some adverse consequences are likely to materialize in the near term. Consequently, we may see an uptick in inflation due to higher fuel prices, which could make the ECB feel uncomfortable. Nevertheless, we also assume that this impact will be short-lived and insufficient to convince the ECB to raise interest rates. Our base scenario still implies a gradual economic recovery.

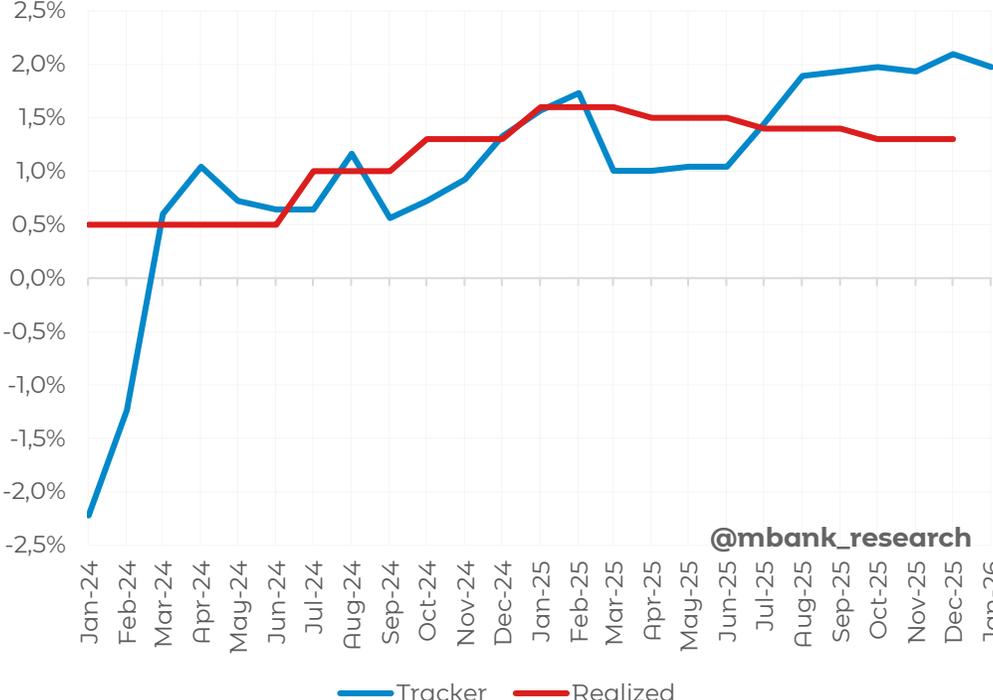
GDP Tracker: US and Euro area

US, QoQ, SAAR



Source: Atlanta Fed GDPNow, Macrobond.

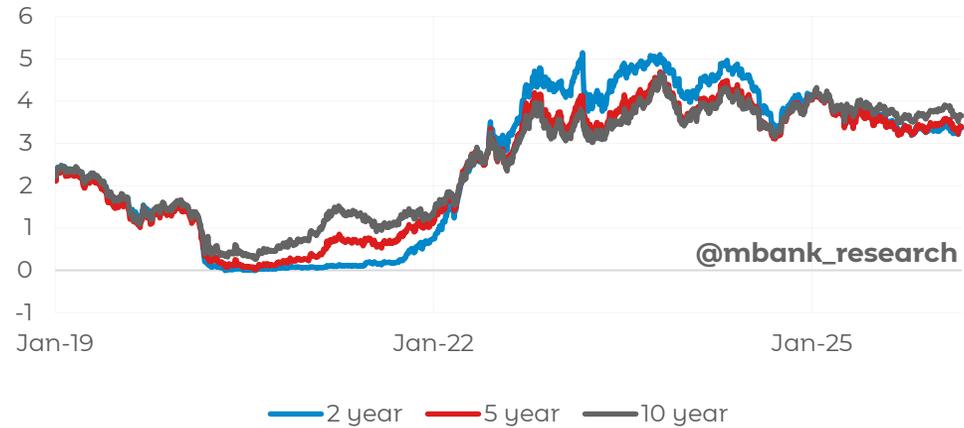
Euro area, YoY



Source: Banca d'Italia, Macrobond.

Global rates

US swap rates (%)



Source: Bloomberg.

Swap spreads (10Y-2Y. p.p.)



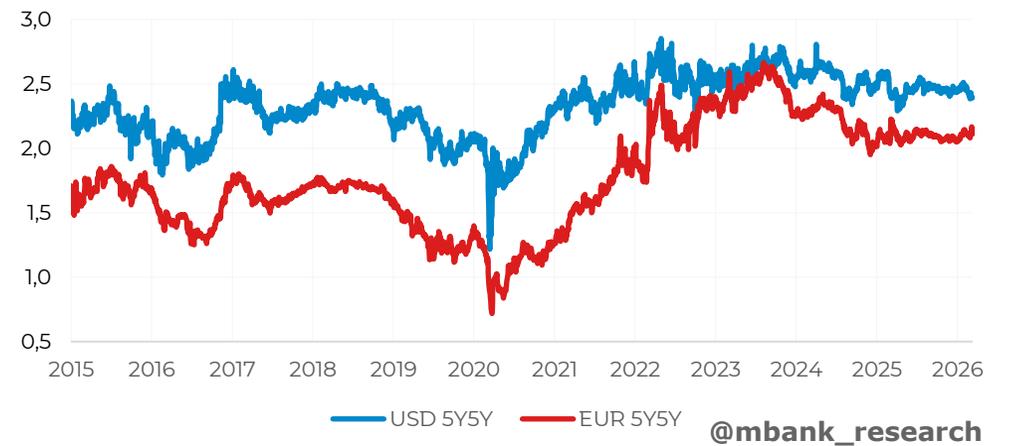
Source: Bloomberg.

EU swap rates (%)

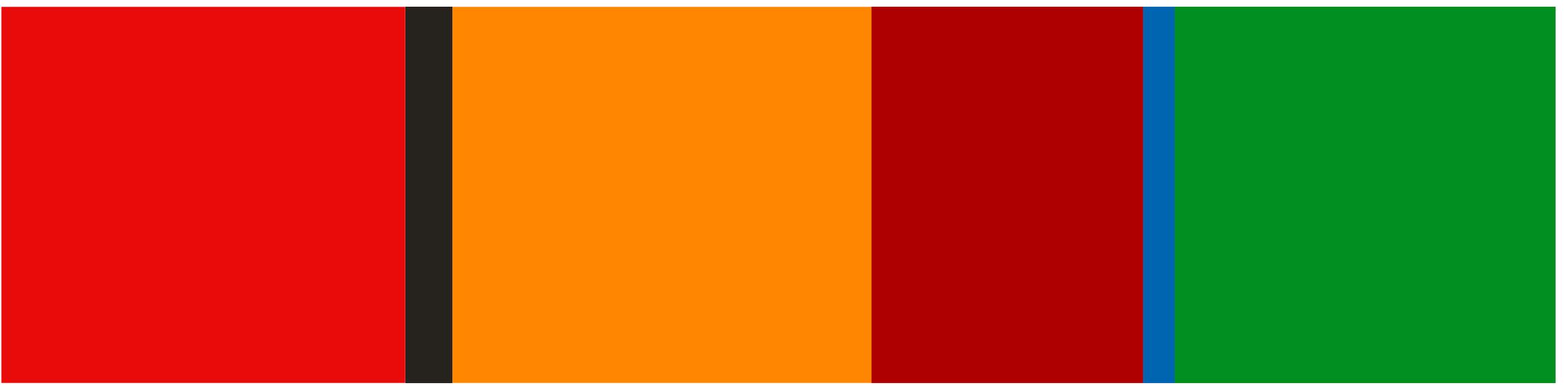


Source: Bloomberg.

US and EZ inflation expectations (%)



Source: Bloomberg.

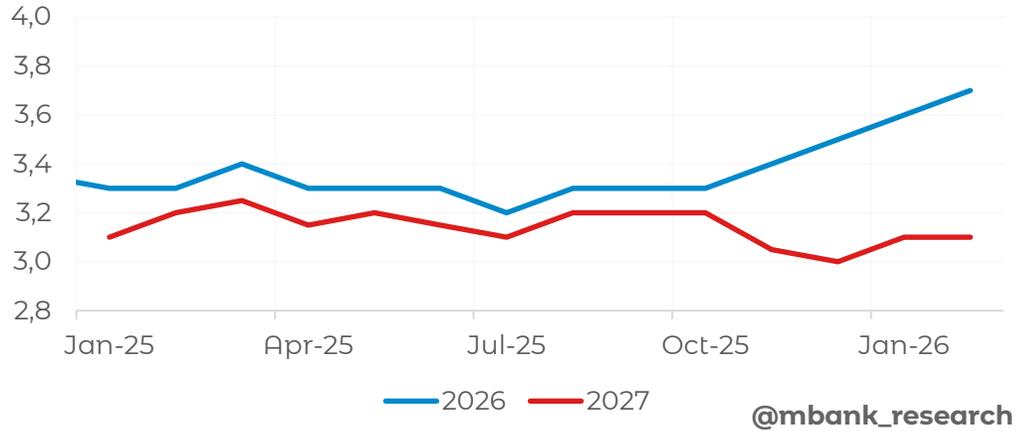


Poland



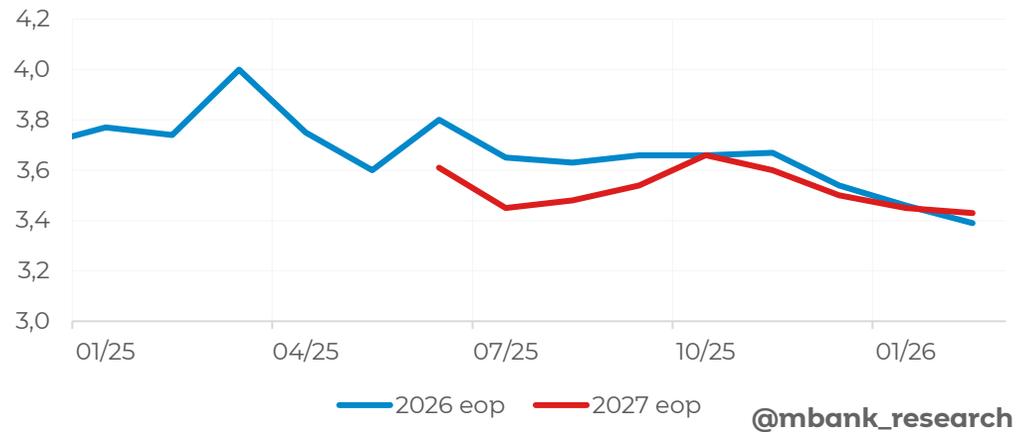
Poland: What is expected?

Consensus tracker: GDP growth (% , y/y, annual avg)



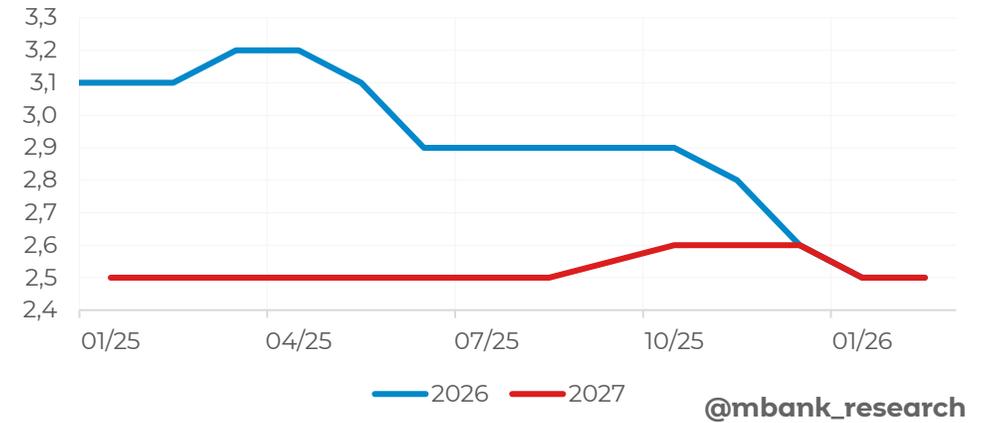
Source: Bloomberg.

Consensus tracker: NBP ref. rate (% , end of period)



Source: Bloomberg.

Consensus tracker: CPI inflation (% , y/y, annual avg)



Source: Bloomberg.

