



Monthly Pulse Check

Economy. FI. FX

May 15th 2026

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

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

GDP growth and inflation

- ❖ **US:** Despite heightened volatility of economic data (both national accounts and labor market), we are marching towards a bit weaker economic performance this year. Cloudy outlook effectively clears the risks that cost-driven inflation may become entrenched, though the latest CPI/PPI data calls for caution. The two-sided Fed mandate provides more flexibility for the economy in this balancing act, particularly given the relatively robust labor market. The US stays still both cyclically and structurally better positioned than euro zone.
- ❖ **Euro Area:** Higher oil prices and new bout of uncertainty put the fragile recovery to the test. In such circumstances German fiscal package and new EU efforts to boost competitiveness and military capacity may arrive too late to sustain recently higher GDP growth figures. At the same time over(reactive) ECB may derail the ongoing steady recovery in credit markets. Therefore, slightly elevated, cost driven inflation is even more unlikely to become persistent.
- ❖ **China:** The GDP growth target has been set at 4.5–5%. We expect growth to materialize closer to the lower end, reflecting persistent structural headwinds (oil dependency, problems in the real estate sector). The authorities aim to keep CPI inflation at around 2%. Current supply shock would make it temporarily easier at first glance but at the cost of further domestic demand deficiencies. Although the budget deficit remains elevated at 4% of GDP, the government is expected to further step up efforts to support the services sector and to shield its economy from „cost-push” inflation driven by the war in the Middle East.
- ❖ **Poland.** We expect 2026 GDP growth at 3.7%. The first half of the year is expected to be comparatively weaker, and the incoming data already point to a softer patch in activity. A full-fledged rebound in investment is likely to become visible in the second half of the year. We see GDP growth falling below potential in 2027 (2.4%) with some upside risk generated by the German fiscal package.

Monetary policy: Fed, ECB, NBP

- ❖ **Fed (now 3.5%):** Committee members are clearly divided—S. Miran continues to advocate for rate cuts, while hawkish presidents (B. Hammack, L. Logan), and even the typically dovish N. Kashkari, have openly expressed support for rate hikes. Under such conditions, changes in policy rates are unlikely. A return to rate cuts is not expected before 2027.
- ❖ **ECB (now 2%):** We believe that the ECB wants to avoid the situation from 2022, when it delivered rate hikes too late. Therefore, we assume 2 rate hikes to be delivered in response to the war (June and another one in Q3). On the other hand, we think that higher rates will be implemented rather temporarily, and the ECB will return to rates at around 2% over 2027. The market also sees 2-3 hikes by the year-end.
- ❖ **NBP (now 3.75%):** Although NBP stays in a fully data-dependent mode, we expect no changes in policy rates this year. Comments from Governor Glapiński suggest that the threshold for a rate hike is currently set quite high, though the risks are tilted to higher rates from now on. Any resumption of cuts is likely in 2027 if the economy slows down but at this time it remains a risk, not a central scenario. The market sees some rate hikes down the road.

FX Market

- ❖ Polish zloty stays exceptionally stable amid movements in other asset classes. Low current account deficit and steady inflow of EUR from the EU provide a stability anchor. However, as we enter an elections cycle and fiscal policy will be put to a test, we expect modest depreciation of local currency. Mind also the fact that currently priced in rate hikes may not be delivered. Our base scenario still assumes no rate hikes from the NBP in response to the war in the Middle East.

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	%	2.5	3.6	3.0	3.7	3.2	3.3	3.8	4.1	3.4	3.6	3.9	4.0	3.2	3.6	3.7
Individual consumption y/y	%	3.7	4.1	0.2	3.6	2.6	4.5	3.5	4.3	3.3	3.1	3.2	2.7	2.9	3.7	3.1
Investment y/y	%	5.2	6.3	-1.4	-3.8	5.9	-2.5	6.8	6.6	3.7	6.8	7.7	8.4	0.4	4.4	6.7
Inflation rate (eop)	%	2.7	2.6	4.9	4.7	4.9	4.1	2.9	2.4	3.0	3.4	3.2	3.8	3.7	3.6	3.4
Unemployment rate (eop)	%	5.3	4.9	5.0	5.1	5.3	5.2	5.6	5.7	6.1	5.8	5.5	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	-1.5	-1.4	-1.4	0.3	-0.9	-1.4
GG budget balance	% GDP	-	-	-	-	-	-	-	-	-	-	-	-	-6.6	-7.3	-6.9
Primary GG budget balance	% GDP	-	-	-	-	-	-	-	-	-	-	-	-	-4.4	-4.8	-4.4
GG debt	% GDP	-	-	-	-	-	-	-	-	-	-	-	-	54.8	59.7	66.7
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	3.75
EUR/PLN (eop)	%	4.29	4.31	4.28	4.28	4.19	4.24	4.27	4.22	4.29	4.28	4.29	4.30	4.29	4.23	4.29
USD/PLN (eop)	%	3.98	4.02	3.85	4.13	3.87	3.60	3.64	3.59	3.71	3.63	3.58	3.58	4.00	3.68	3.62

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

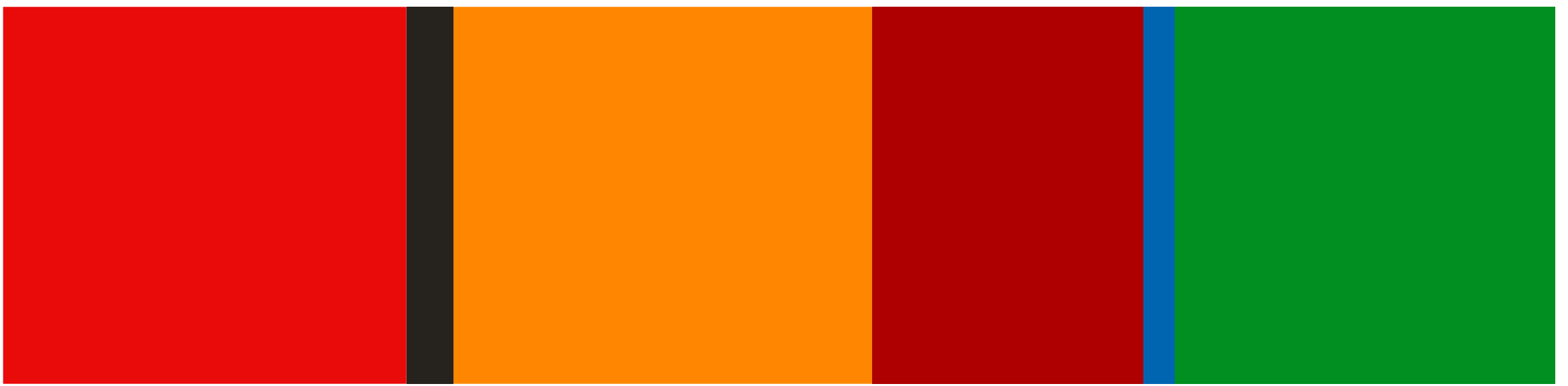
Highlights of this edition

GLOBAL ECONOMY

- ❖ [The US economy](#) recovered significantly in Q1 2026, rising 2% QoQ, which confirms that the weak Q4 was driven by one-off factors. Solid April jobs data and cooling wage growth further support the view of a balanced labor market, dispelling immediate inflationary fears. Despite recent price acceleration and Middle East tensions causing confusion within the FOMC, we expect no rate changes through year-end. This wait-and-see approach is reinforced by the ongoing search for a diplomatic resolution between the US and Iran. While geopolitical risks leave a slim door open for hikes, the Fed will likely remain on hold as both domestic demand and employment stabilize.
- ❖ [The Eurozone economy](#) was teetering on a fragile recovery before the Middle East conflict derailed its momentum. While Q1 offered a brief spark, the collapse in IFO and GfK sentiment now points toward a potential contraction in Q2. In response, fiscal policy is turning more desperate, with German officials even mulling debt brake exemptions or gold sales to offset the energy shock. The ECB now faces a nightmare scenario – rising energy-driven inflation risks coupled with a stalling real economy. Unlike the energy-independent US, Europe's vulnerability leaves Frankfurt with little choice but to prioritize price stability. We expect the central bank to hike rates in June and then in Q3.

POLISH ECONOMY

- ❖ [Polish GDP tracker](#): Poland's economy delivered broadly positive surprises in March, led by a strong 7.3% rise in industrial output and solid retail sales growth of 8.7%. Construction underperformed, pointing to a slower investment recovery in Q2, while April data should show some cooling after a very strong March. Persistent weakness in construction remains the key risk, potentially leading to downward revisions to GDP growth
- ❖ [Inflation](#) jumped to 3.2% in April, driven by a rise in core inflation to 3.0%. A decline of fuel prices, driven by govt decisions, failed to offset the March increase. Further price gains are likely in the coming months, pushing CPI toward the upper end of the NBP target, before easing in summer and picking up again toward year-end.
- ❖ [MPC left rates unchanged](#) in May, as expected. The statement after the meeting was rather non-directional. MPC has entered a wait-and-see mode. During his press conference, Governor Glapiński said that the current shock is much weaker than the one in 2022, with no supply chain disruption. He also identified factors constraining growth (such as weaker demand and low wage growth), which should prevent inflation from becoming entrenched. This is why we do not see rate hikes.
- ❖ Poland ended 2025 with a 7.3% deficit and debt at 59.7% of GDP, with [the 2026 deficit forecast](#) recently raised to 6.8%. While S&P affirmed an A- rating with a stable outlook, it warned of rising debt levels, projected to hit 65.1% by 2026. To manage fiscal pressures, the government is maintaining a fuel shield (costing PLN 1.6bn monthly) but it plans to offset this with a new windfall tax on petrol stations and higher excise duties. Despite weak VAT execution, CIT revenues have improved, and the upcoming PLN 30 billion KPO transfer is expected to bolster the budget by June.
- ❖ [The Polish zloty](#) has stabilized since mid-April following the sharp volatility triggered by the conflict with Iran. However, a significant geopolitical premium remains embedded in the market. We expect no interest rate changes in Poland, the ECB is projected to deliver 2 rate cuts. This, coupled with Poland's deteriorating fiscal outlook and rising debt levels, keeps the currency vulnerable. As a result, we maintain our forecast for a gradual depreciation of the PLN against the euro in the coming months.

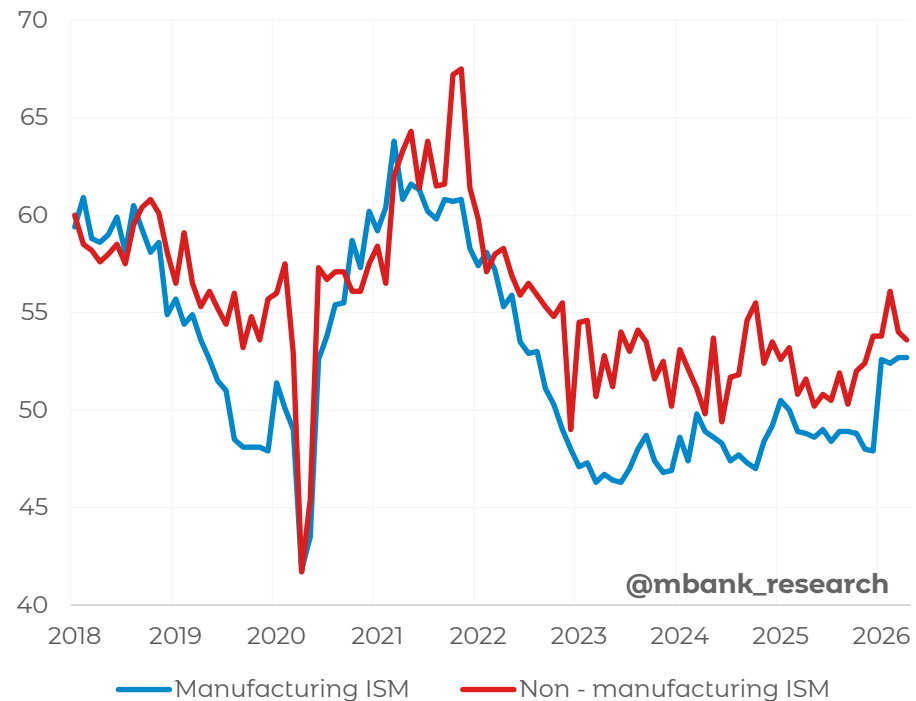


Global economy



USA: Economy health check

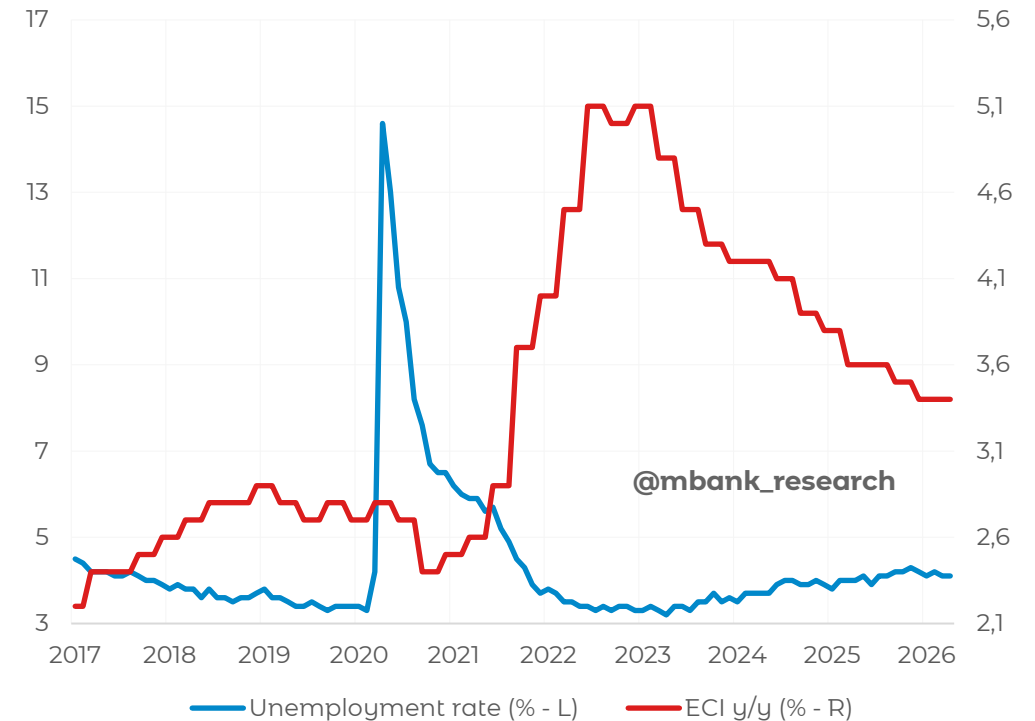
ISM PMI: manufacturing & non-manufacturing



Source: ISM.

As widely expected, the US economy recovered significantly in Q1 rising 2% QoQ (SAAR), mainly thanks to the private sector. There was a noticeable acceleration in the case of the final sales to domestic buyers, a measure of domestic demand. Overall, the data underlines that the weakish Q4 was caused predominantly by one-off factors. However, it is not the only rosy figure released from the US recently. Namely, we also got a solid jobs report for April showing a solid employment increase coupled with stable joblessness. On top of that, wage growth turned out to be weaker than expected, dispelling some concerns over inflationary risks. We still perceive the US labor market as broadly balanced, showing no immediate signs to cut rates anytime soon. These releases, along with a clear dispute among FOMC members regarding the further direction in rates, convinced us to expect no rate changes in the US by the year end. On the other hand, inflation has sped up lately, thus sowing some confusion among FOMC members. Having in mind the ongoing war in the Middle East, there is obviously some probability that the Fed may have to increase rates – it is not our base scenario. Looking forward, it looks like both the US and Iran want to end the conflict, albeit no common ground has been found yet.