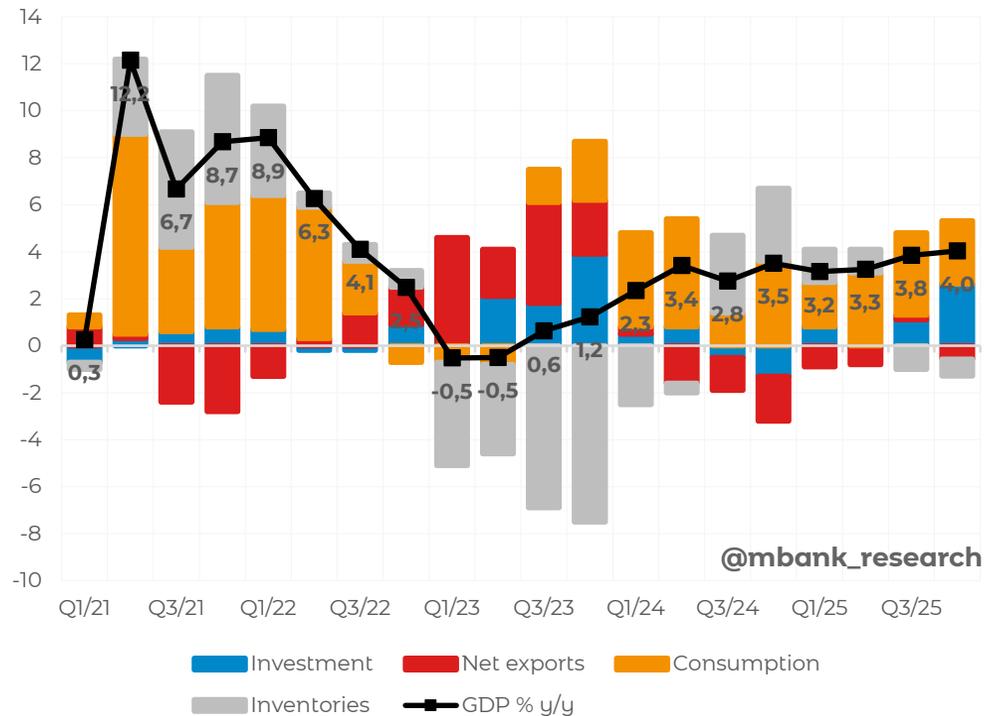
Rate changes priced in by FRA (bps)



Source: Bloomberg.

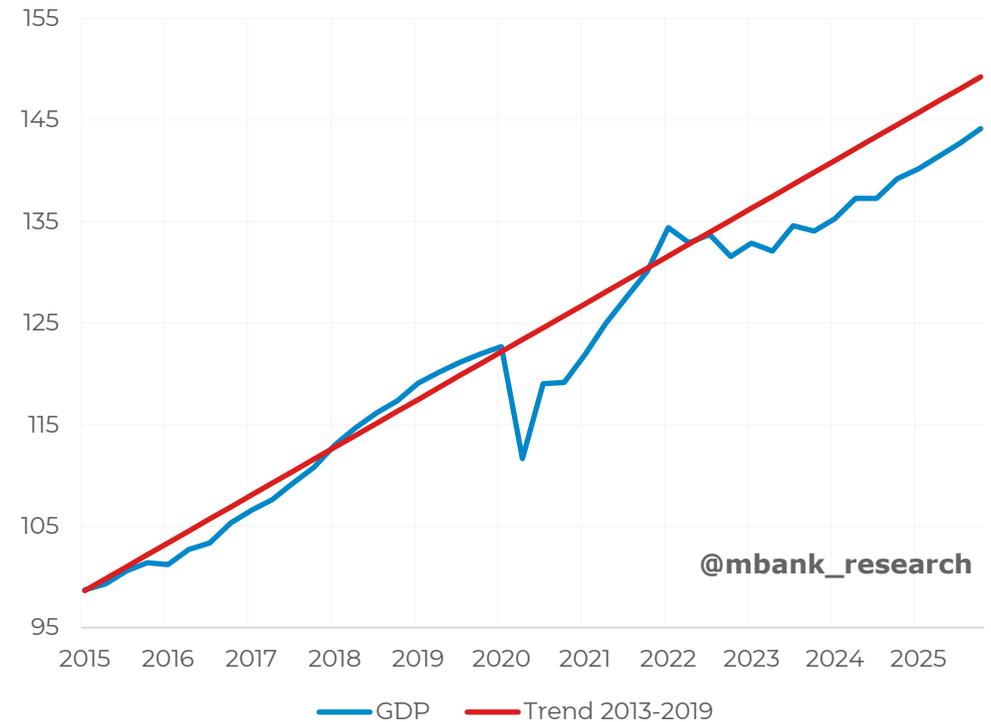
Poland: GDP

Contributions to the GDP growth (in pp)



Source: Statistics Poland and our forecast.

GDP (index 2015 = 100, sa)

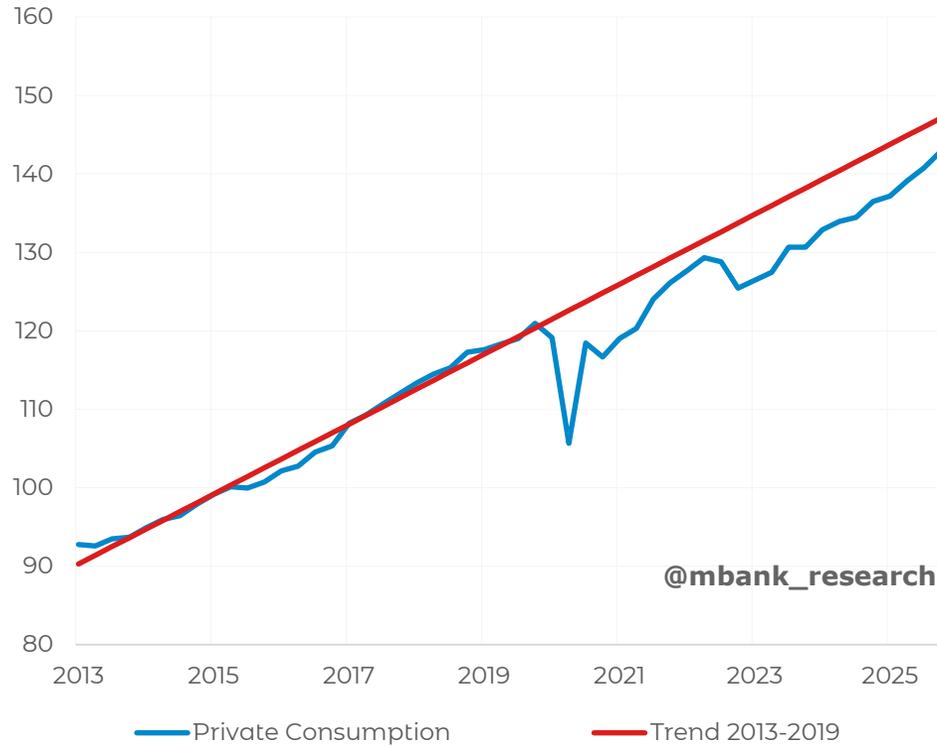


Source: Statistics Poland.

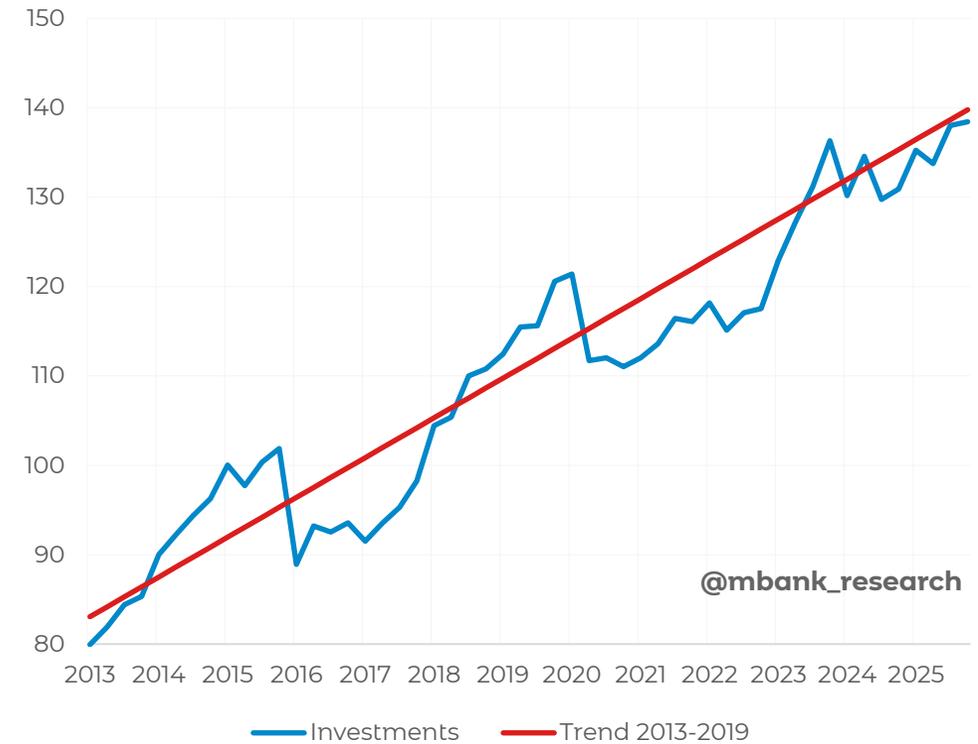
GDP growth reached 4% in Q4. The expansion was driven primarily by very strong household spending (4.2%), while the investment result disappointed, slowing from 7.3% to 4.7%. External demand and inventories contributed negatively. The coming quarter will bring a temporary break in the growth trend. Harsh winter hit investment activity and weighed on industrial output. On top of that, some negative effects coming from higher oil prices might be visible in consumption. Therefore, Q1 growth will likely be closer to 3.6%. The slowdown should prove temporary – Q2 should see a rebound, although less dynamic than previously expected, as part of the investment pipeline will be pushed back. The effects of the US–Iran war will also be visible in the second half of the year – we estimate a small GDP loss in Q3. Overall, for 2026 we expect GDP growth of 3.9%, which is 0.3 pp less than we previously forecast.

Poland: GDP - details

Consumption (index 2015 = 100, sa)



Fixed capital formation (index 2015 = 100, sa)

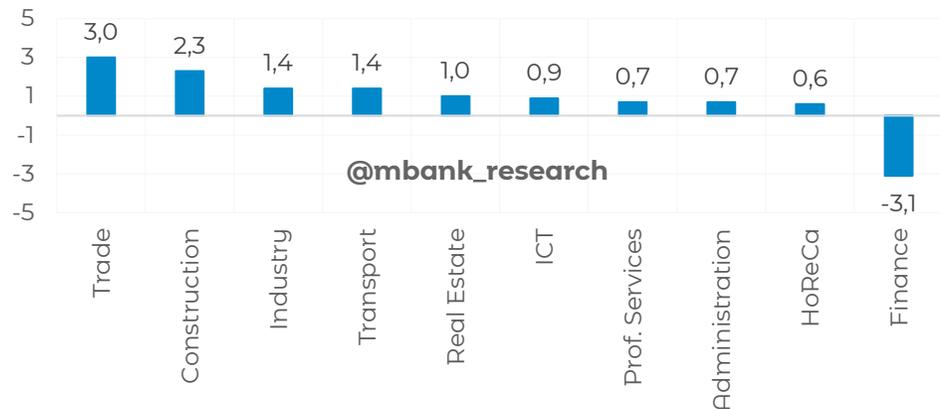


Source: Own elaboration based on Statistics Poland.

Source: Own elaboration based on Statistics Poland, NBP.