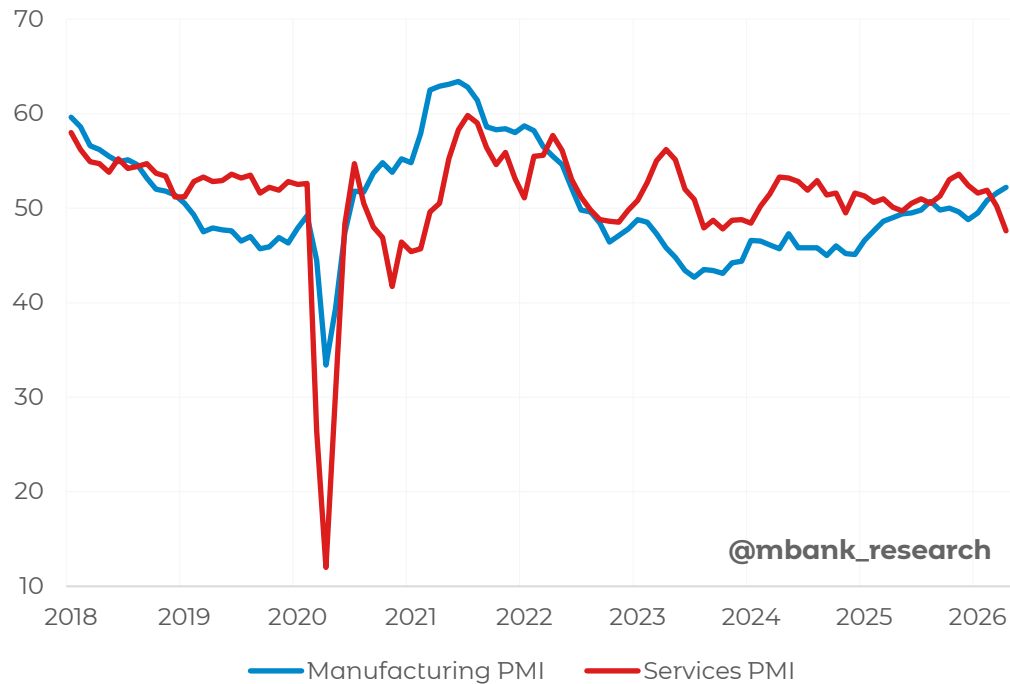
Labor market: wages & unemployment rate



Source: FRED.

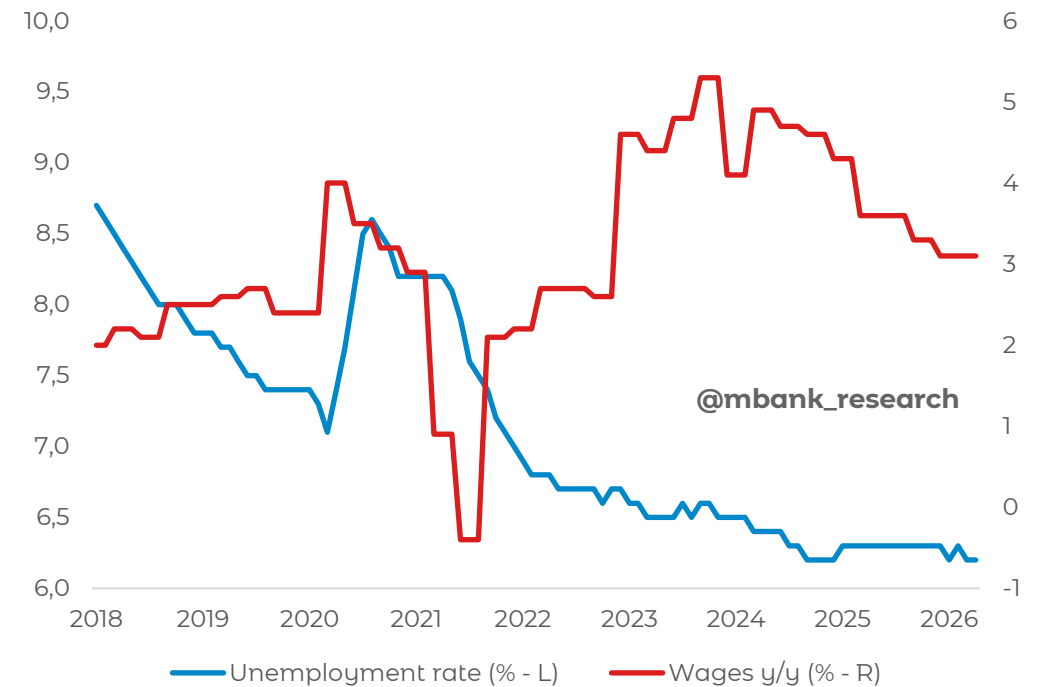
Euro area: Economy health check

PMI: manufacturing & services



Source: Markit.

Labor market: wages & unemployment rate

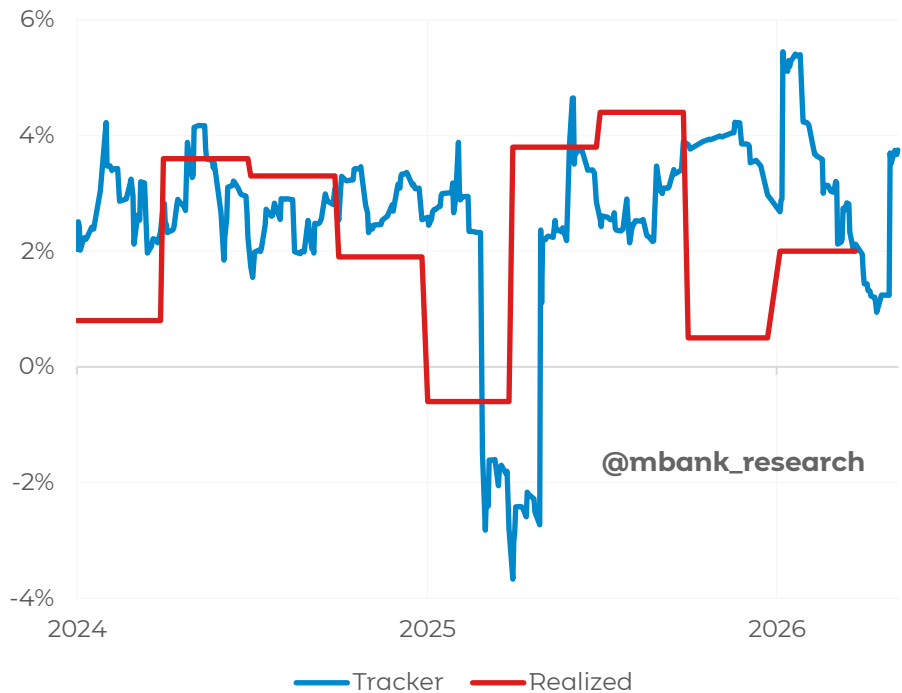


Source: Eurostat.

The Eurozone economy finds itself at a precarious crossroads, as the fragile recovery observed earlier in the year is now threatened by a double whammy of geopolitical instability and domestic stagnation. While Germany provided a momentary boost in Q1, the overall Eurozone GDP growth of just 0.1% fell short of expectations, and the latest collapse in IFO and GfK sentiment suggests that Q2 could easily slip into negative territory. The situation is further complicated by the conflict in the Middle East, which has prompted German policymakers like the SPD's Miersch to consider debt brake exemptions, while others, such as DIW's Fratzscher, have even floated the radical idea of selling gold reserves to navigate the crisis. According to the ECB's latest SAFE survey, companies are bracing for tighter funding conditions and higher selling prices, even as wage expectations begin to cool. This creates a nightmare scenario for the ECB: inflation risks are tilting to the upside due to energy costs, yet the underlying real economy is visibly gasping for air. Unlike the US, the Eurozone's lack of energy independence makes it far more vulnerable to the current shock, leaving Frankfurt with little room for error. While inflation has so far tracked the ECB's projections, the rising risk of a price-stability breach means that the central bank is likely to hike rates before long.

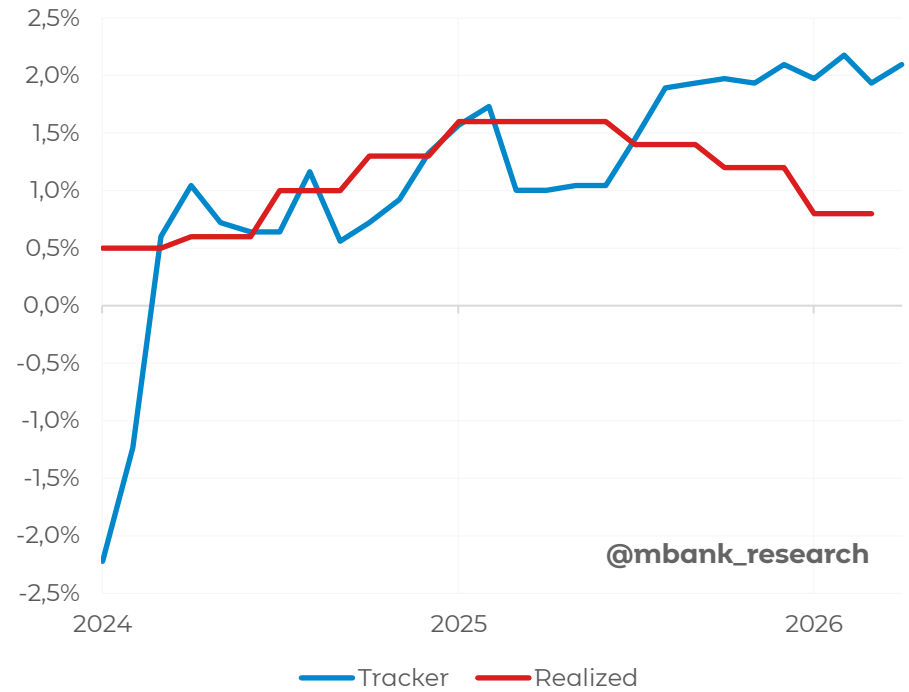
GDP Tracker: US and Euro area

US, QoQ, SAAR



Source: Atlanta Fed GDPNow, Macrobond.

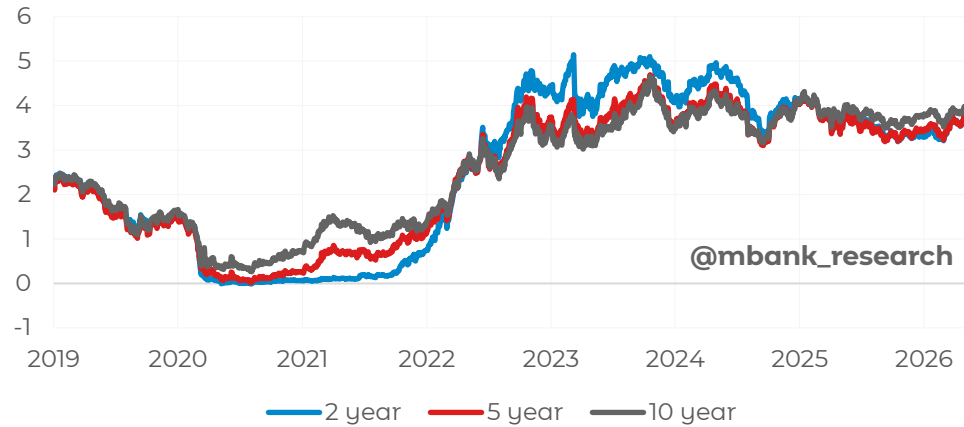
Euro area, YoY



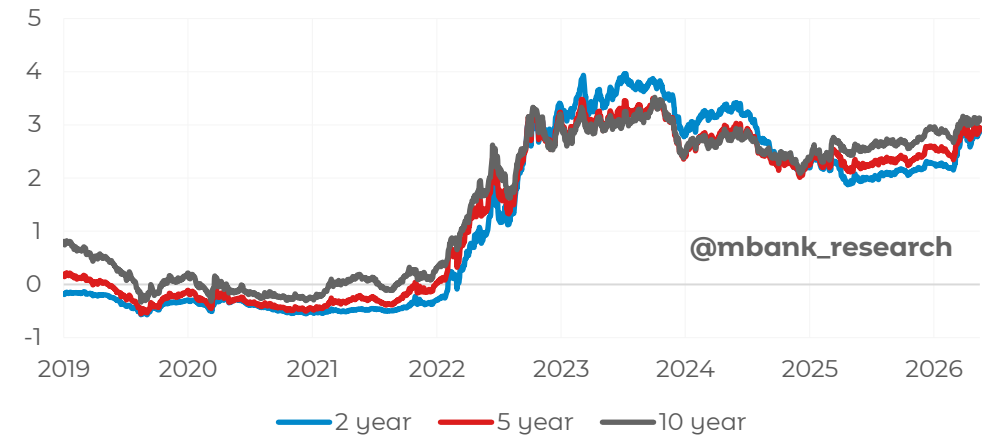
Source: Banca d'Italia, Macrobond.

Global rates

US swap rates (%)



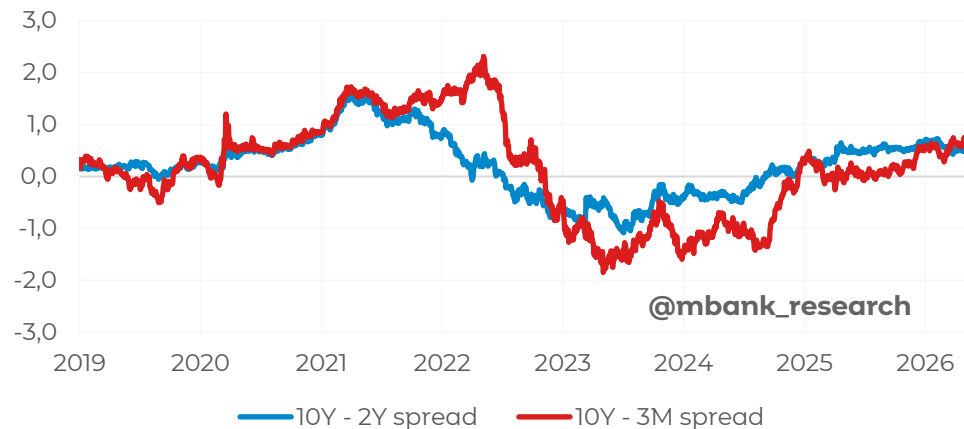
EU swap rates (%)



Source: Bloomberg.

Source: Bloomberg.

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

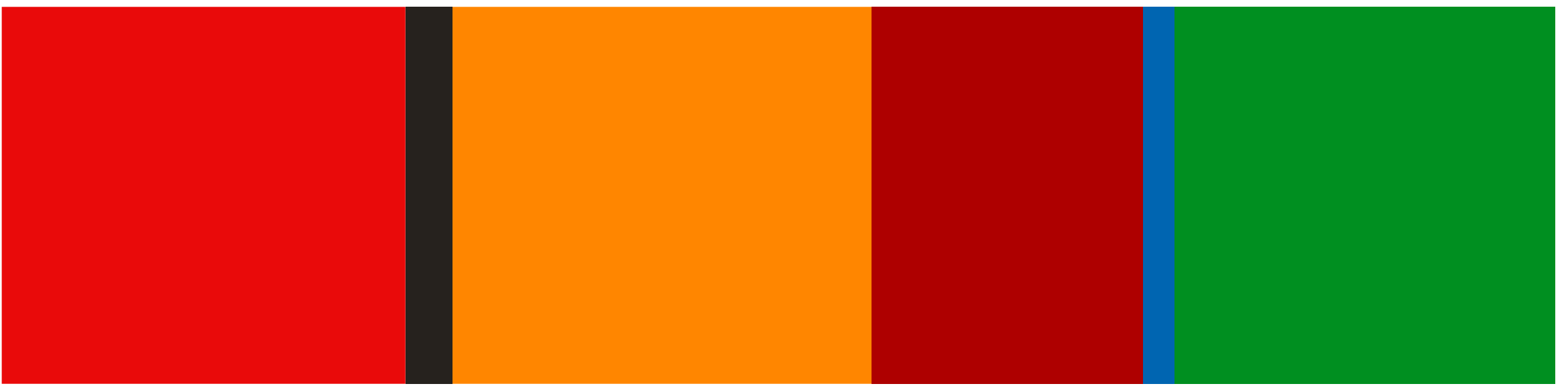


US and EZ inflation expectations (%)



Source: Bloomberg.

Source: Bloomberg.

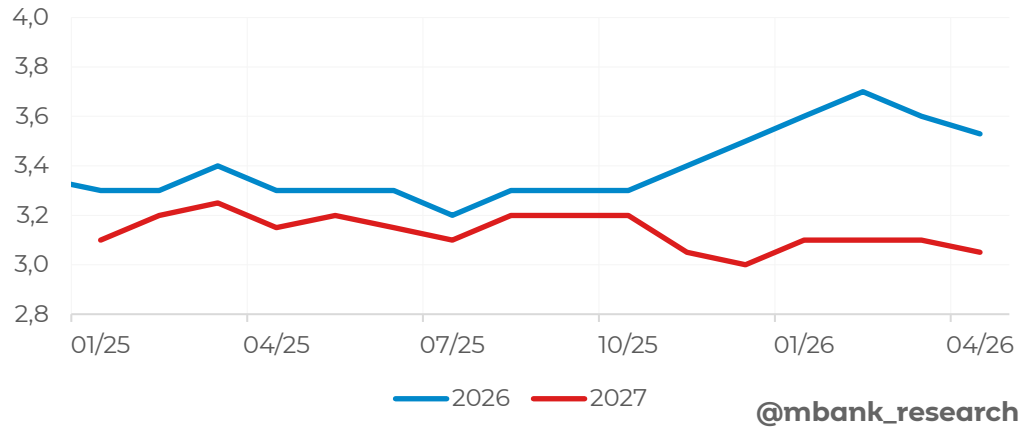


Poland



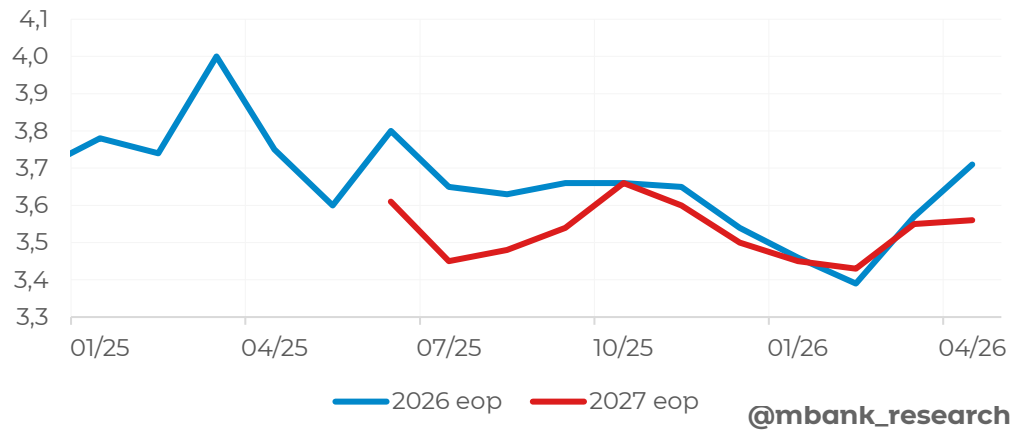
Poland: What is expected?

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



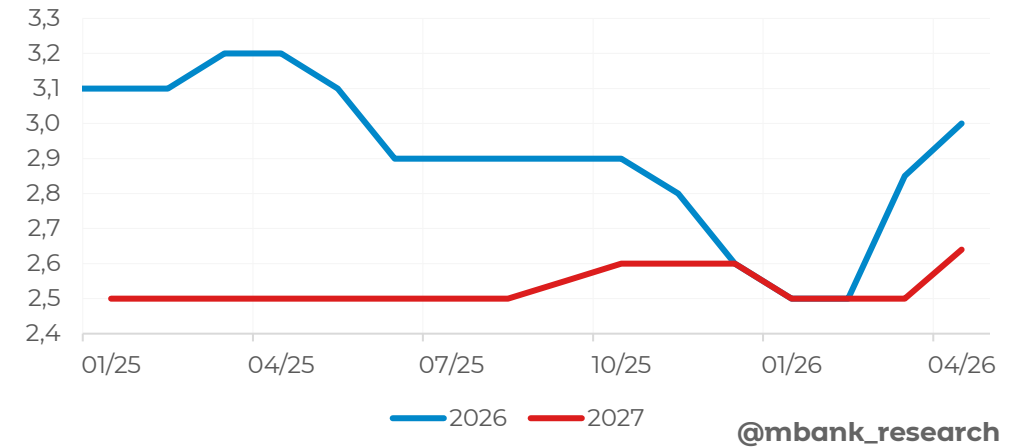
Source: Bloomberg.

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



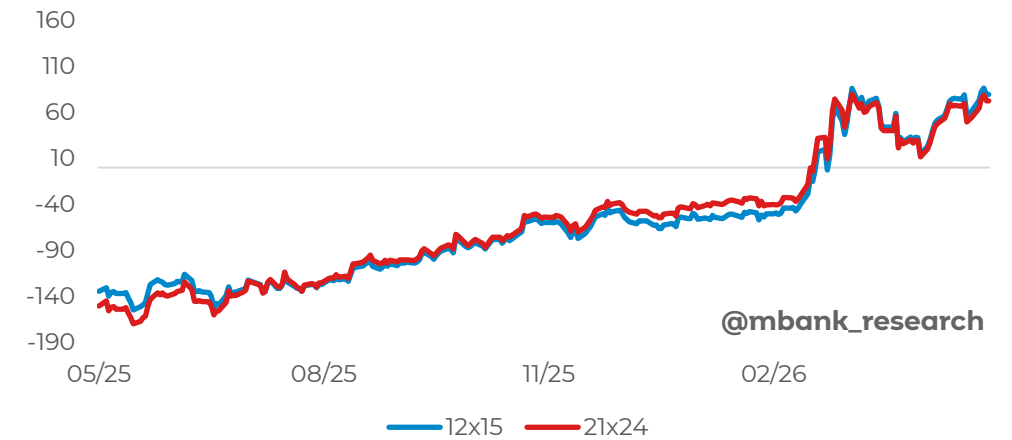
Source: Bloomberg.

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



Source: Bloomberg.

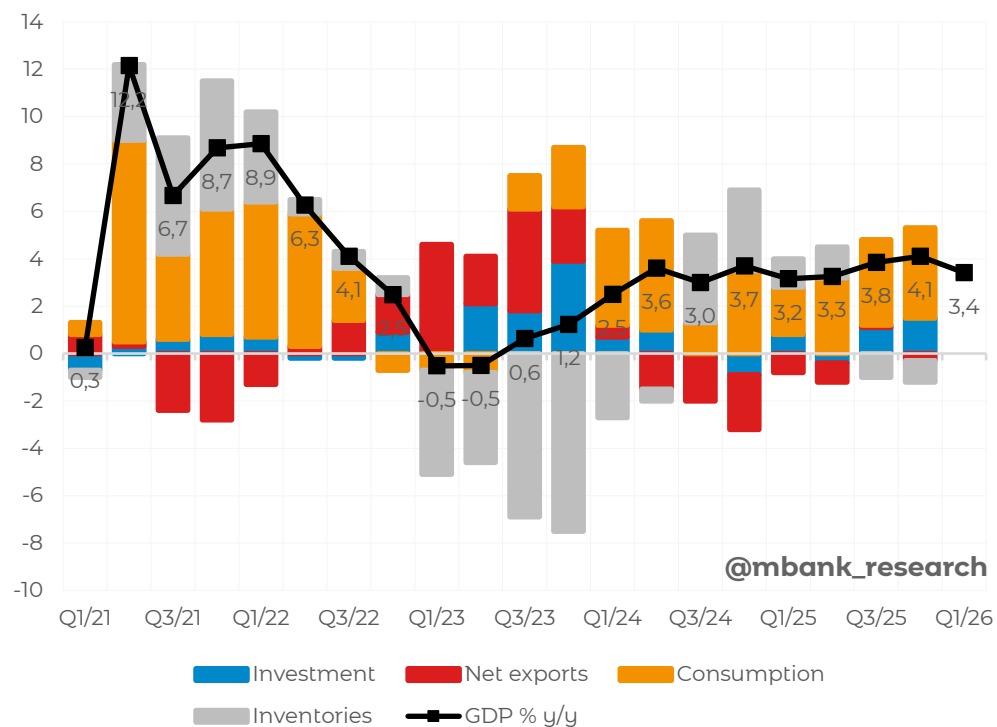
Rate changes priced in by FRA (bps)



Source: Bloomberg.

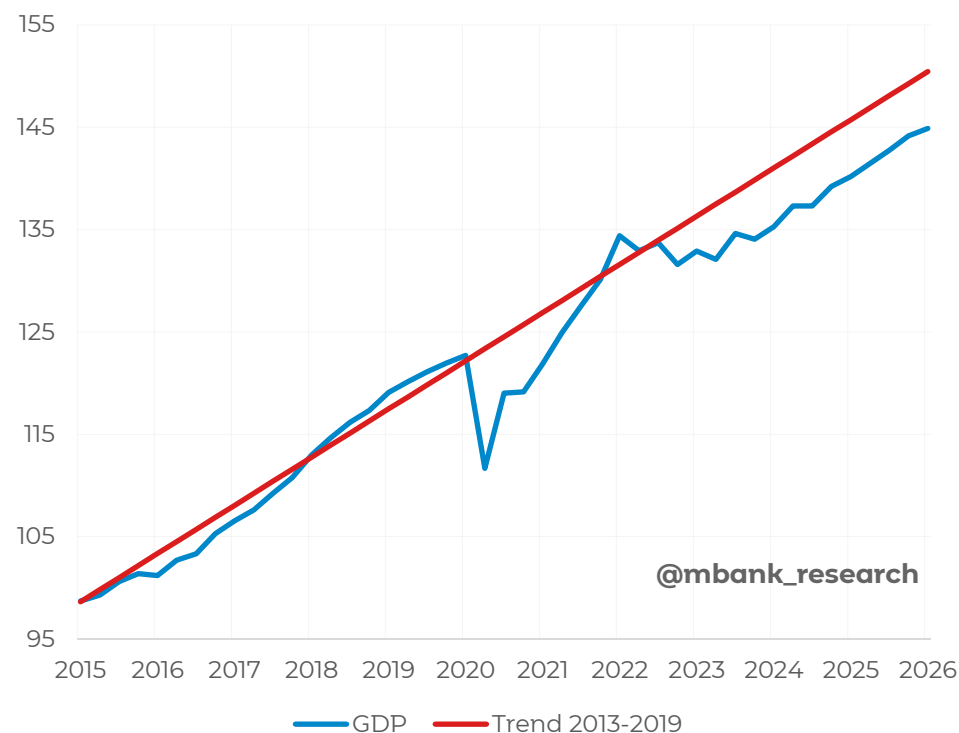
Poland: GDP

Contributions to the GDP growth (in pp)



Source: Statistics Poland and our forecast.

GDP (index 2015 = 100, sa)

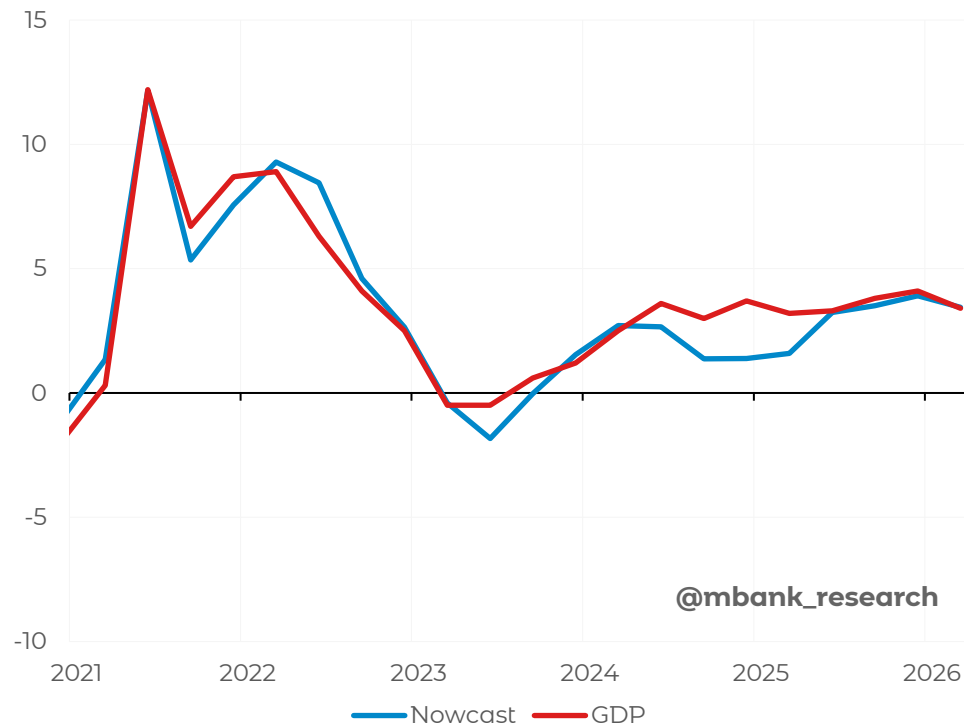


Source: Statistics Poland.

Economic growth slowed to 3.4% y/y in Q1. A strong March was not enough to offset the weakness seen in the first two months. Detailed data should point to still solid consumption performance and a weaker investment outturn. The next quarter is likely to bring only a modest improvement (to 3.6% y/y) - household consumption is expected to decelerate, though this should be partly offset by stronger public consumption. Overall, consumption should contribute around 2.5 percentage points to growth. Against this backdrop, the pick-up in investment spending is likely to remain relatively slow - we expect it to add around 1.6 percentage points to economic growth. The external balance should also provide a positive contribution after several quarters of stagnation.

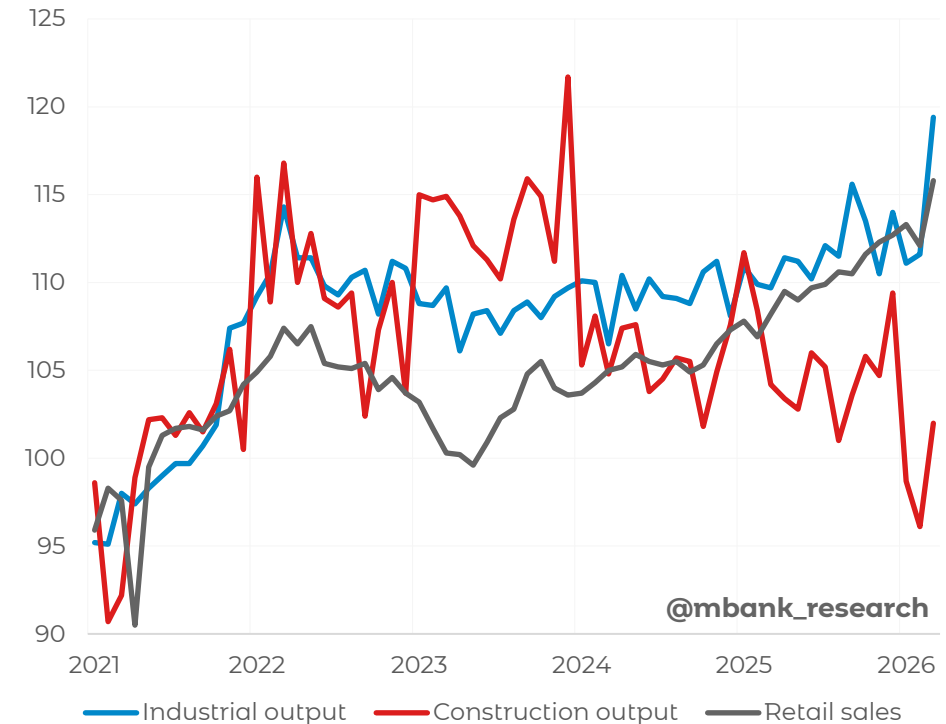
Poland: What monthly prints told us recently?