Poland: Gross value added - details

Gross value added – q/q growth in Q4 2025 (% , sa)



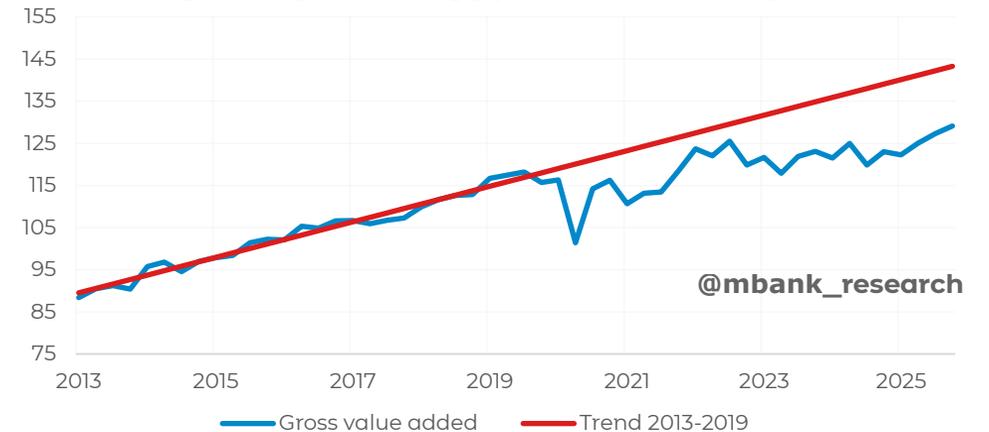
Source: Own elaboration based on Statistics Poland.

Construction (index 2015 = 100, sa)



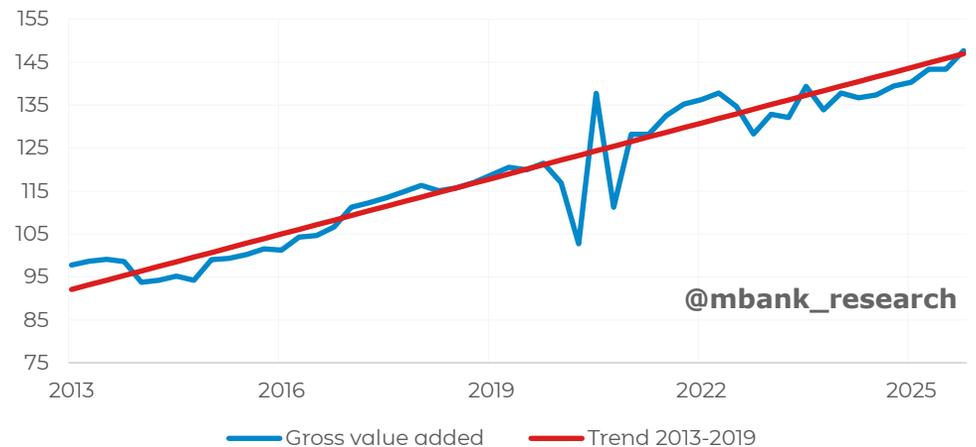
Source: Own elaboration based on Statistics Poland.

Manufacturing, mining and energy (index 2015 = 100, sa)



Source: Own elaboration based on Statistics Poland.

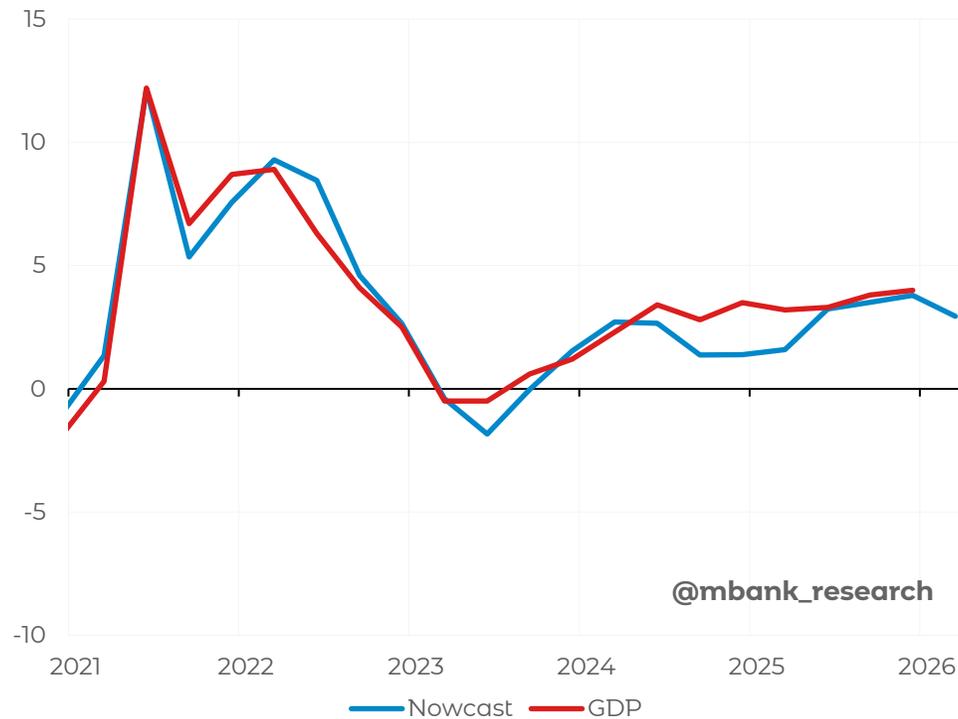
Wholesale and retail trade (index 2015 = 100, sa)



Source: Own elaboration based on Statistics Poland.

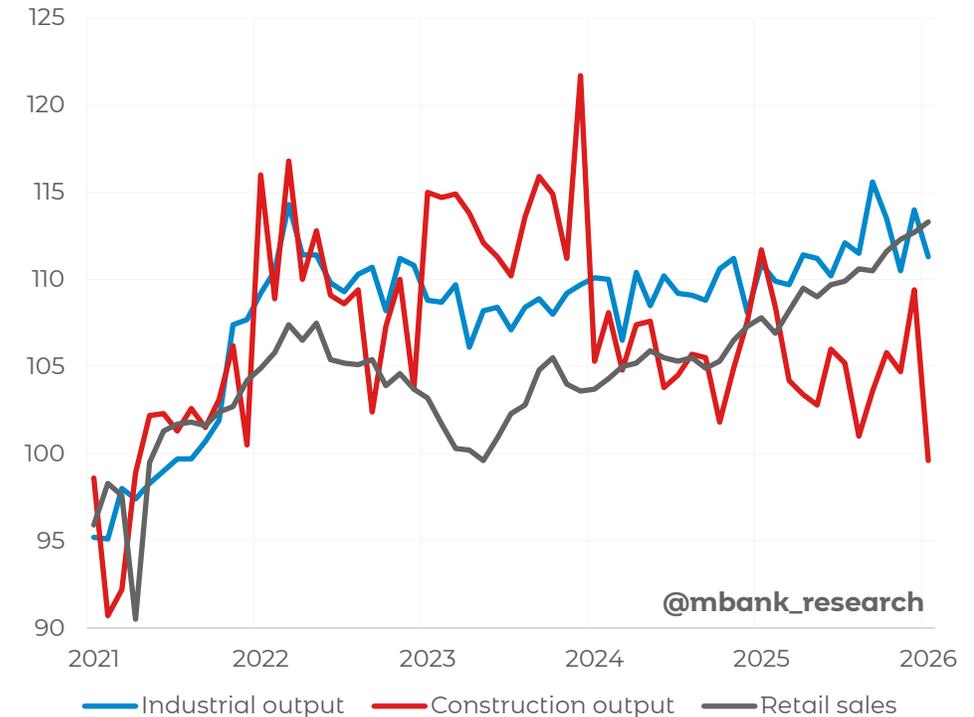
Poland: What monthly prints told us recently?

GDP momentum nowcasting



Source: Own elaboration.

Seasonally adjusted (index 2021 = 100)

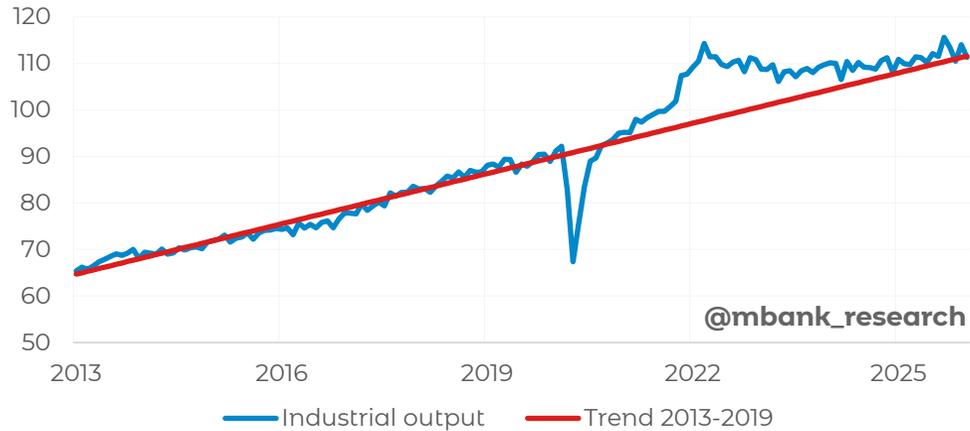


Source: Statistics Poland.

January brought significant inconsistencies across economic data. Severe frost caused a double-digit collapse in construction output (-12.5%), with weakness visible across all segments. February is likely to bring a further decline, though the result should be closer to -6%. Manufacturing also weakened, and strong electricity production was not enough to offset it. In February we should already see a return to positive growth (c. +2%), Consumer activity remained solid — retail sales increased by 4.4%, and February should also deliver a strong reading. However, activity is likely to soften in the coming months. Data from the Elixir payments system show that the value of financial transactions fell in both January and February, which is a weak signal for consumer spending. In addition, higher energy bills will pressure household budgets. As a result, economic performance in Q1 is likely to deteriorate.

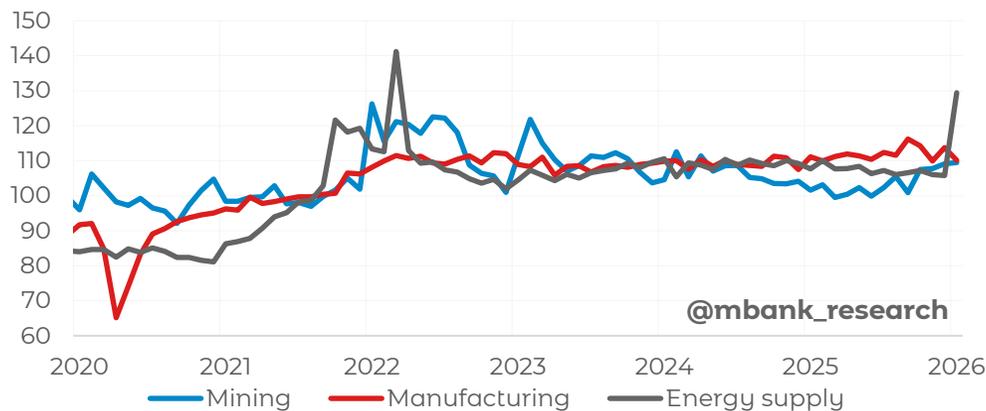
Poland: Industrial output

Industrial production (index 2021 = 100, sa)



Source: Own elaboration based on Statistics Poland.

Main categories (index 2015 = 100, sa)



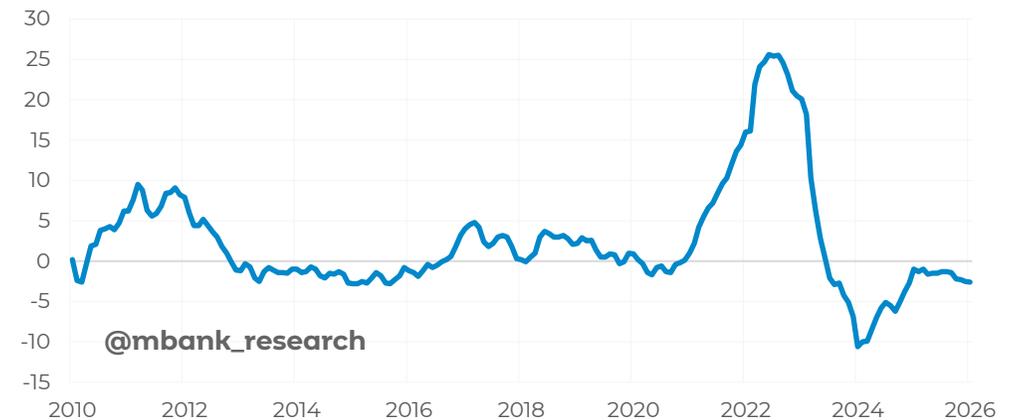
Source: Own seasonal adjustment based on Statistics Poland.

Momentum (% , m/m, sa)



Source: Own elaboration based on Statistics Poland.