GDP momentum nowcasting



Source: Own elaboration.

Seasonally adjusted (index 2021 = 100)

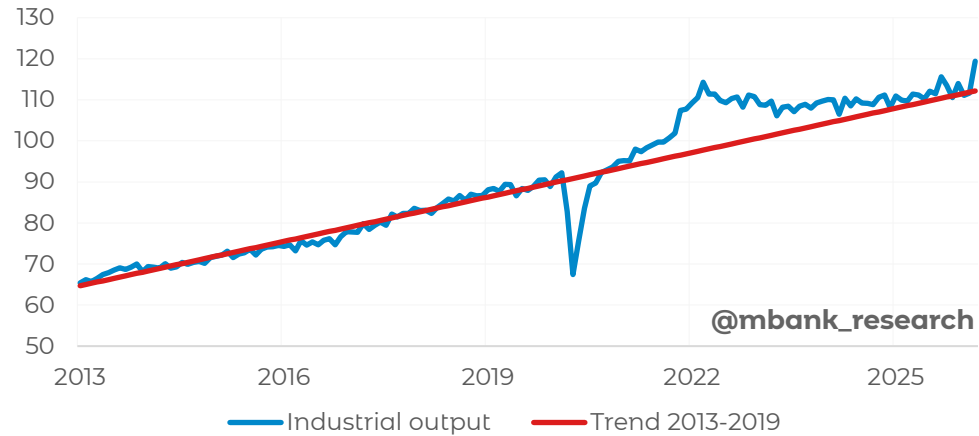


Source: Statistics Poland.

Poland's economy surprised on almost all fronts in March. The strongest impulse came from industry, where output rose by 7.3%, exceeding market expectations by 4 percentage points. The surprise likely reflected precautionary purchases amid cost concerns and, to some extent, military procurement. Retail sales also performed well, growing by 8.7%, driven by both durable goods and higher day to day spending. Construction lagged behind, however, suggesting a much slower recovery in investment in Q2. April releases are likely to show some cooling after an unexpectedly strong March, with industrial growth probably remaining moderate (2-3%YoY SCA). The main source of uncertainty remains the construction sector—continued weakness would increase the risk of downward revisions to GDP growth.

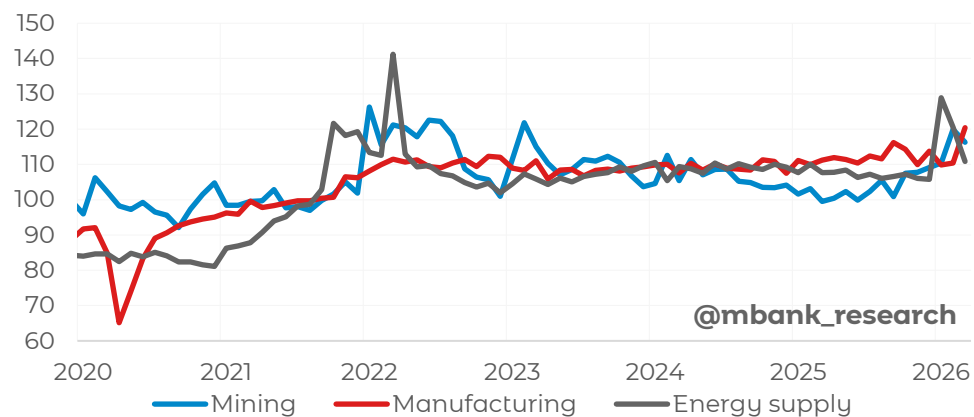
Poland: Industrial output

Industrial production (index 2021 = 100, sa)



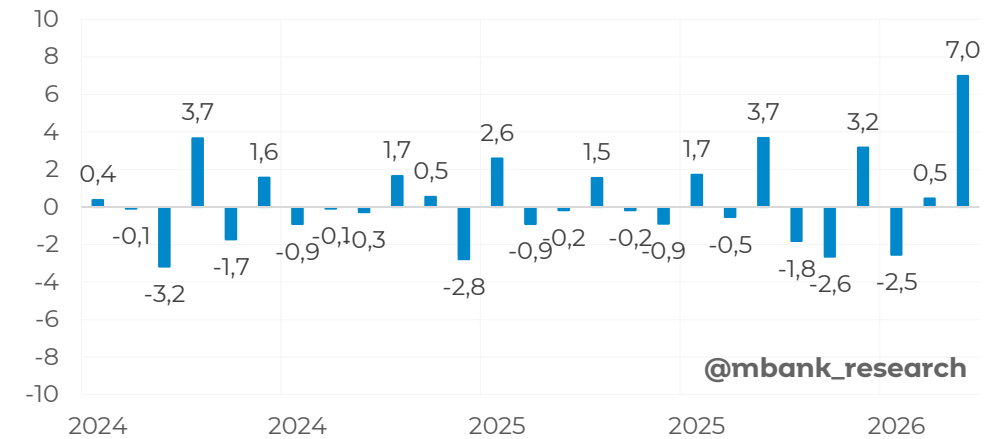
Source: Own elaboration based on Statistics Poland.

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.

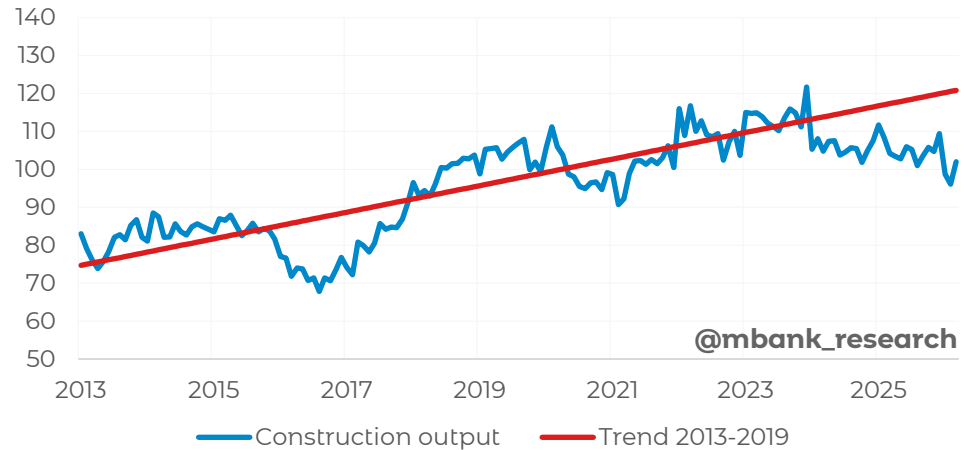
Producer prices (% y/y)



Source: Own elaboration based on Statistics Poland.

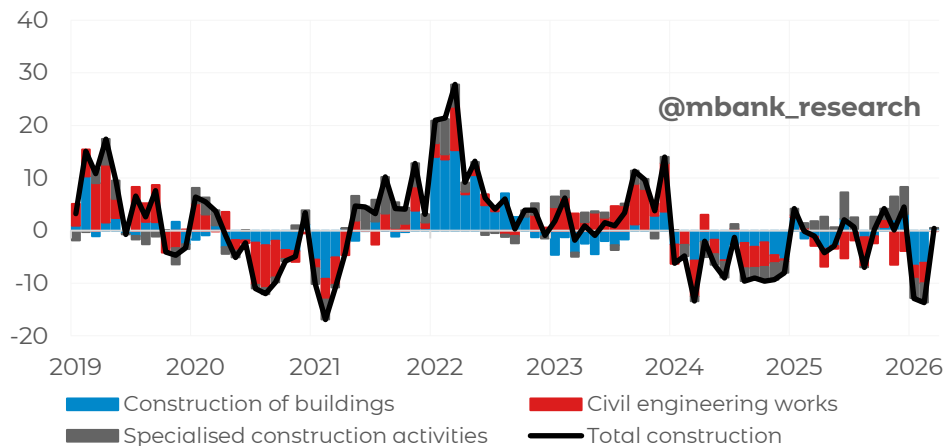
Poland: Construction

Construction output (index 2021 = 100, sa)



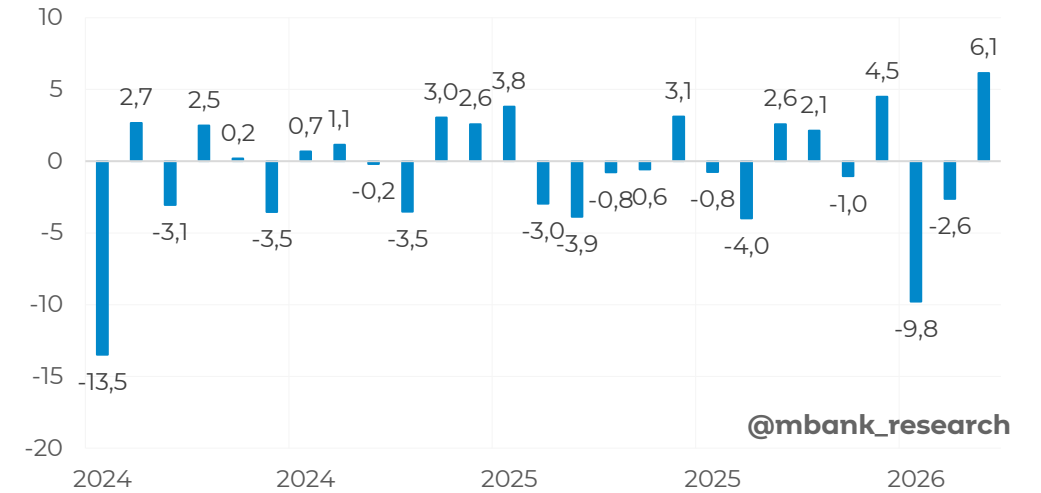
Source: Own elaboration based on Statistics Poland.

Contribution to y/y growth

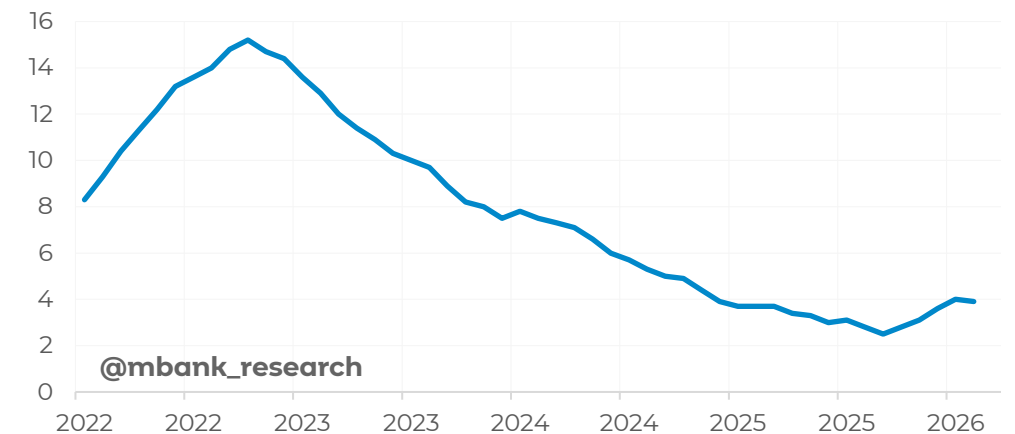


Source: Own elaboration based on Statistics Poland.

Momentum (% m/m. sa)



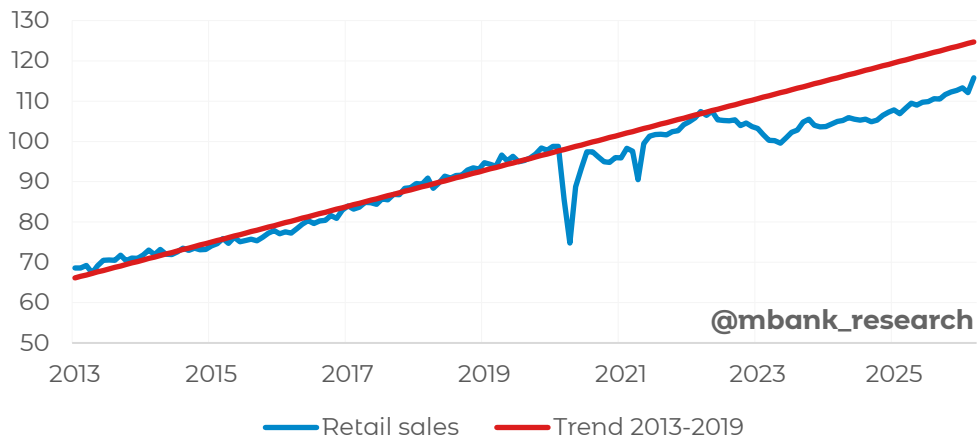
Construction prices (% y/y)



Source: Statistics Poland.

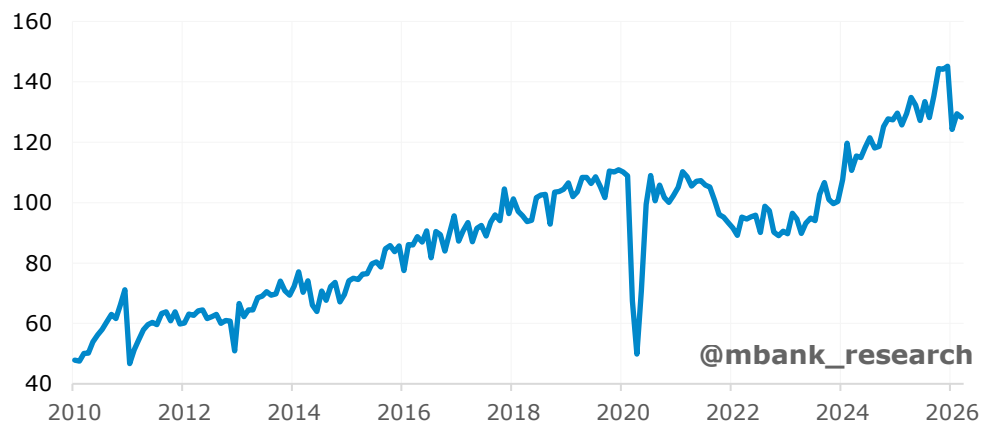
Poland: Retail sales

Retail sales (index 2021 = 100, sa)



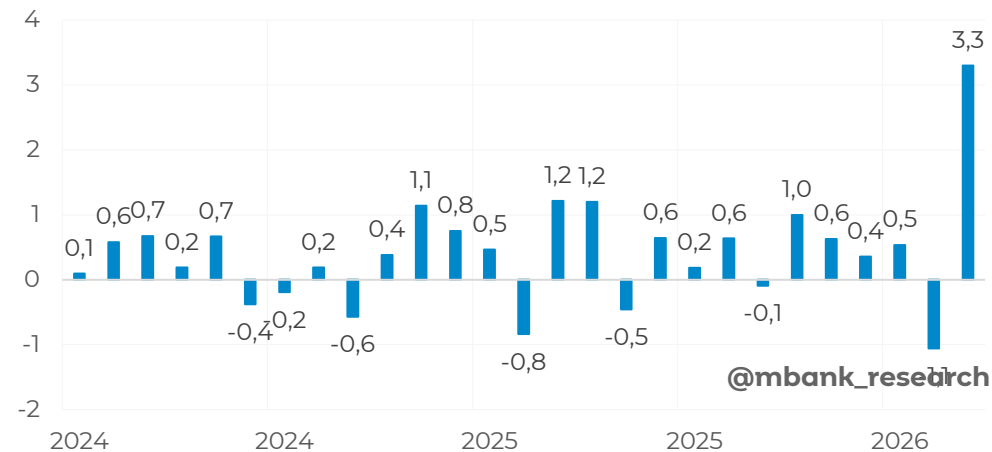
Source: Own elaboration based on Statistics Poland.

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.

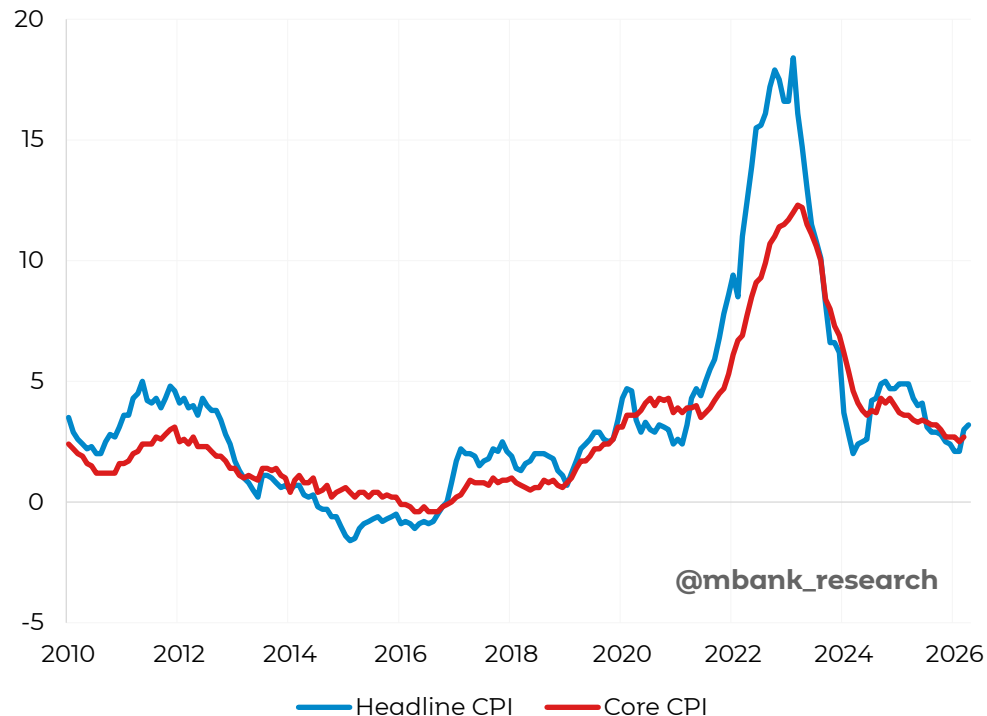
Retail sales - Solid, liquid and gaseous fuels (index 2015 = 100, sa)



Source: Own seasonal adjustment based on Statistics Poland.

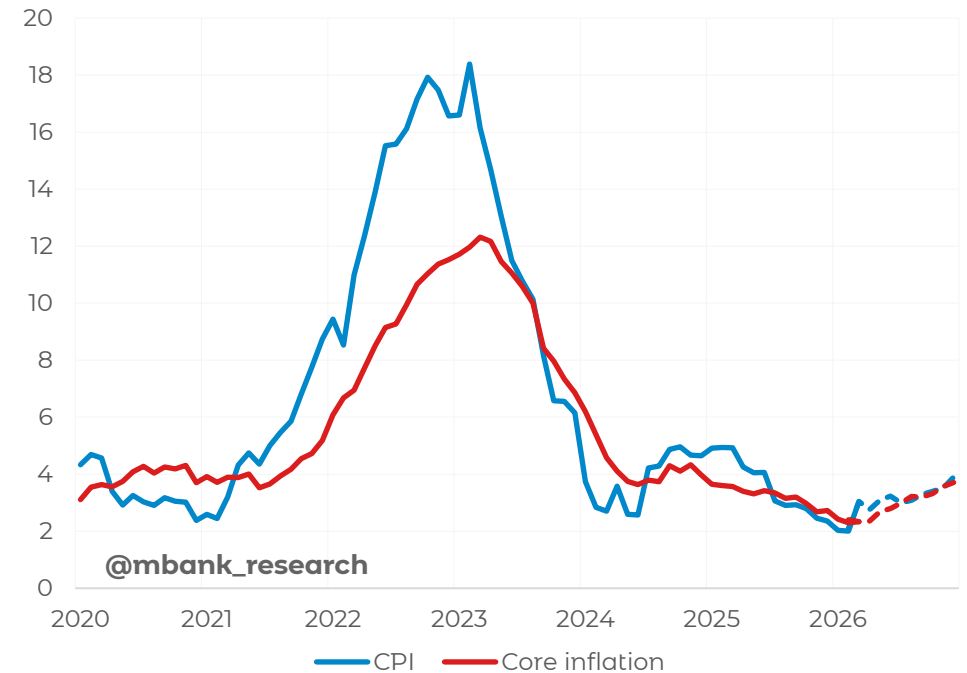
Poland: What do inflationary trends look like?

Headline inflation, broad perspective (% y/y)



Source: Own elaboration based on Statistics Poland.

Inflation forecasts (% y/y)

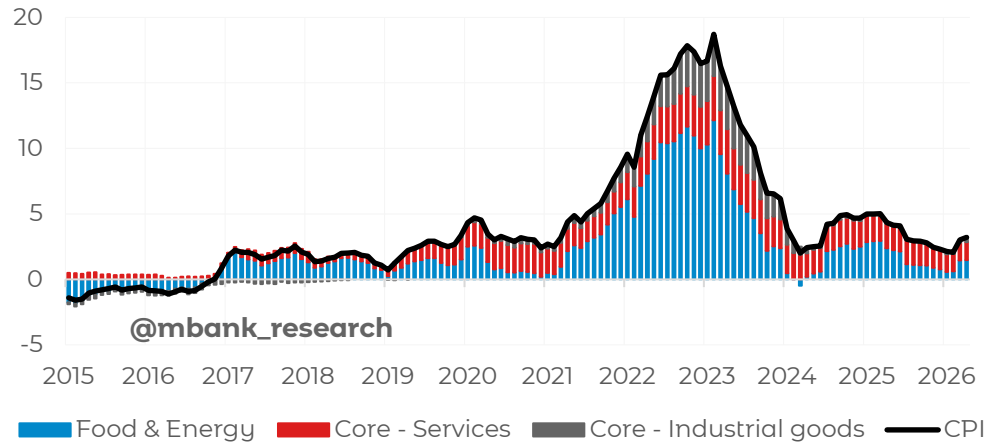


Source: Own elaboration based on Statistics Poland, NBP.

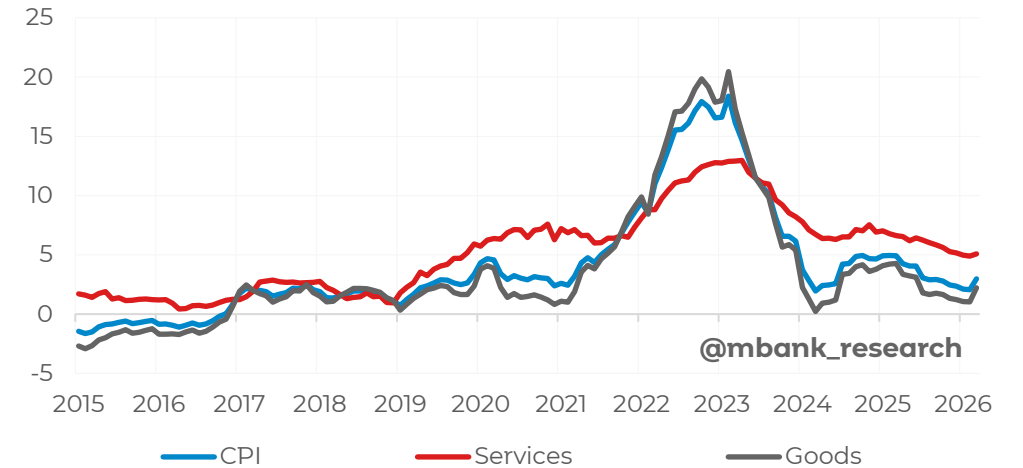
Inflation surprised in April with a stronger-than-expected increase to 3.2%, despite the introduction of the CPN package aimed at lowering fuel prices. The main driver was a rise in core inflation from 2.7% to ~3.0%, due to higher prices of package holidays and air tickets. The scale of administratively driven fuel price declines clearly has not offset the increase seen in March. The next two months are likely to bring further price increases—given the April surprise, a move closer to the upper bound of the NBP's inflation target seems very likely, mainly due to faster food price growth. Nevertheless, summer should deliver lower readings. We expect CPI to hover in the upper range of the target, while core inflation should ease slightly, with a renewed pickup more likely toward the end of the year.

Poland: Inflation tracker (additional measures)

Contribution to inflation (pp.)

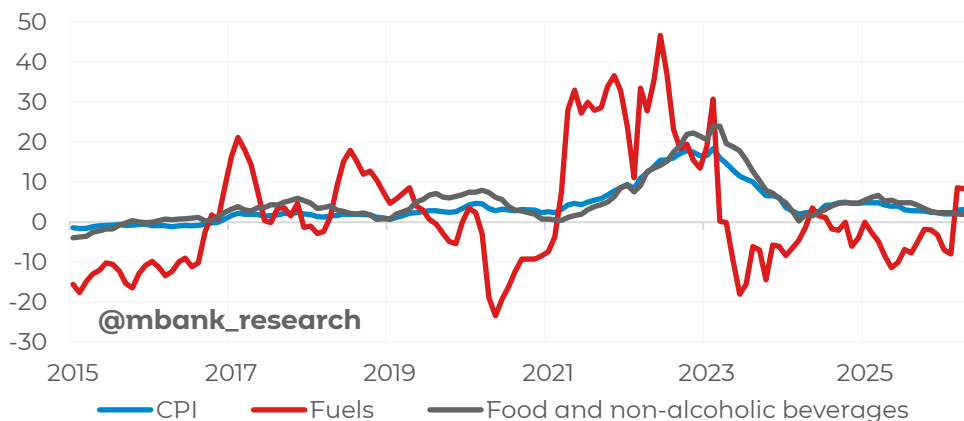


Goods and services prices (% y/y)

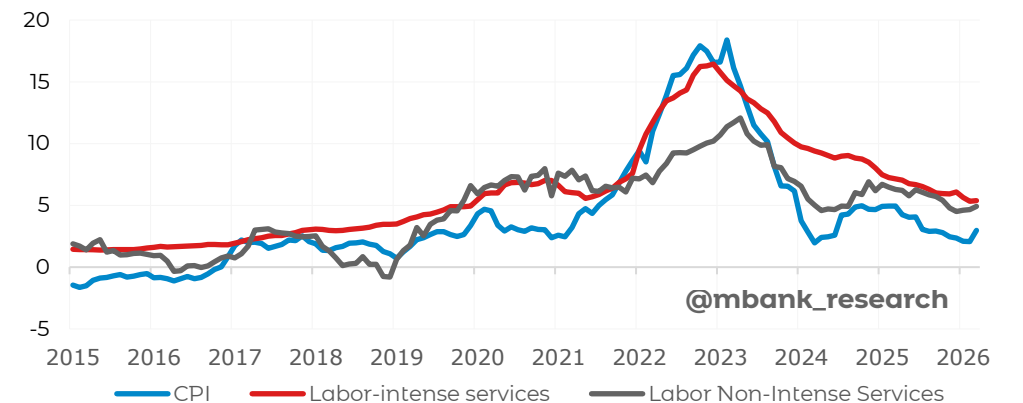


Source: Own elaboration based on Statistics Poland.

Food and fuel prices (% y/y)



Services (% y/y)

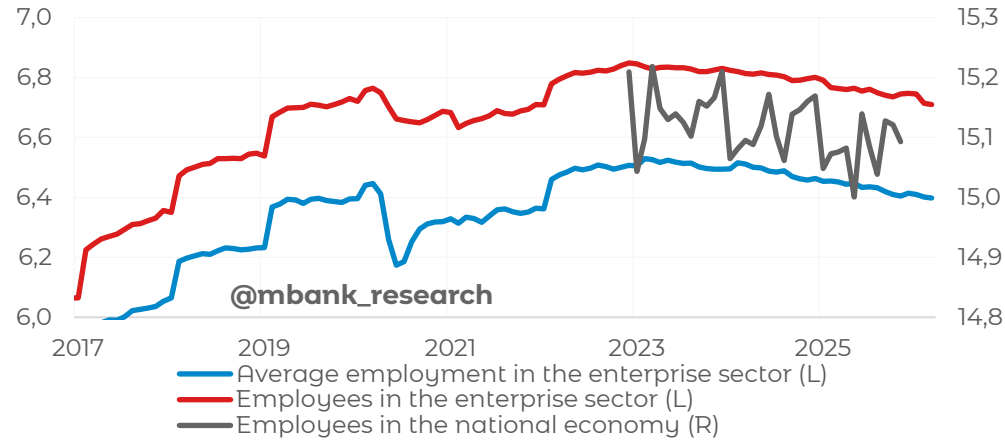


Source: Own elaboration based on Statistics Poland.

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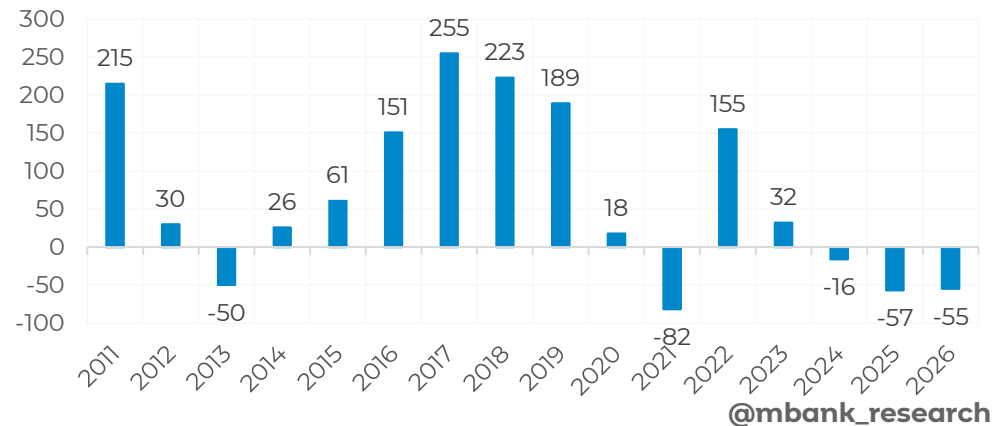
Poland: Labor market tracker - employment

Employment (in millions)



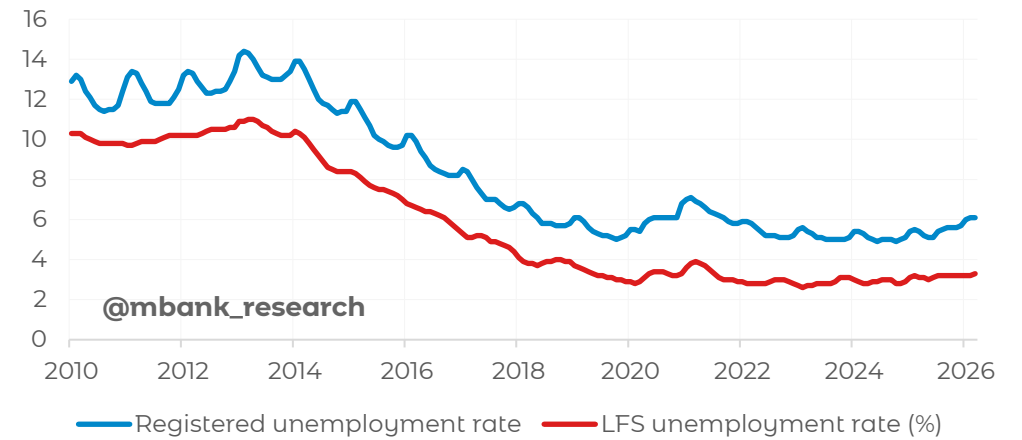
Source: Own elaboration based on Statistics Poland

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



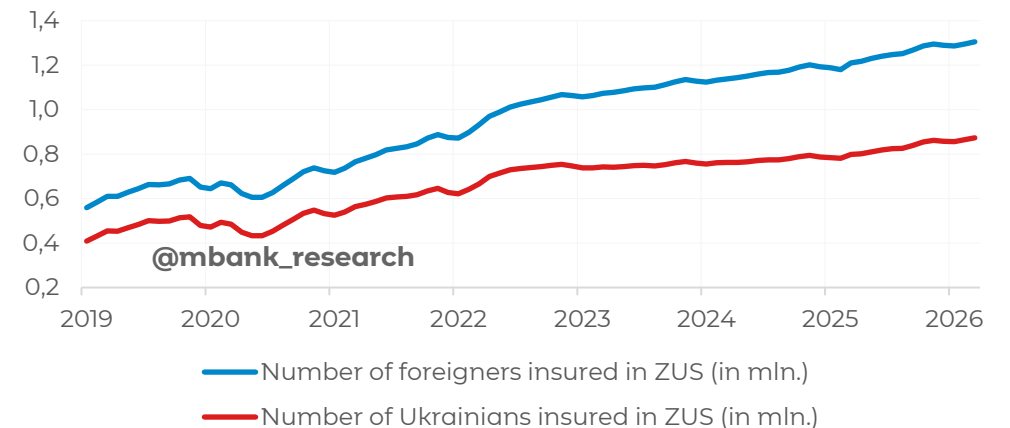
Source: Own elaboration based on Statistics Poland, ZUS Statistical Portal.