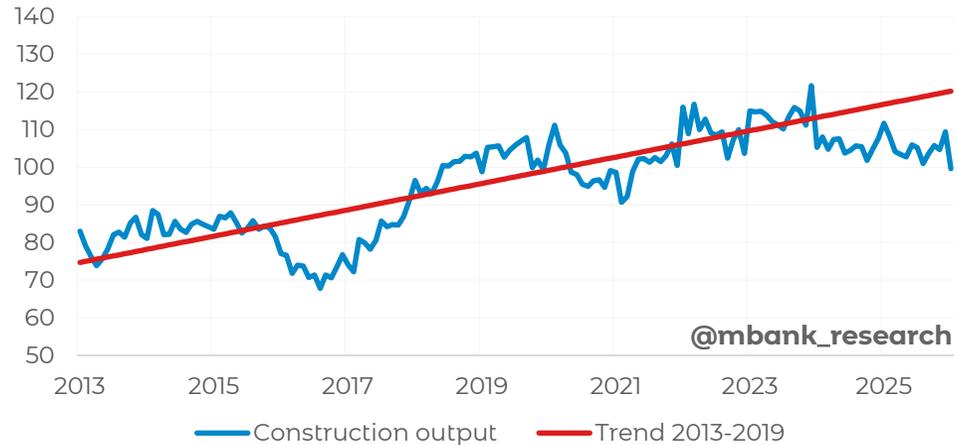
Producer prices (% , y/y)



Source: Own elaboration based on Statistics Poland.

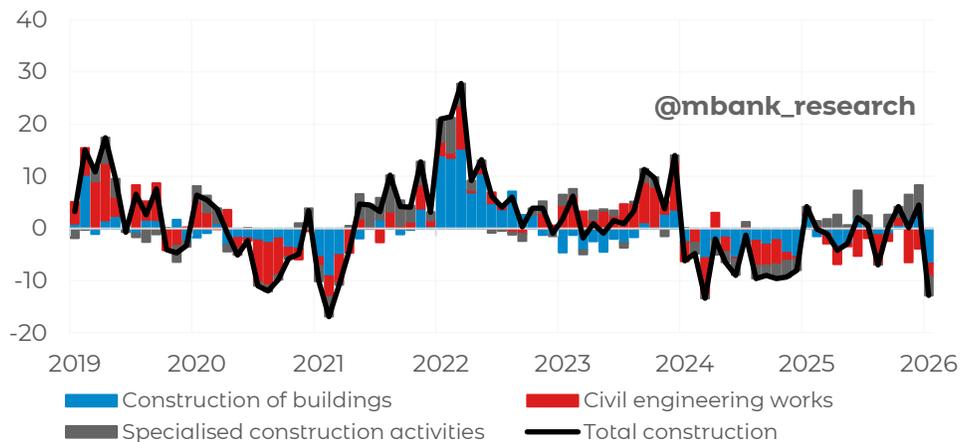
Poland: Construction

Construction output (index 2021 = 100, sa)



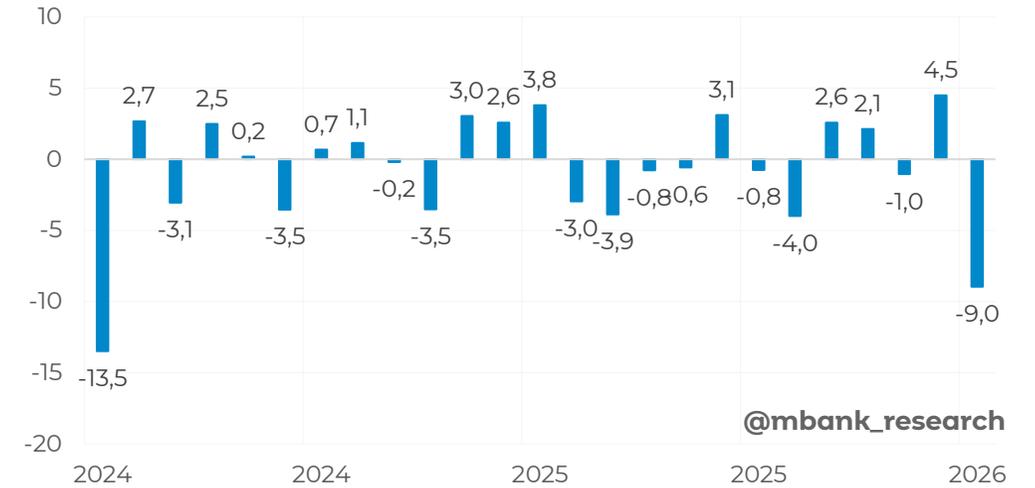
Source: Own elaboration based on Statistics Poland.

Contribution to y/y growth

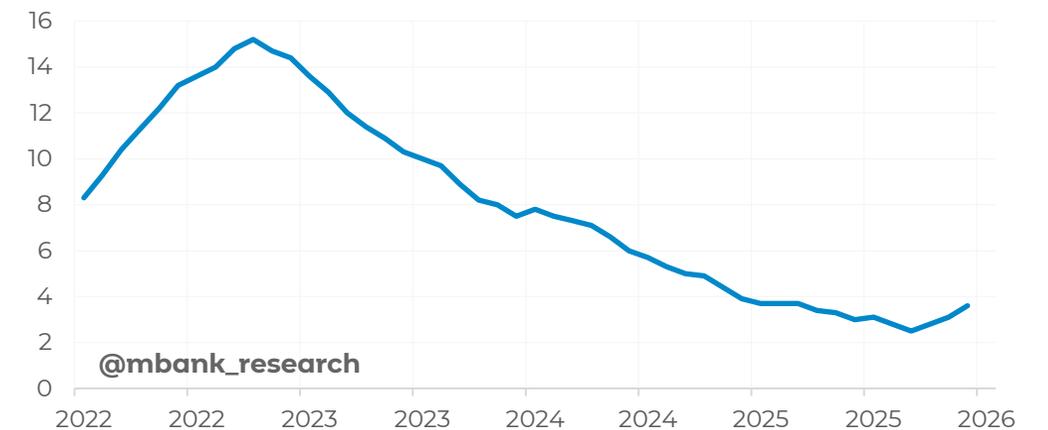


Source: Own elaboration based on Statistics Poland.

Momentum (%. m/m. sa)



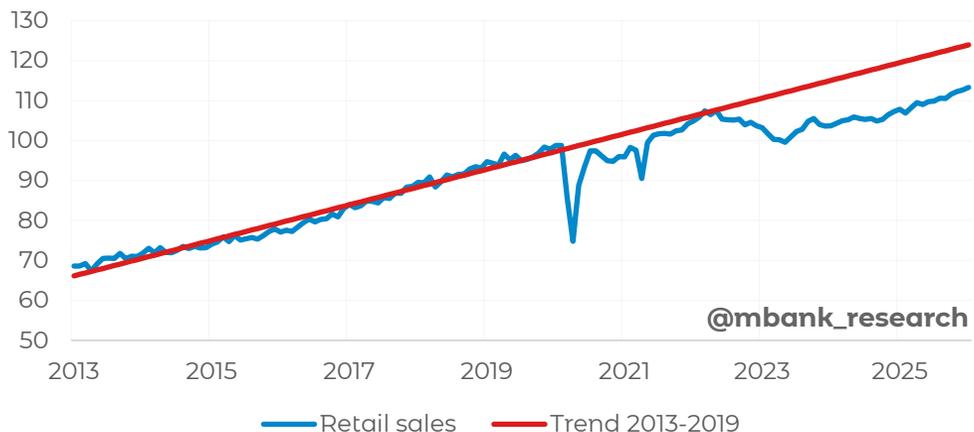
Construction prices (%. y/y)



Source: Statistics Poland.

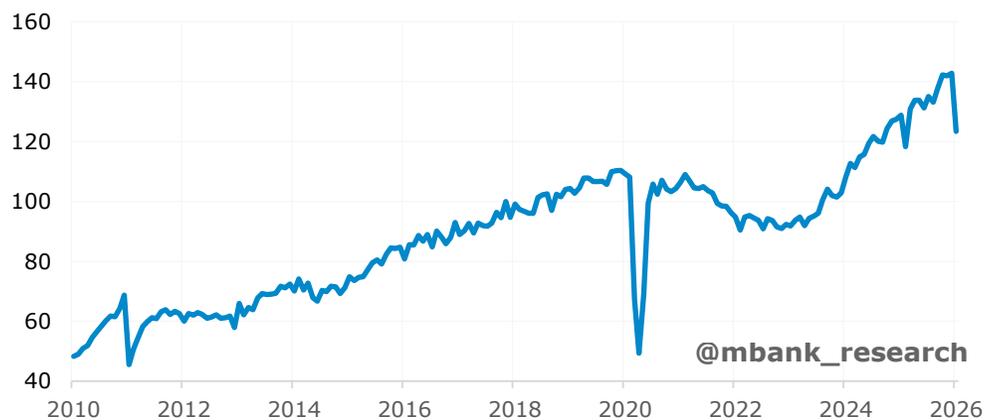
Poland: Retail sales

Retail sales (index 2021 = 100, sa)



Source: Own elaboration based on Statistics Poland.

Retail sales – Motor vehicles (index 2021= 100, sa)



Source: Own seasonal adjustment based on Statistics Poland.

Momentum (% , m/m, sa)



Source: Own elaboration based on Statistics Poland.

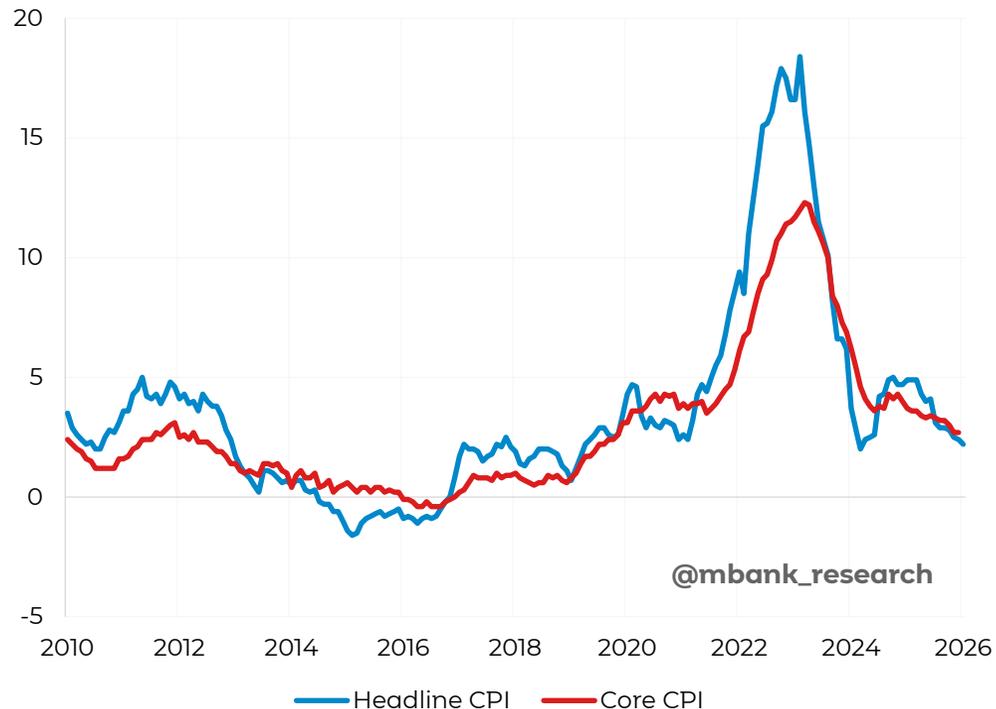
Retail sales - Solid, liquid and gaseous fuels (index 2015 = 100, sa)



Source: Own seasonal adjustment based on Statistics Poland.