Unemployment rate (%)



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

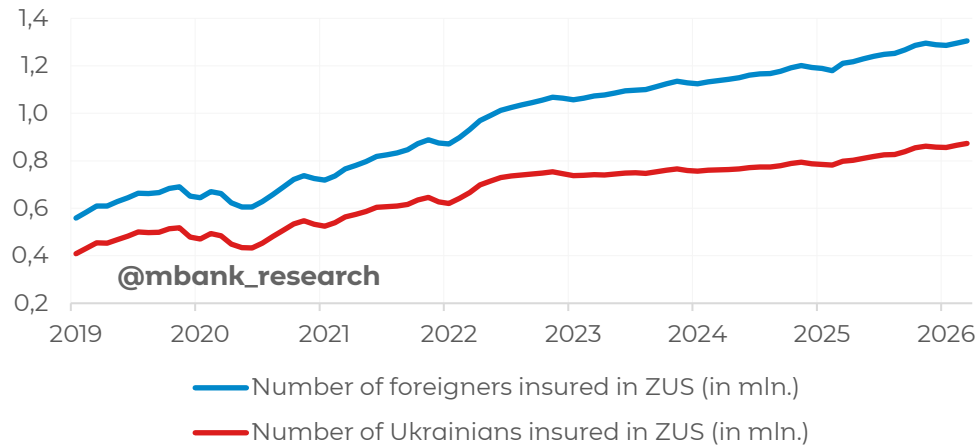
Immigration in the labor force



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

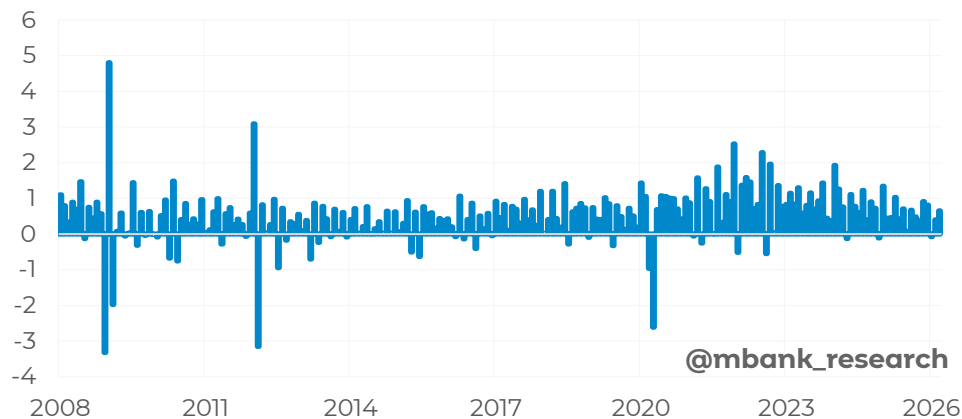
Poland: Labor market tracker - wages

Wage growth, enterprise sector (% , y/y, nsa)



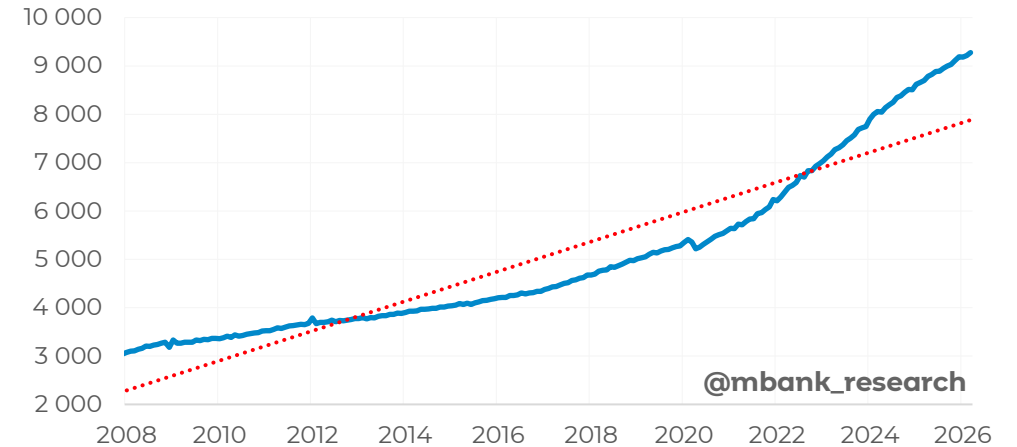
Source: Own elaboration based on Statistics Poland, ZUS Statistical Portal.

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



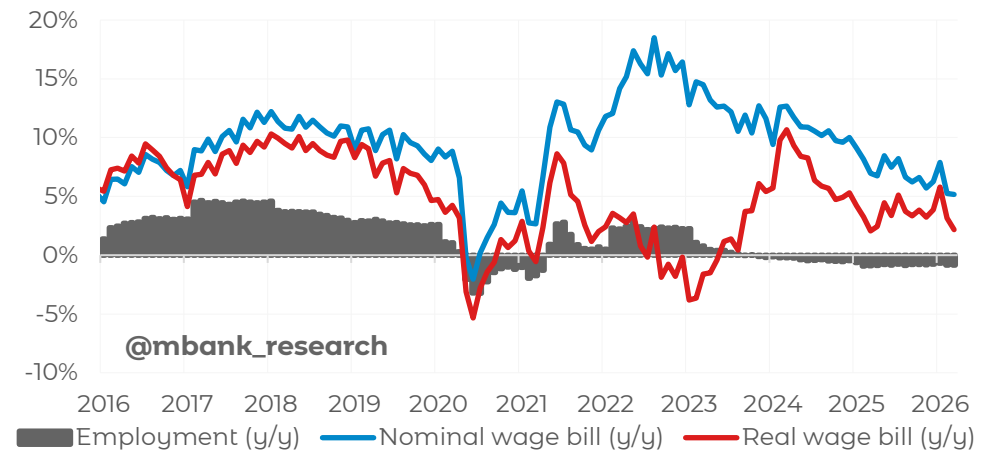
Source: Own seasonal adjustment based on Statistics Poland, ZUS Statistical Portal.

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



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

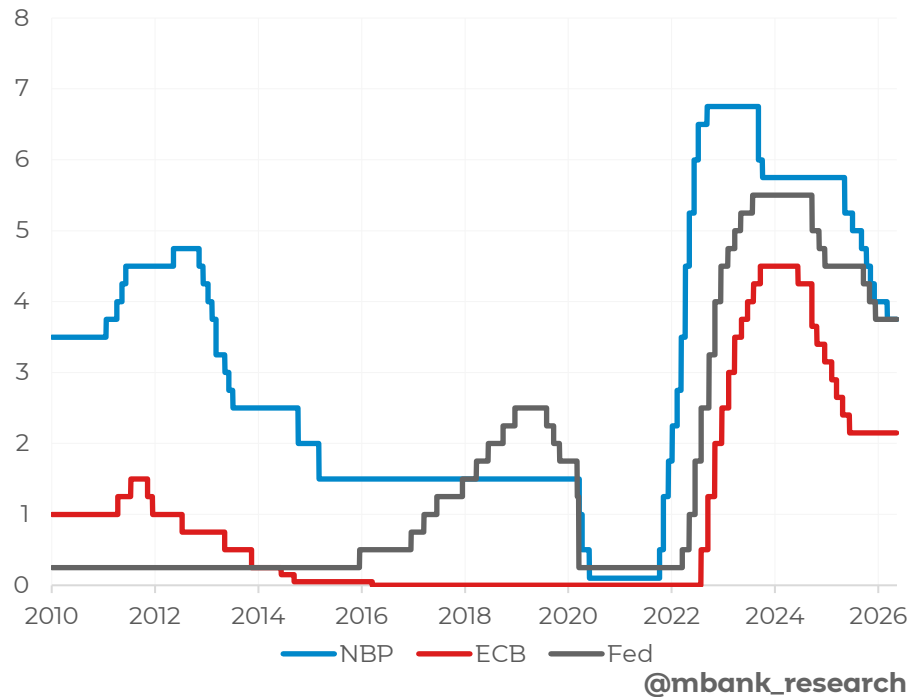
Wage bill, enterprise sector (% , y/y)



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

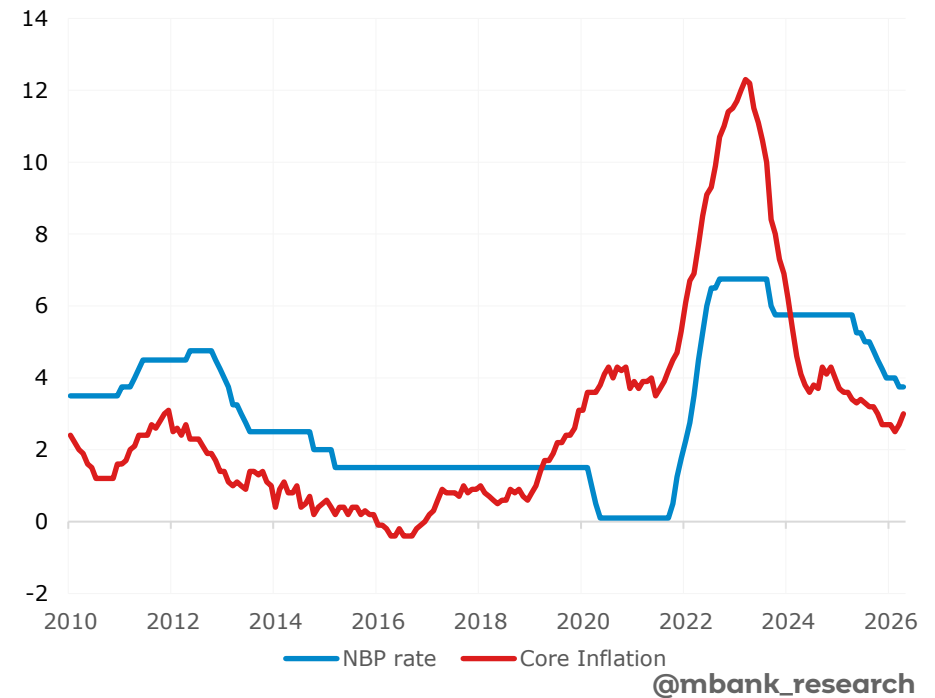
Poland: Interest rate outlook

Central banks' policy rates (%)



Source: Macrobond.

NBP interest rate and core Inflation (%)

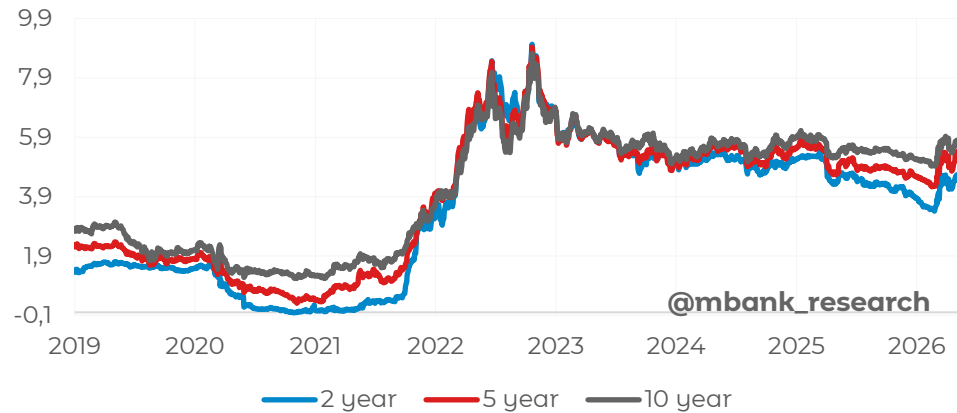


Source: Statistics Poland, NBP.

The Monetary Policy Council left interest rates unchanged at the May meeting. The NBP's main policy rate stands at 3.75%. The post-meeting statement continues to include only information referring to past data—there is no a single sentence assessing future outcomes or indicating possible next steps. During the press conference, Governor Adam Glapiński ruled out the possibility of interest rate cuts. At the same time, he declared that the chances of a rate hike are higher than in previous months. The conference was perceived as hawkish - financial markets currently price in 2–3 rate hikes over a 12-month horizon. We do not expect, however, that the MPC will actually tighten monetary policy as the level of inflation allows the Council to wait and see.

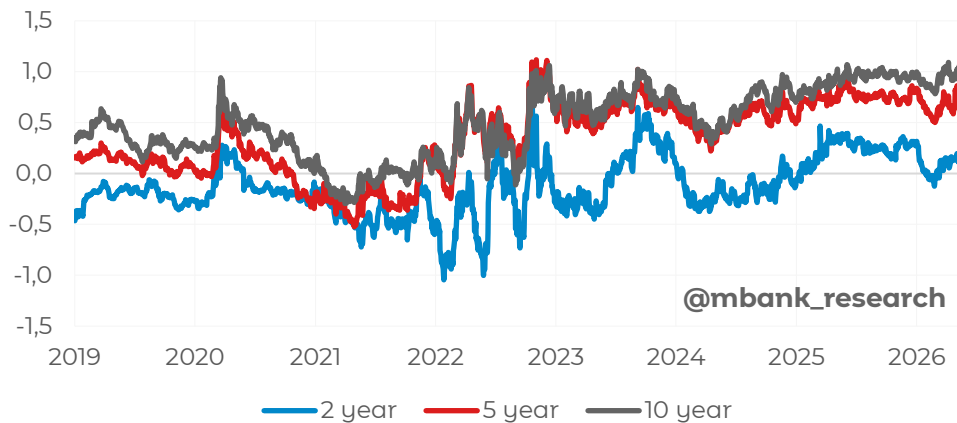
Poland: Interest rates

POLGBs (%)



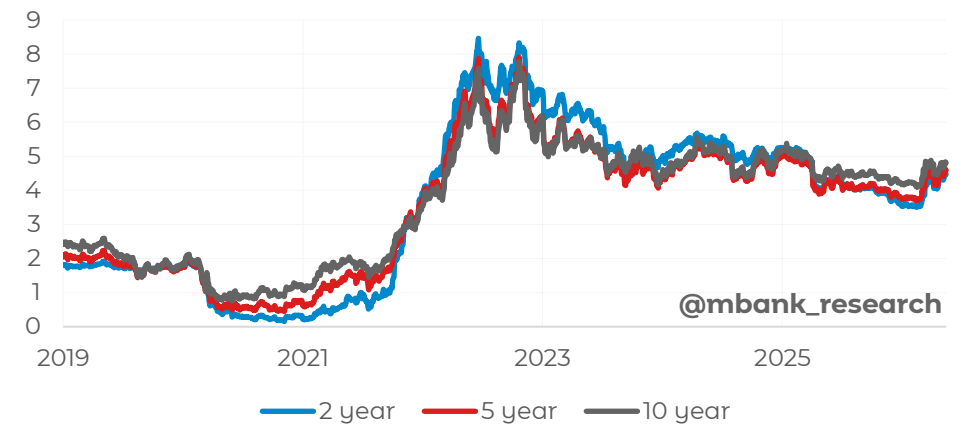
Source: Bloomberg.

ASW spread (pp)



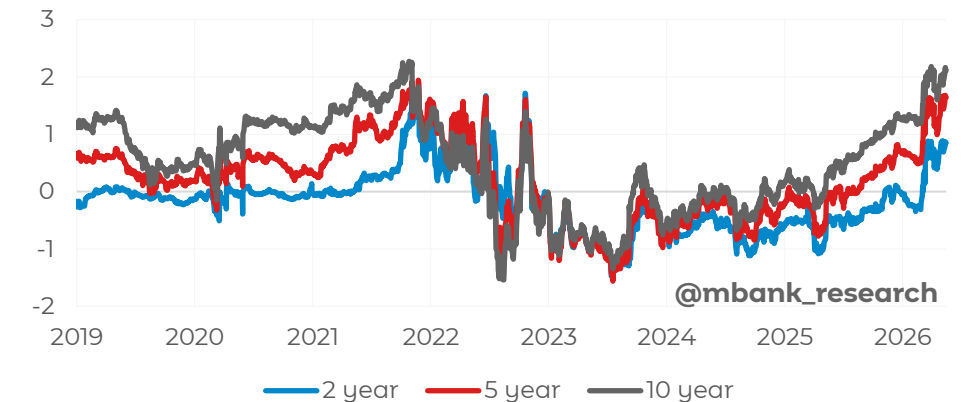
Source: Bloomberg.

PL IRS (%)



Source: Bloomberg.

POLGB yield minus 3m WIBOR (pp)



Source: Bloomberg.

Poland: Fiscal & external outlook

FISCAL POLICY: Current Execution & Financing

- ❖ Poland recorded a 7.3% general government (GG) deficit in 2025, according to Eurostat fiscal notification. The debt to GDP ratio for 2025 stood at 59.7%.
- ❖ The 2026 budget bill originally projected a 6.5% deficit, due to recent government updates, has been revised to 6.8% of GDP (approximately PLN 283 billion).
- ❖ At the end of March 2026, the central budget deficit reached PLN 69.5 billion (25.6% execution). VAT revenue growth remains rather weak, this is especially true when one takes into account nominal consumption rising 5-6% in annual terms. After March, VAT execution was 36% of the plan. At the same time, CIT execution was 54%, a clear improvement compared to 47% seen last year. On top of that, after March there was a 13% YoY increase in excise tax, albeit some declines are likely to be seen in the coming months due to lowered taxes on fuels introduced by the govt.
- ❖ The Ministry of Finance has raised over PLN 45 billion through bond and bill auctions since mid-April. The level of gross borrowing needs for 2026 stands at 52%.
- ❖ Poland got the approval of the 6th and 7th KPO payment requests. A transfer of PLN 30 billion is expected on June 1st, bringing total disbursements to 62.4% of the planned funds.

FISCAL POLICY: Government Plans & Measures

- ❖ Finance Minister stated that slashing the fuel shield (reduced VAT and excise) in early May would be premature given current market conditions. Consequently, the shield remains in place with an estimated monthly budget cost of PLN 1.6 billion. At the same time, the government is finalizing a draft bill on excess profits (windfall tax) from petrol stations, which is expected to generate over PLN 4 billion in revenue to offset the costs of the fuel shield.
- ❖ New legislative projects are being prepared to increase excise duties on alcohol and revise the sugar tax to further stabilize the revenue side. The Ministry of Finance also confirmed that there are currently no plans to increase the second tax bracket threshold for 2026. Thus, it will remain unchanged to support budget revenues.

FISCAL POLICY: Ratings & Future Outlook

- ❖ The S&P rating agency affirmed Poland's rating at A- with a stable outlook. The agency noted that the stable outlook balances Poland's strong growth prospects (projected 3.3% GDP growth in 2026) against risks from rising public debt and geopolitical tensions in the Middle East. It also warned of „increasing sensitivity” of the economy due to the rapid growth of public debt, which is now projected by the MF to reach 65.1% of GDP by 2026 under the new medium-term plan. Our assumption is that Polish rating will not be cut in the foreseeable future, with the parliamentary elections (to be held next year) making any downgrades even less probable.
- ❖ Poland presented the new medium-term fiscal outlook in which it assumes a gradual reduction of the GG deficit to 5.5% in 2027 and 4.3% in 2028, as the government navigates high defense spending and social transfers. Simultaneously, the government sees the economy growing 3.6% this year with annual inflation hovering around the 2.5% target. These forecasts are broadly in line with ours, so we do not perceive them as conservative. On the other hand, govt inflation projections for 2027 seem to be underestimated (CPI seen exactly at the target) and this stems from the fact that the base scenario does not take into account the consequences of the war in the Middle East. Having said that, we would conclude that both 2027 GDP and CPI forecasts can be significantly impacted by the war (lower GDP, higher CPI).

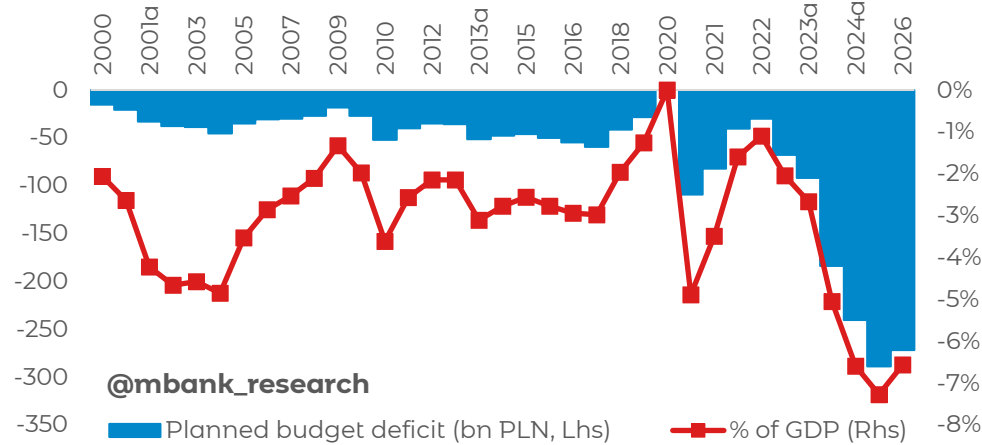
EXTERNAL BALANCE

- ❖ The current account (CA) balance recorded a deficit of 0.9% of GDP after February, 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 until war in the Middle East ends.
- ❖ The FDI-adjusted CA remains in a modest surplus (0.5% of GDP after February), though it has narrowed notably of late. Also, capital account posted a surplus of 0.9% of GDP after February. This results in a current account surplus of 1.4% 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

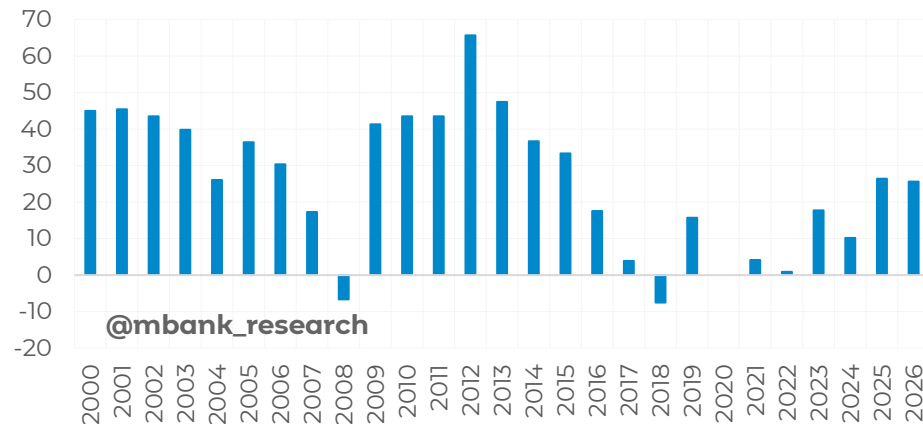
Want more? See our Polish Debt Monitor -> [LINK](#)

Planned budget deficit



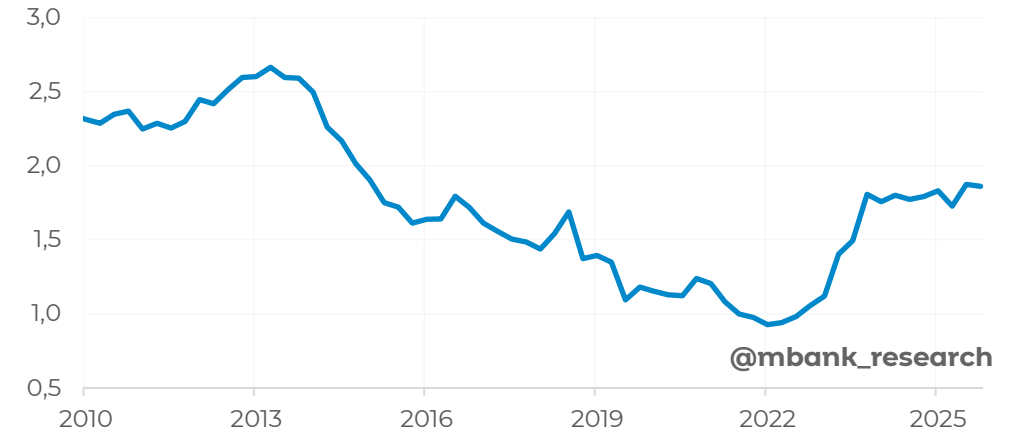
Source: Ministry of Finance, a – budget novel.

Central budget deficit after March as % of yearly planned deficit



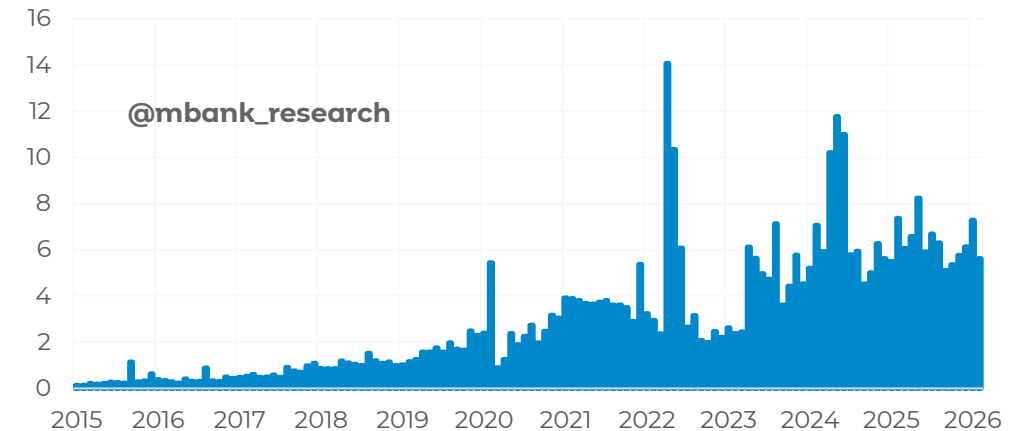
Source: Macrobond, * in 2020 there was 0 budget planned, negative value means surplus.

State debt servicing costs (% GDP, quarterly)



Source: Macrobond.

Retail bonds sold per month (bln PLN)

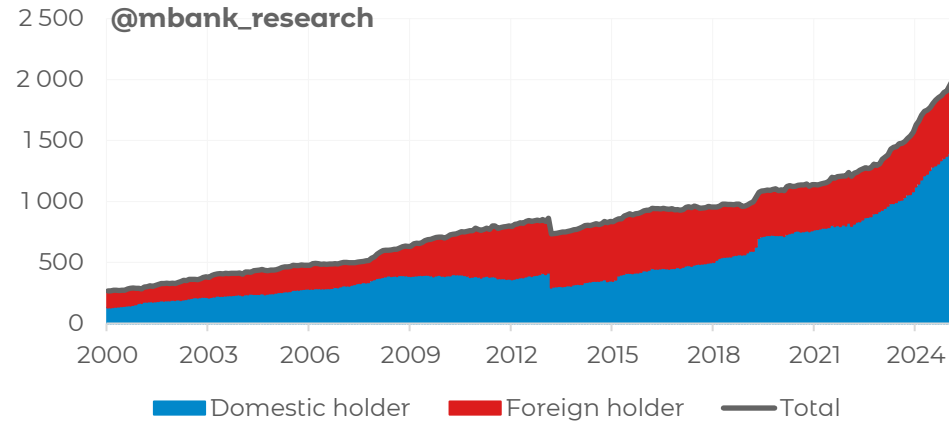


Source: Ministry of Finance.

Poland: Fiscal monitor #2

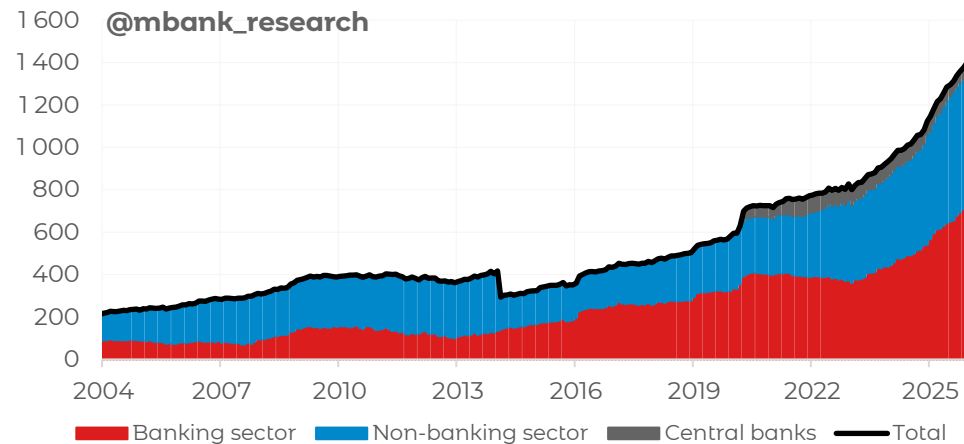
Want more? See our Polish Debt Monitor -> [LINK](#)

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



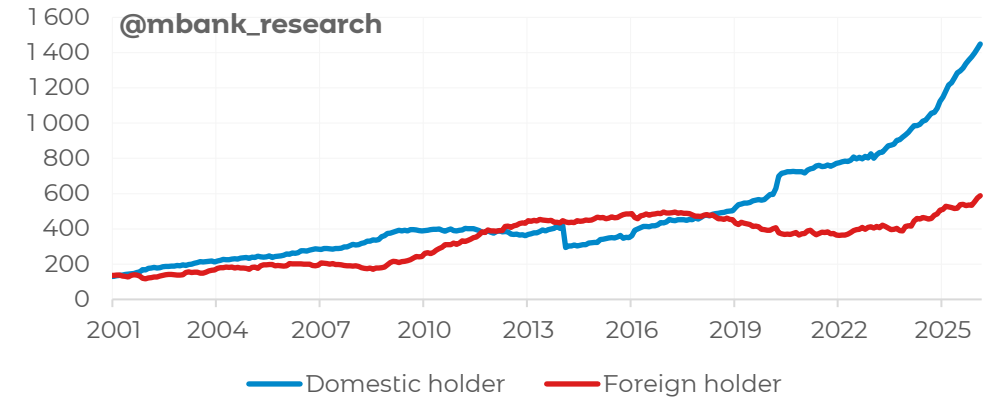
Source: Macrobond. *Last reading: October 2025

State treasury debt – domestic holders* (bln PLN)