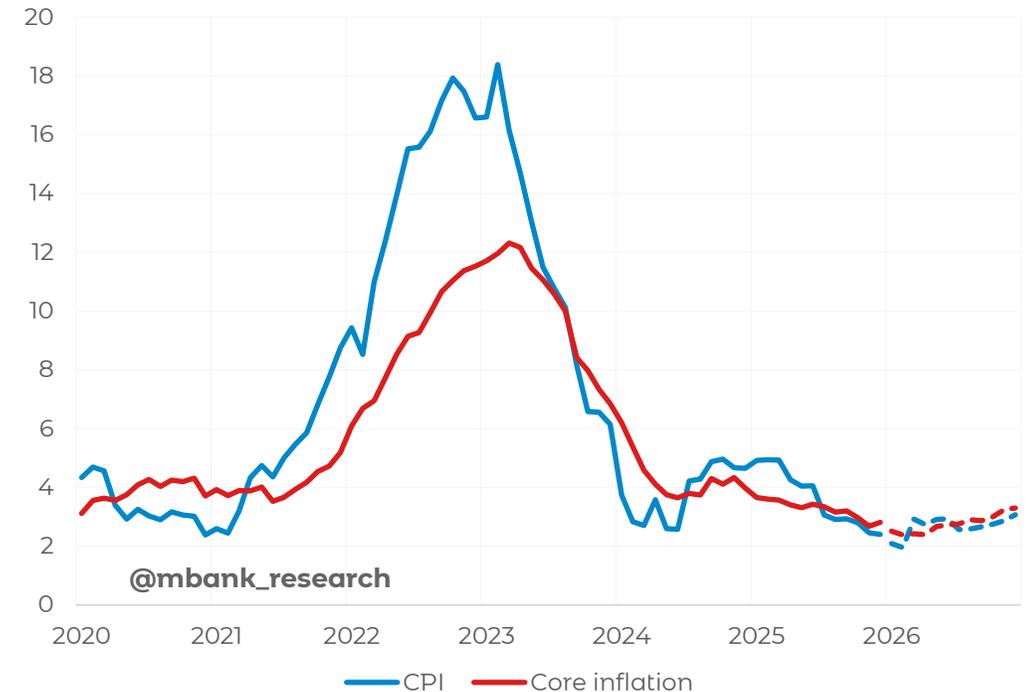
Poland: What do inflationary trends look like?

Headline inflation, broad perspective (% y/y)



Source: Own elaboration based on Statistics Poland.

Inflation forecasts (% y/y)

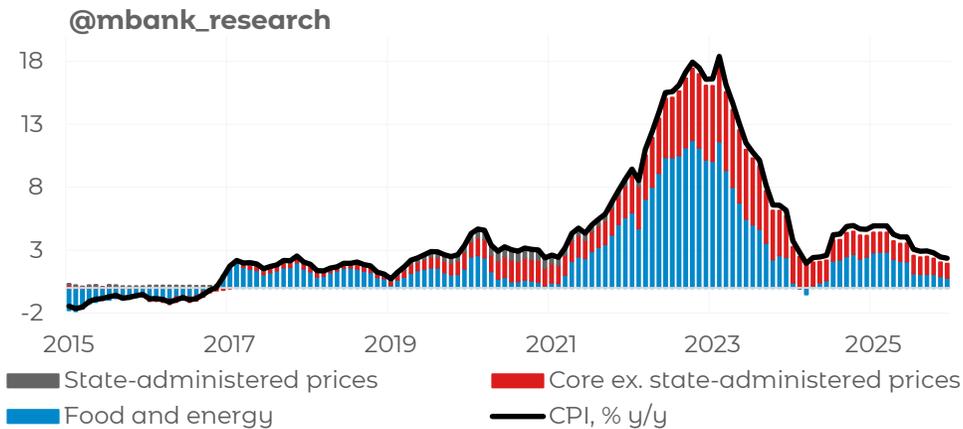


Source: Own elaboration based on Statistics Poland, NBP.

Inflation in February remained stable at 2,1% y/y. The slower pace of growth is essentially linked to improvements across most components – in February, fuel prices were still low, food prices hit a temporary trough, and core inflation continued its downward trend. However, this picture is very much a look in the rear-view mirror. Data from fuel companies suggest that in March, fuel prices at petrol stations will increase by around 12%, which should lift CPI by 0.6 percentage points. As a result, inflation will once again rise above the central bank's target (2.5%). In the forthcoming months, price dynamics is likely to be less pronounced – in the short term, core inflation should continue to decline, partly due to persistently low growth in industrial goods prices. In the second half of the year, however, this picture is likely to change: on one hand, the cyclical impact of the output gap will increase; on the other, second-round effects will start to appear in goods prices.

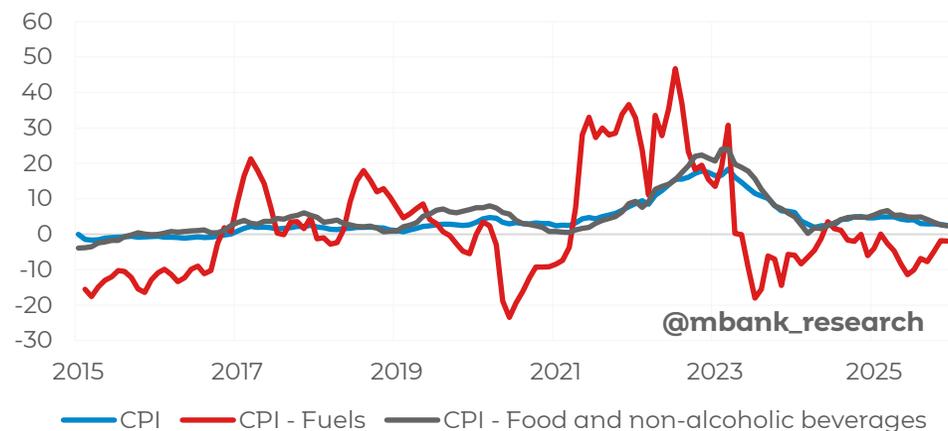
Poland: Inflation tracker (additional measures)

Contribution to inflation (pp.)



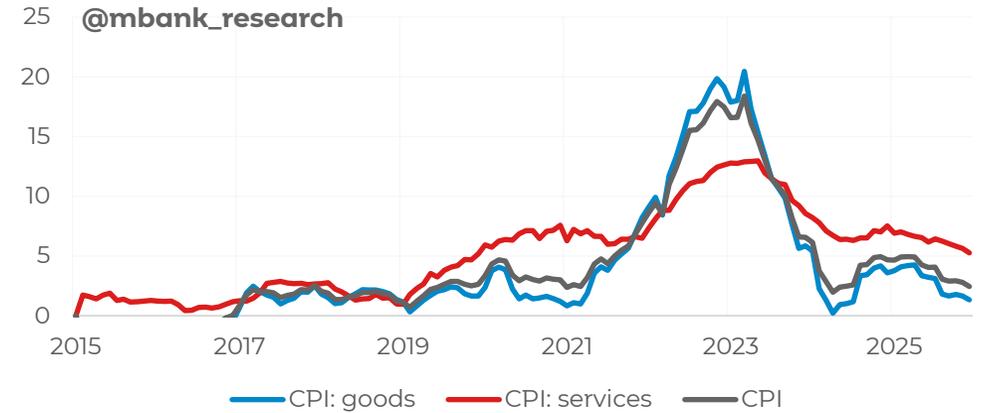
Source: Own elaboration based on Statistics Poland.

Food and fuel prices (% y/y)



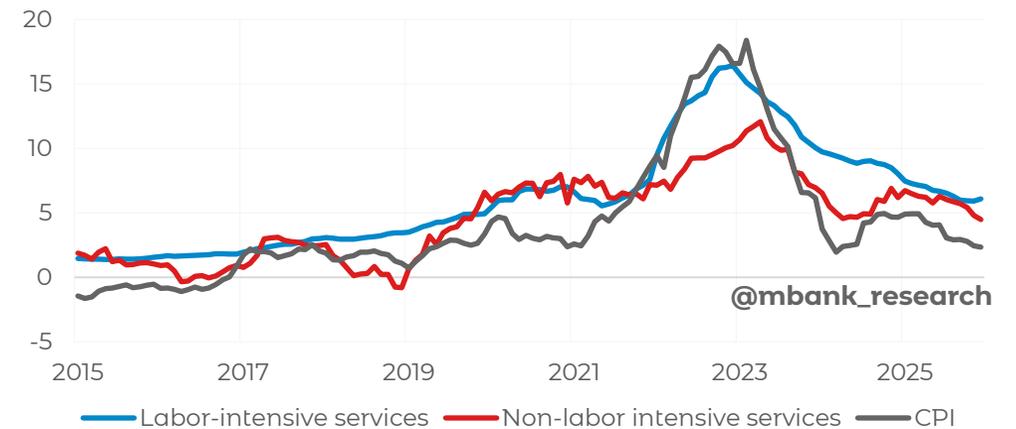
Source: Own elaboration based on Statistics Poland.

Goods and services prices (% y/y)



Source: Own elaboration based on Statistics Poland.

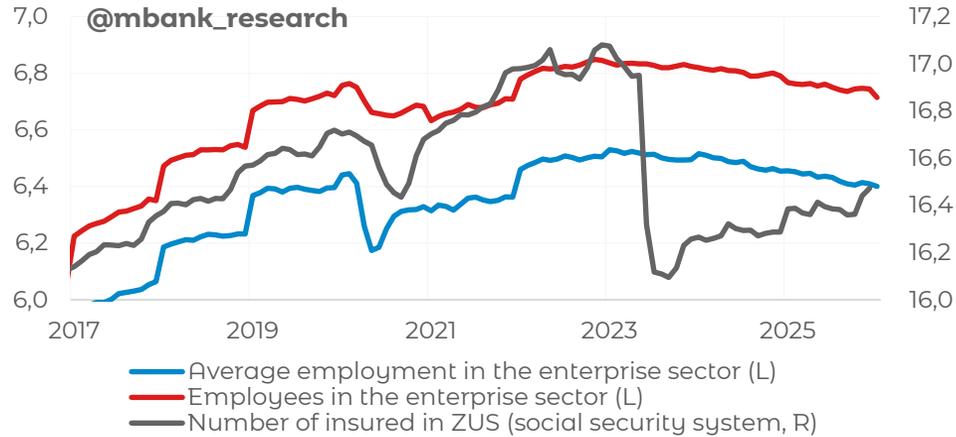
Services (% y/y)



Source: Own elaboration based on Statistics Poland.

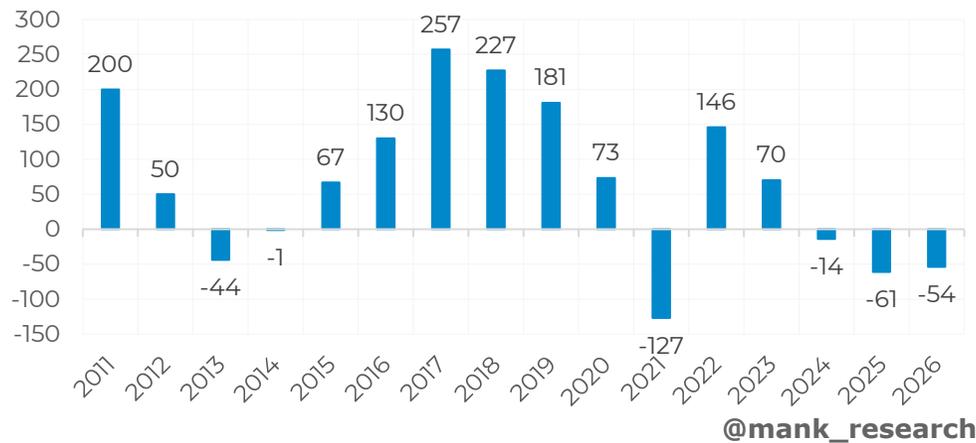
Poland: Labor market tracker - employment

Employment (in millions)



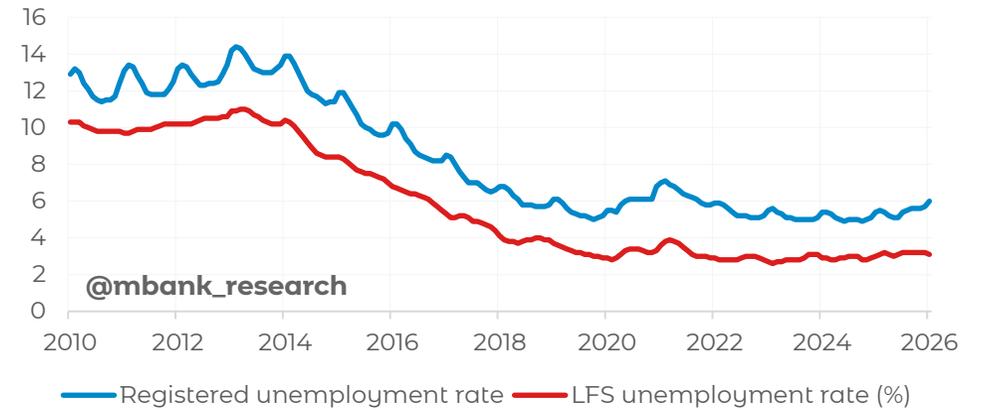
Source: Own elaboration based on Statistics Poland, ZUS Statistical Portal.

Monthly employment change in January (thousand jobs), enterprise sector



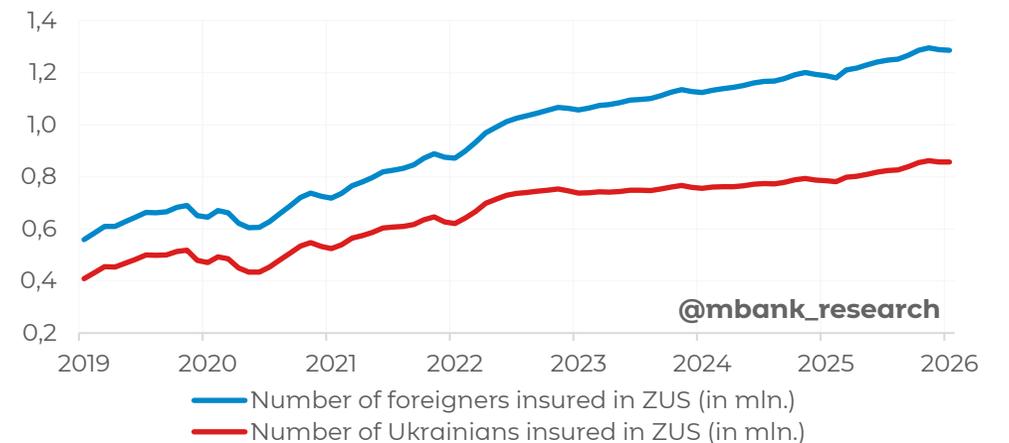
Source: Own elaboration based on Statistics Poland, ZUS Statistical Portal.

Unemployment rate (%)



Source: Own elaboration based on Statistics Poland, ZUS Statistical Portal.

Immigration in the labor force



Source: Own elaboration based on Statistics Poland, ZUS Statistical Portal.

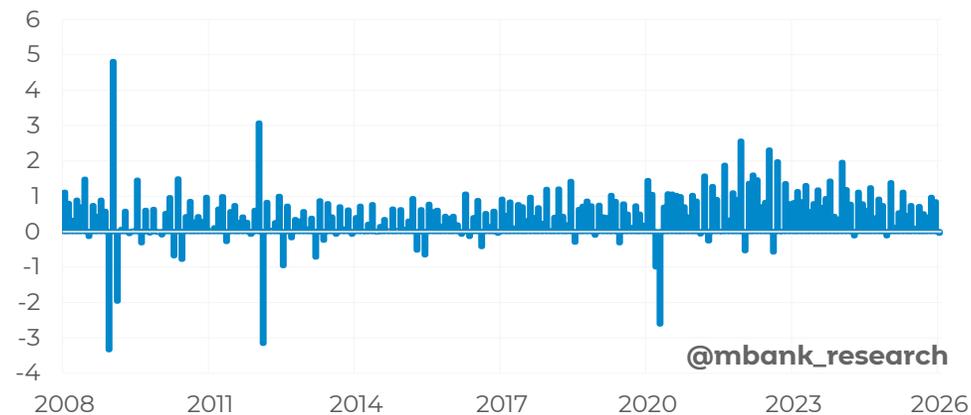
Poland: Labor market tracker - wages

Wage growth (% , y/y, nsa)



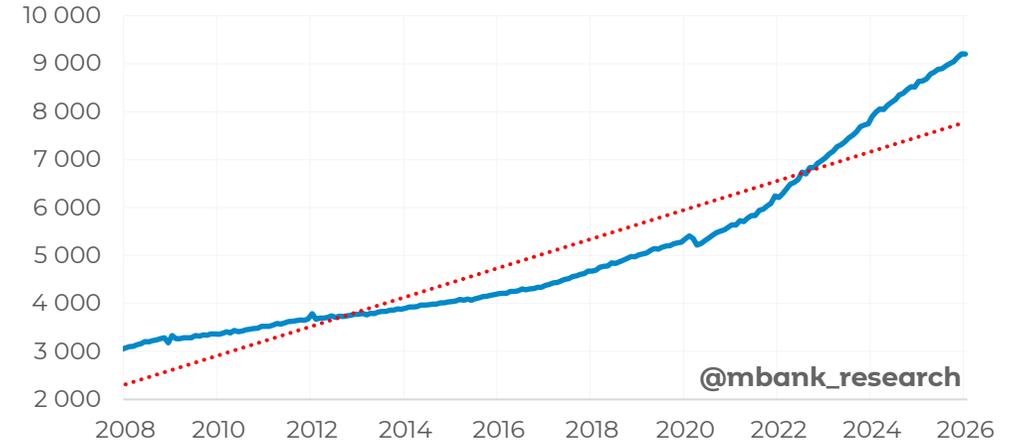
Source: Own elaboration based on Statistics Poland, ZUS Statistical Portal.

Momentum of average monthly wage in enterprise sector (m/m, sa)



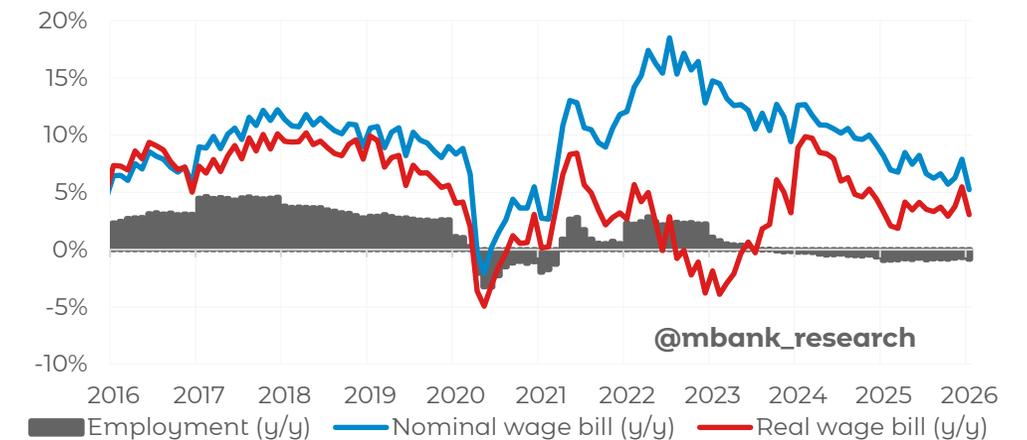
Source: Own seasonal adjustment based on Statistics Poland, ZUS Statistical Portal.

Average monthly wage in enterprise sector (in PLN, sa)



Source: Own elaboration based on Statistics Poland, ZUS Statistical Portal.

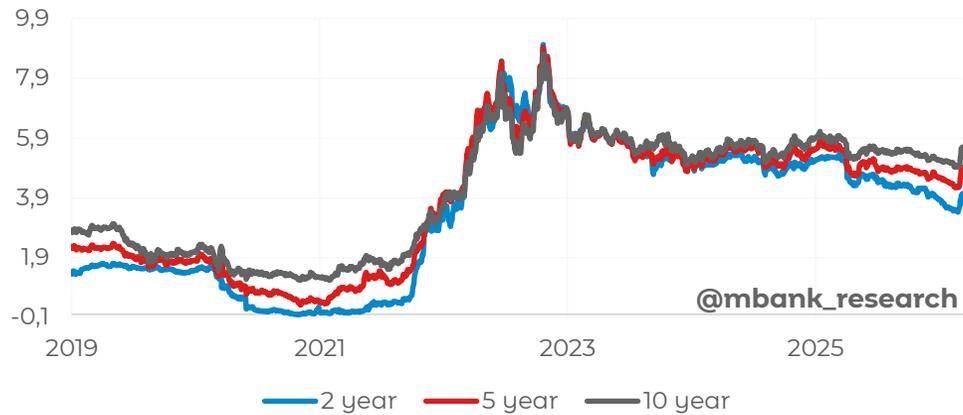
Wage bill (% , y/y)



Source: Own elaboration based on Statistics Poland, ZUS Statistical Portal.

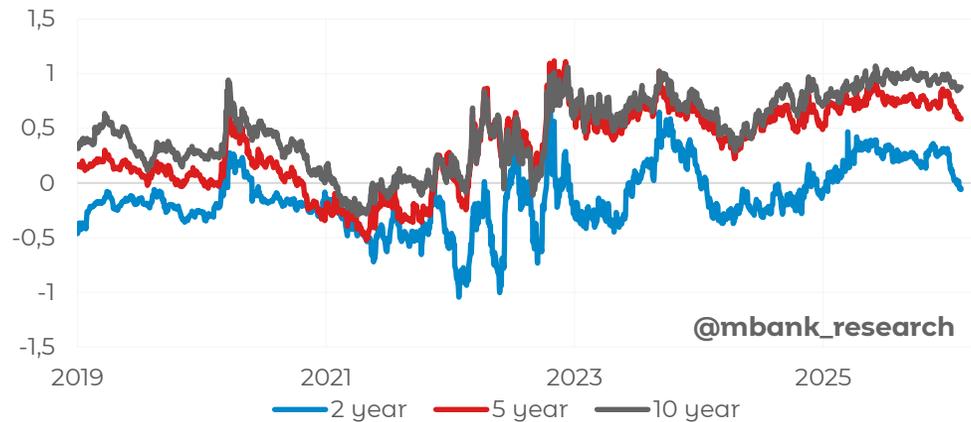
Poland: Interest rates

POLGBs (%)



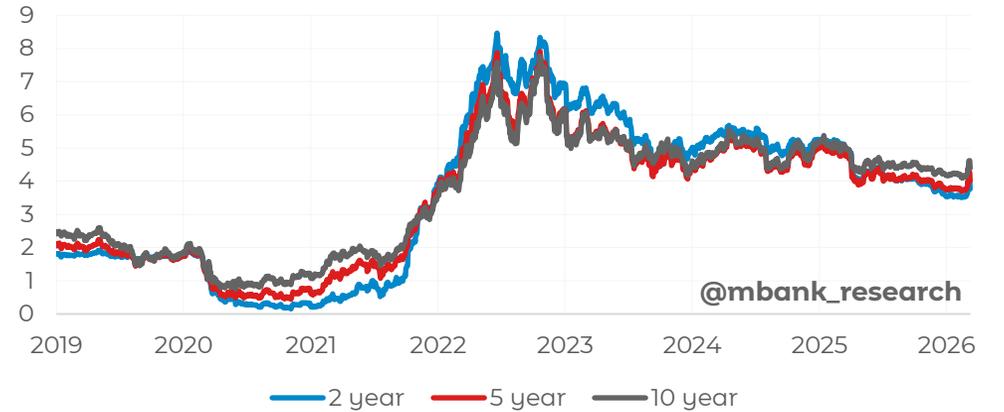
Source: Bloomberg.

ASW spread (pp)



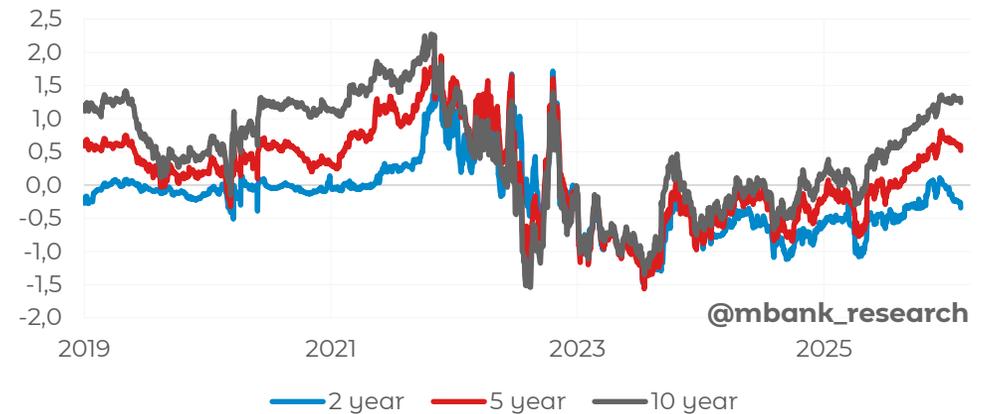
Source: Bloomberg.

PL IRS (%)



Source: Bloomberg.

POLGB yield minus 3m WIBOR (pp)



Source: Bloomberg.