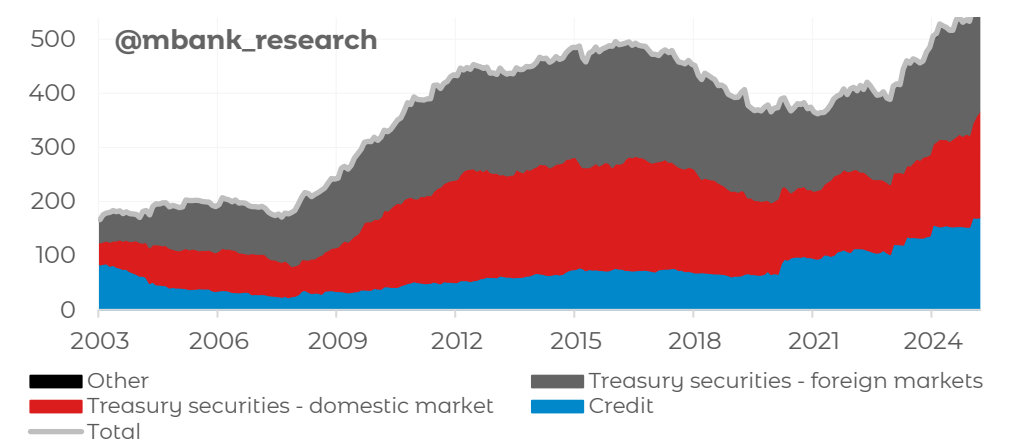
Source: Macrobond. *Last reading: October 2025

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



Source: Macrobond. *Last reading: October 2025

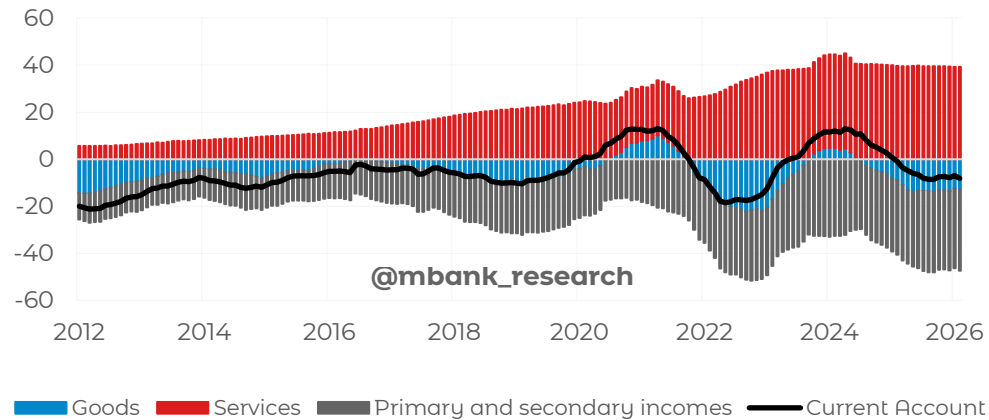
State treasury debt – foreign holders* (bln PLN)



Source: Macrobond. *Last reading: October 2025

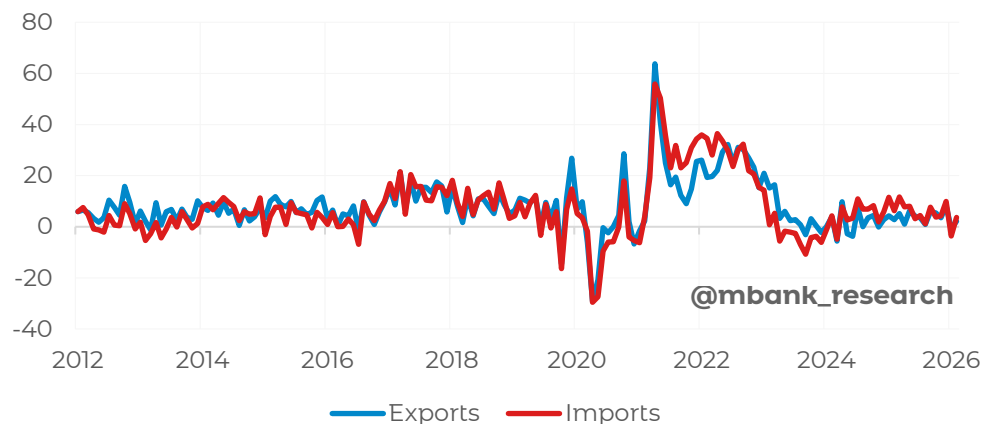
Poland: External balance monitor

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



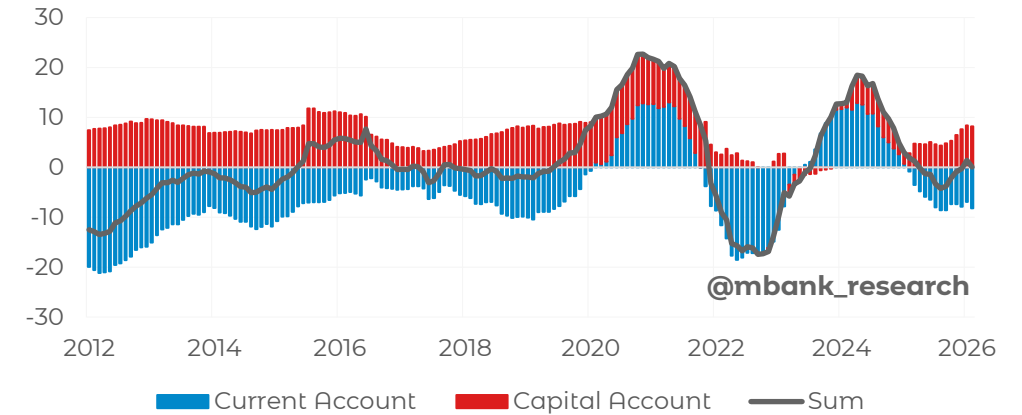
Source: Own elaboration based on NBP.

Exports and imports dynamics (% y/y)



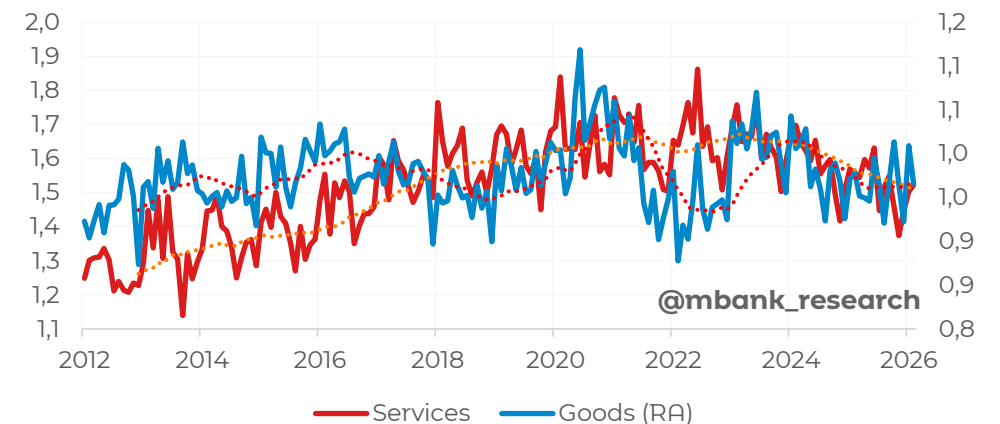
Source: Own elaboration based on NBP.

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



Source: Own elaboration based on NBP.

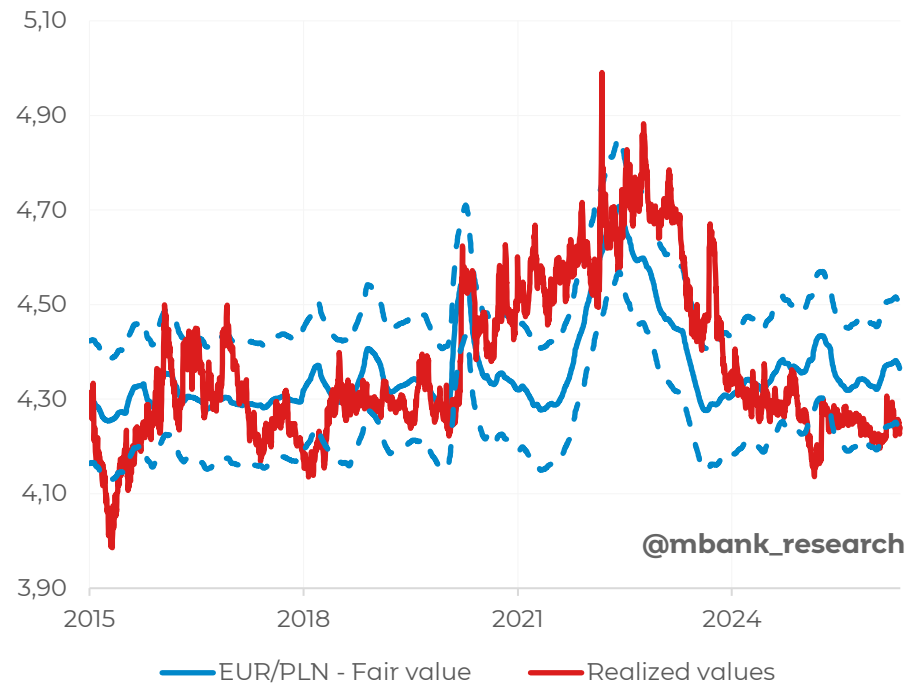
Exports to imports ratio



Source: Macrobond.

PLN: Relative valuation

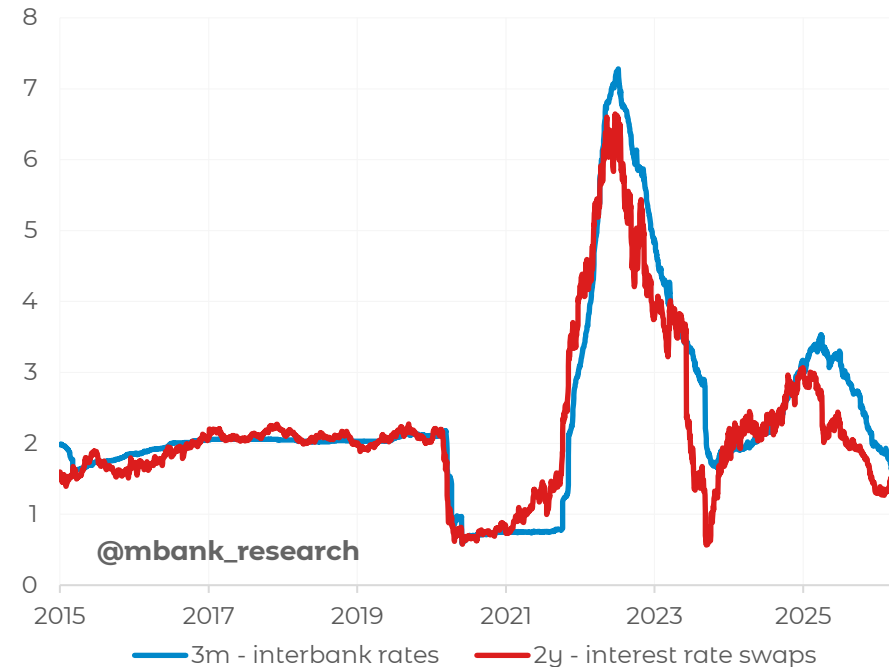
The EUR/PLN relative valuation



Source: Our model based on Macrobond data.

The Polish zloty has remained little changed since mid-April, following a sharp sell-off triggered by the escalation of the conflict in the Middle East. While the currency has found some footing, we continue to observe a geopolitical premium affecting the EMFX space. The market remains sensitive to news regarding the war with Iran. Domestic factors provide a neutral backdrop, as we expect the NBP to keep interest rates unchanged for the foreseeable future. In contrast, the Eurozone is moving toward a loosening cycle, with 2 rate cuts expected from the ECB. This, along with Poland's fragile fiscal outlook, leaves the zloty exposed. Given the ongoing regional risks and the risk of „increasing sensitivity” noted by rating agencies, we maintain our view that the PLN will undergo a gradual depreciation against the euro in the coming months. Looking at the charts, we see that the zloty remains strong relative to fair value suggested by our model. The sharp increase in volatility would, in the model framework, imply an upward shift in equilibrium levels. However, the zloty has remained stable since the onset of the Iran conflict.

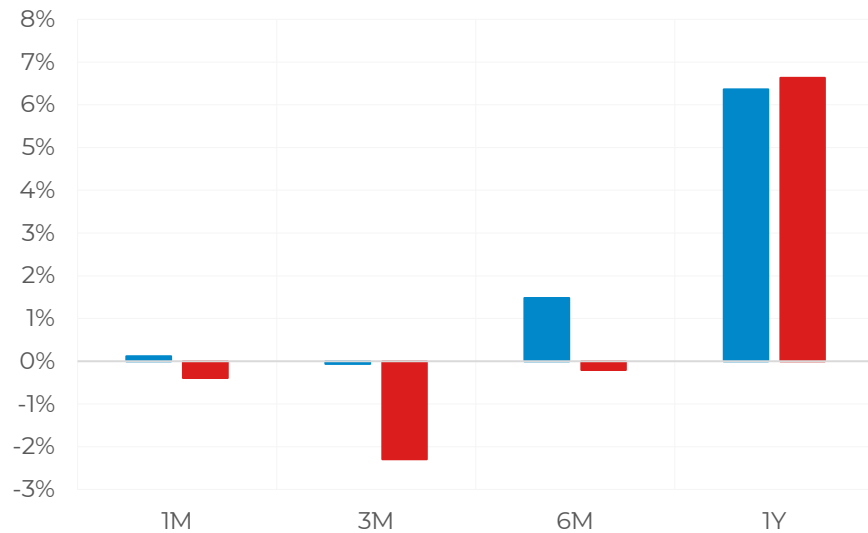
Interest rate differentials - Poland vs. Eurozone (%)



Source: Macrobond.

PLN: FX performance

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

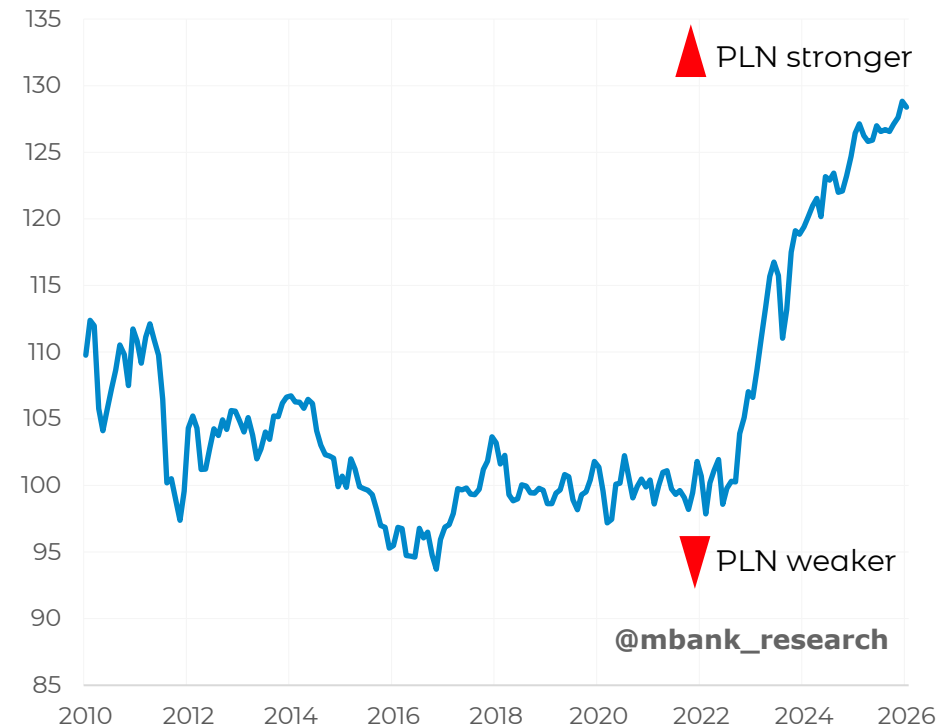


Note: Increase = appreciation to dolar, decrease = depreciation to dolar

■ EM FX ■ PLN

Source: Bloomberg.

Real effective exchange rate (mind the dates)



Source: BIS.

Disclaimer and contact details

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