Poland: Fiscal & external outlook

Fiscal balance

- ❖ After January there was a PLN 3.8 billion deficit in the central budget. The 2026 budget bill projects a deficit of PLN 271.7 billion, equivalent to 6.5% of GDP. The same level is projected for the general government (GG) deficit. Consequently, net borrowing needs are expected to rise to PLN 422.9 billion in 2026, up from the revised 2025 figure of PLN 300.5 billion. Of the PLN 422.9 billion, PLN 240.8 billion will be financed in the domestic market and the remainder in the foreign market. Despite the fact that the 2026 borrowing needs are higher than in 2025, the Ministry of Finance (MoF) does not plan to issue more government bonds (neither POLGBs nor Eurobonds) as a significant portion of these needs will be covered by EU funds.
- ❖ Ministry of Finance informed that loans under SAFE will not be taken into account when calculating a Polish debt definition. However, the whole story is likely to be much more problematic as President vetoed the SAFE bill. Moreover, President, along with NBP's governor, held a press conference last week when they sketched out a plan to finance spending on armaments from the NBP's gold reserves. As governor Glapinski said, the whole operation is to be FX-reserve neutral, as the central bank aims only to revalue gold reserves and thereby direct a profit coming from this operation to the govt (the NBP is obliged to hand over 95% of its annual profit to the govt). The major obstacle here is the fact that money transferred to the govt might be spent on whatever the govt wants.
- ❖ Finance Minister informed public opinion that the govt has not resign from bringing governor Glapinski before the State Tribunal.
- ❖ Fitch confirmed Polish credit rating at A- with a negative outlook. It added that the negative outlook reflects forecasts of sustained budget deficits and a quick increase of public debt. The agency said that the outlook could be reversed back to a stable position if the govt is able to introduce some measures aimed at consolidating public finances. Fitch also revised its GDP estimate for 2026 to 3.6% from 3.2%.
- ❖ Moody's said that any impact on the Polish economy from the war in the Middle East is unlikely to be strong if the war does not last long. Note that the agency will publish its updated credit assessment next week.
- ❖ Law&Justice policymakers said they will put forward a bill aimed at lower fuel prices for households, thereby protecting people from adverse consequences of the war in the Middle East. They will propose to cut VAT on fuel from 23% to 8% as well as reduce excise by 9-10%. The govt has yet to take a decision whether any moves stabilizing fuel prices will be necessary.
- ❖ In response to tremendous volatility in the POLGB market, driven by wild swings in oil prices, the Ministry of Finance decided to cancel a bond auction scheduled for this week.
- ❖ The Ministry of Finance has raised over PLN 28 billion through outright bond and bill auctions since mid-February. After all of these auctions, the level of gross borrowing needs for 2026 stands at 38%.
- ❖ Graphical summary of current fiscal data in next two slides ([here](#) and [here](#)).

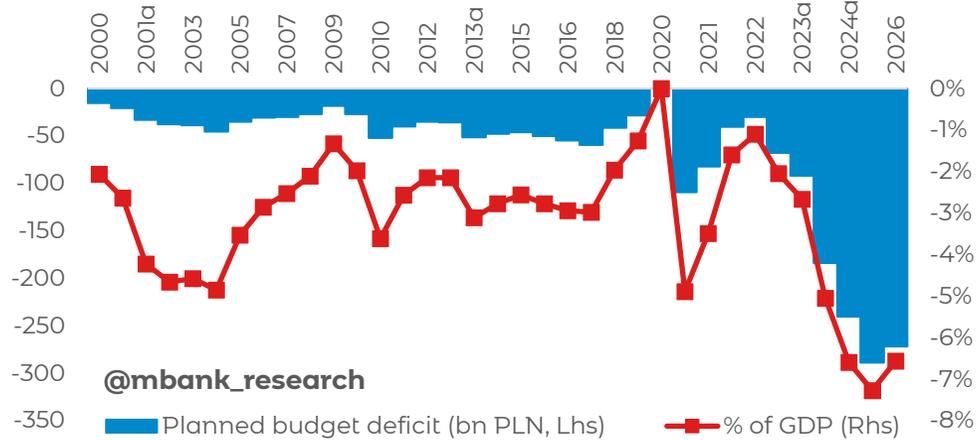
External balance

- ❖ The current account (CA) balance recorded a deficit of 0.8% of GDP after December, measured as a 12-month rolling sum. The deterioration observed in recent months has been driven primarily by the goods balance, which has already turned negative, while the services balance surplus deteriorated as well (more than 1pp decline since mid-2023). Any near-term improvement is unlikely - we expect a stronger deficit in the coming months. Moreover, higher energy prices may fuel higher imports at least in March 2026.
- ❖ The FDI-adjusted CA remains in surplus (0.3% of GDP after December), though it has narrowed notably of late. Also, capital account posted a surplus of 0.9% of GDP after December. This results in a current account surplus of 1% of GDP after adjusting for both FDI and capital flows, which suggests that the deterioration in the CA balance is unlikely to have significant adverse effects on the broader economy. Looking ahead, we expect that most inflows from European funds will be reflected in the capital account, which should help reinforce Poland's external position.
- ❖ Graphical summary [here](#).

Poland: Fiscal monitor #1

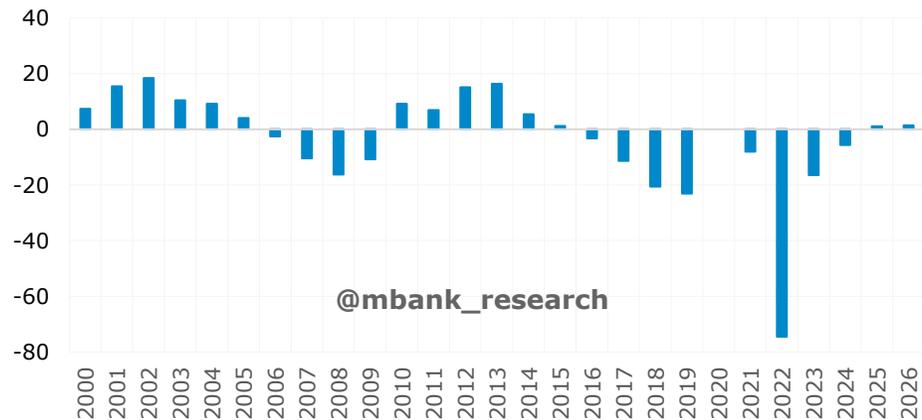
Want more? See our Polish Debt Monitor -> [LINK](#)

Planned budget deficit



Source: Ministry of Finance, a – budget novel.

Central budget deficit after January as % of yearly planned deficit



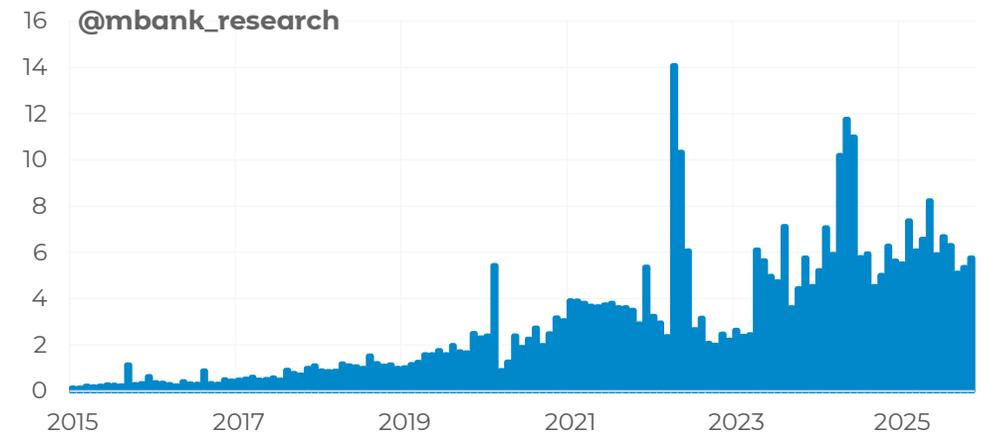
Source: Macrobond, * in 2020 there was 0 budget planned, negative value means surplus.

State debt servicing costs (% GDP, quarterly)



Source: Macrobond.

Retail bonds sold per month (bln PLN)

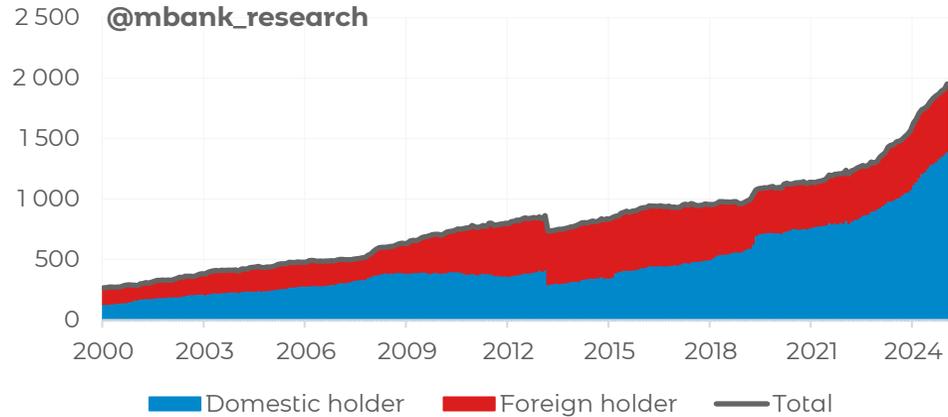


Source: Ministry of Finance.

Poland: Fiscal monitor #2

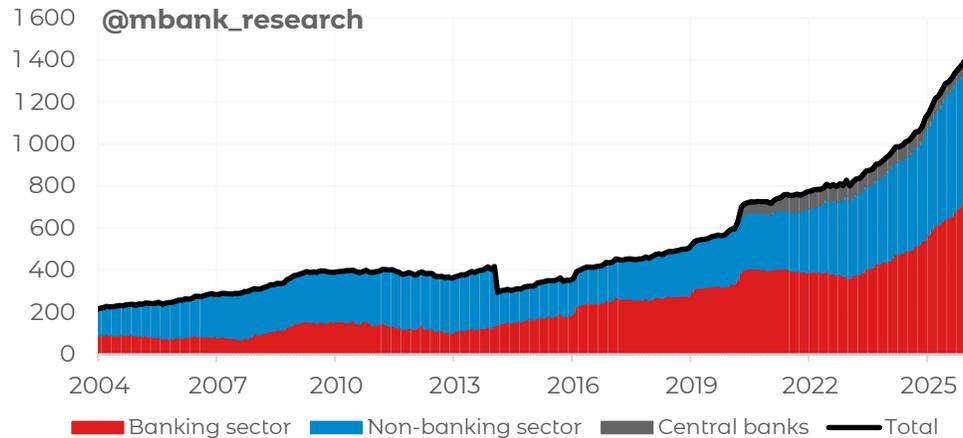
Want more? See our Polish Debt Monitor -> [LINK](#)

State treasury debt by holder #1* (bln PLN)



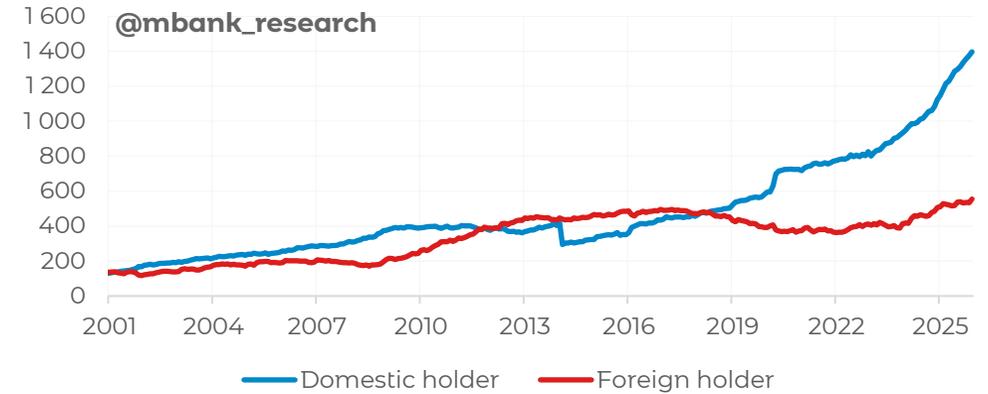
Source: Macrobond. *Last reading: October 2025

State treasury debt – domestic holders* (bln PLN)



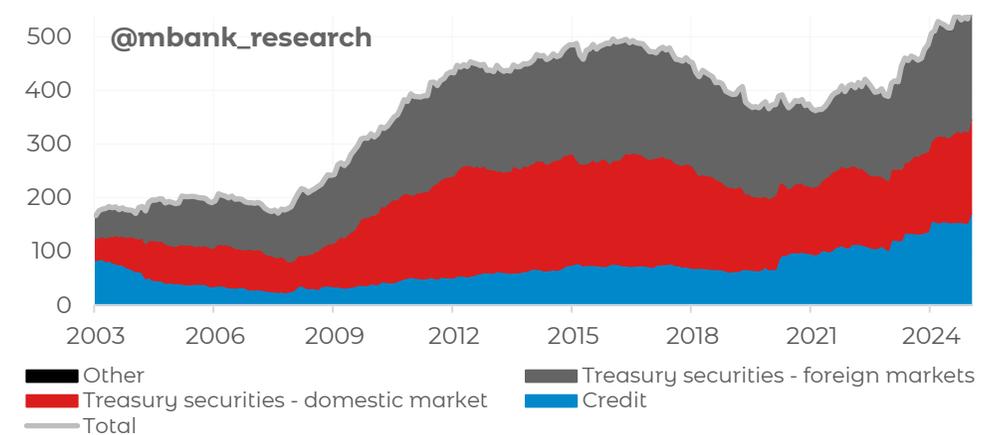
Source: Macrobond. *Last reading: October 2025

State treasury debt by holder #2* (bln PLN)



Source: Macrobond. *Last reading: October 2025

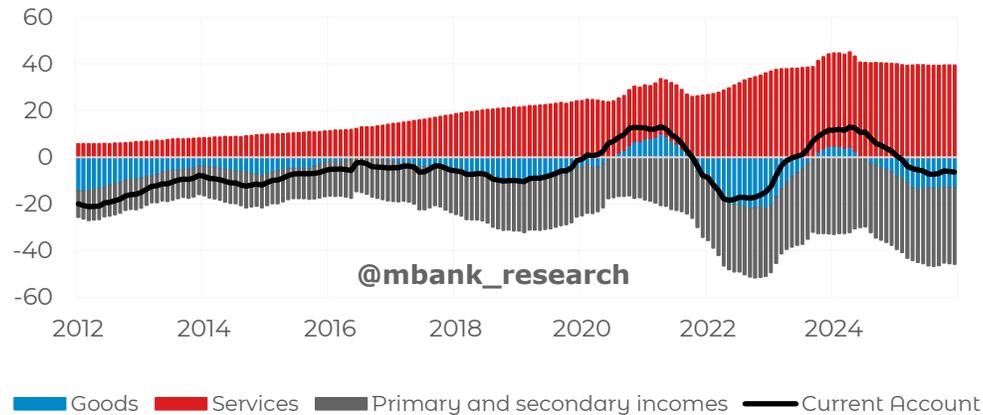
State treasury debt – foreign holders* (bln PLN)



Source: Macrobond. *Last reading: October 2025

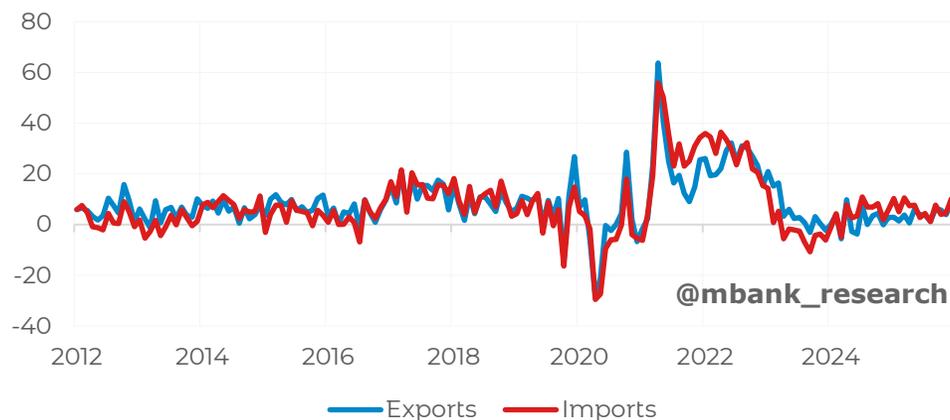
Poland: External balance monitor

C/A decomposition – 12m rolling sum (bln EUR)



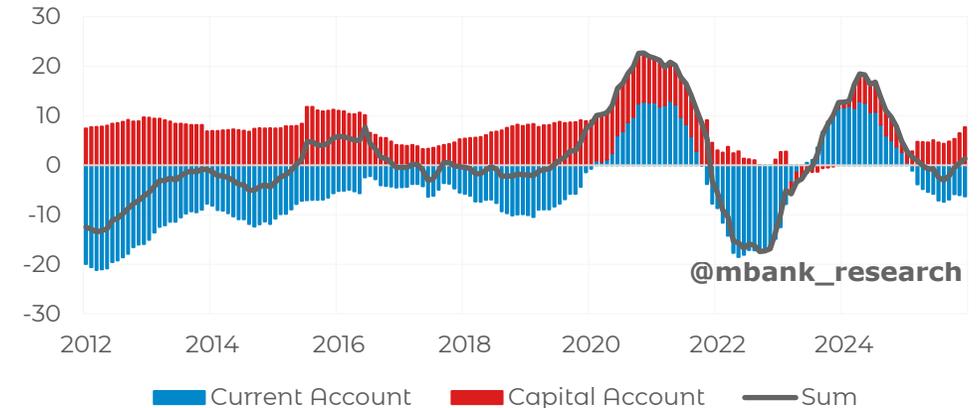
Source: Own elaboration based on NBP.

Exports and imports dynamics (% y/y)



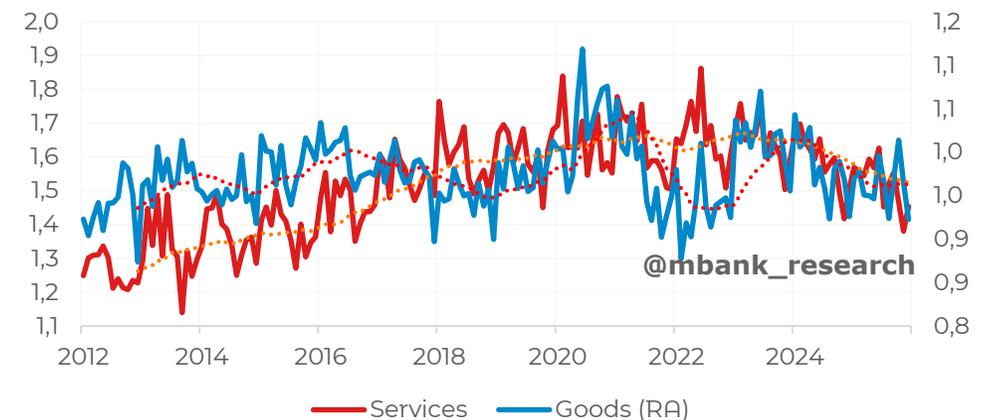
Source: Own elaboration based on NBP.

Current and Capital Account – 12m rolling sum (bln EUR)



Source: Own elaboration based on NBP.

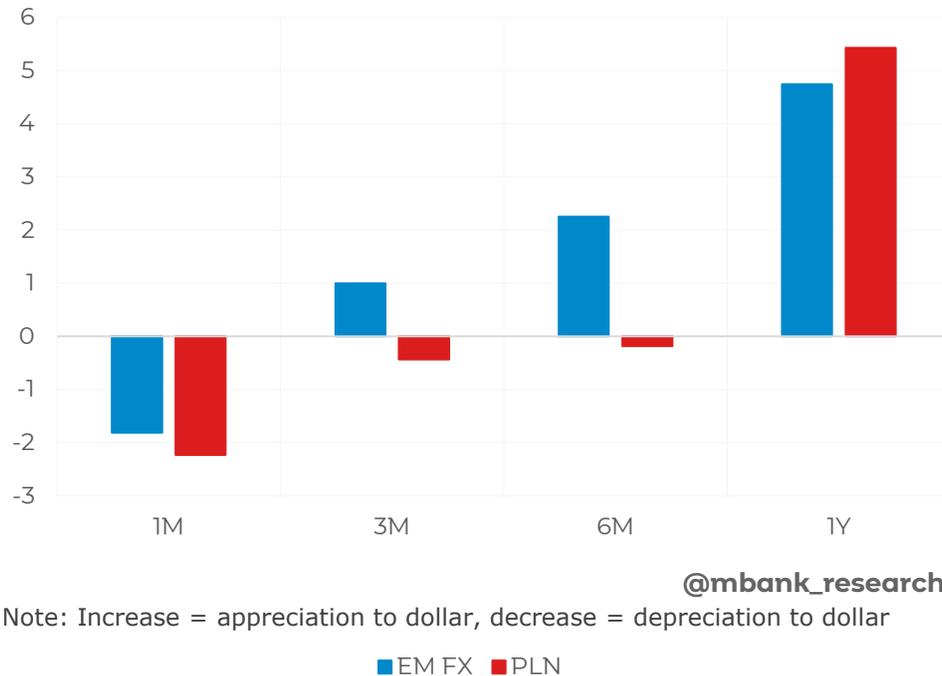
Exports to imports ratio



Source: Macrobond.

Poland: War in the Middle East hits EMFX

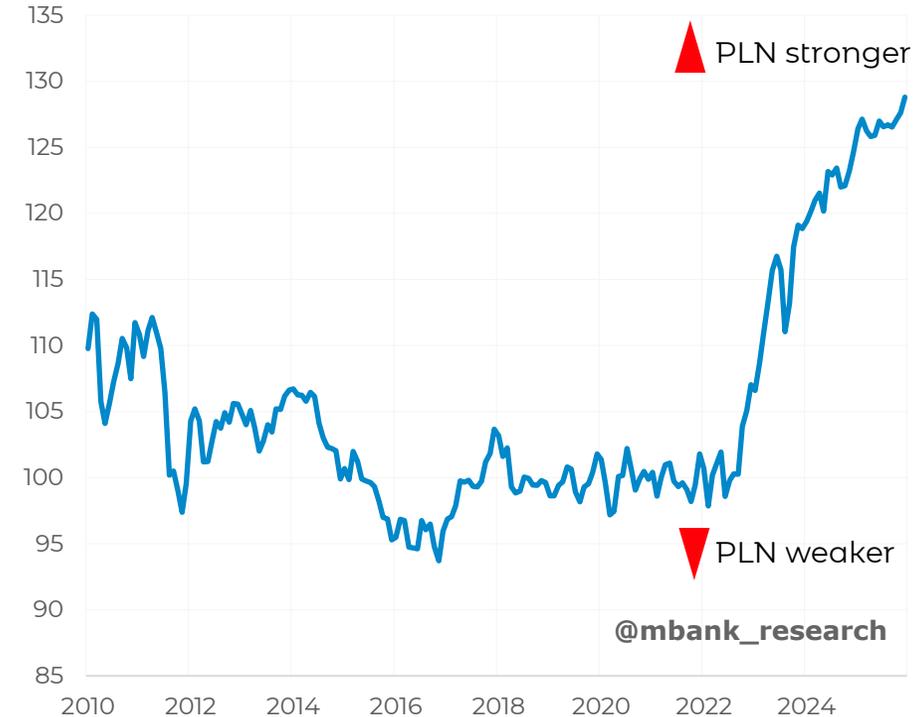
The zloty has outperformed its peers in recent months (%)



Source: Bloomberg.

The Polish zloty has lost momentum in recent days, a trend also visible in the broader EMFX space. The reason for this is simple: the war in the Middle East, which has caused wild fluctuations in oil prices. Note that the stronger US dollar in response to a war-related risk-off, a long-lost phenomenon, has also acted toward the weaker zloty. Furthermore, the NBP's decision to deliver a 25 bps rate cut in March has also put some downward pressure on the Polish currency. Looking ahead, we expect the zloty to follow its recent path of gradual depreciation (though choppy trading in the FX space may be observable in the near term). Our base scenario assumes that the war in the Middle East will end soon, allowing the Strait of Hormuz to reopen, although a geopolitical risk premium will likely remain. This would mean elevated oil prices and thus investors may be cautious when it comes to riskier trades. In such an environment, even when accounting for the higher terminal rate in this cycle (3.5% instead of 3%), the zloty is likely to weaken further.

Real effective exchange rate (mind the dates)



Source: BIS.

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