

CEE – Monthly Forecast Update

Macro Research

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Centrum
Analiz

Poland's macro in a nutshell

	2024	2025	2026	Comment
Real economy				
- real GDP (%)	3.0	3.6	3.7	Economic growth in 2025 was 3.6%, which implies an acceleration of GDP growth in 4q25 to 3.9–4.2% y/y from 3.8% y/y in 3q25. The main driver of improvement in 2025 was private consumption (3.7%), accompanied by investment growing slightly weaker than our expectations (4.2%). In 2026, we expect GDP growth acceleration to 3.7–4.0%, amid stable consumption growth (3.4%) and a rebound in investment (12.0%). EU funds, whose accelerated spending has been observed since 2h25, and military spending will be key factors in driving investment growth. Private investment will also grow, primarily due to investments in machinery and automation. The contribution of net exports in 2026 will remain negative (imports growing faster than exports).
Prices				
- CPI inflation (%)	3.6	3.6	1.8	We expect the beginning of 2026 to bring a deeper-than-expected decline in inflation, below 2.0% y/y from 2.4% y/y in December. The main disinflationary factors are food, the strong zloty, low oil prices, and gradually moderating core inflation. CPI inflation will remain below or close to 2.0% y/y throughout the year, though it may be slightly higher in 2h26 than in 1h26. Uncertainty surrounding the annual revision of the inflation basket and the implementation of the new classification of goods and services is higher than usual (they will only be fully reflected in February data).
Monetary aggregates				
- loans / deposits (%)	5.0/9.7	5.0/9.2	6.9/5.8	The end of 2025 brought a significant acceleration in lending to households and businesses and a slowdown in deposit growth, reflecting the NBP interest rate cuts. We believe these trends will intensify in 2026.
External balance				
- current account balance (% GDP)	0.3	-0.5	-1.5	2025 will likely end with a lower CAB deficit than previously projected (closer to 0.5% of GDP rather than 1.0% of GDP). However, the direction of change in 2026 remains unchanged – the CAB deficit will increase due to a slightly deeper deficit in goods and income accounts and a reduced services surplus.
Fiscal policy				
- fiscal balance (% GDP)	-6.5	-6.9	-6.5	We expect a fiscal deficit close to 7% of GDP in 2025 and a slight fiscal consolidation to 6.5% of GDP in 2026. The debt-to-GDP ratio will increase to 66–67% by the end of 2026 from around 60% at the end of 2025.
Monetary policy				
- NBP reference rate (%)	5.75	4.00	3.50	We expect that after a two-month break, the MPC will decide to resume interest rate cuts in March. This is encouraged by the sustained decline in inflation towards the target, coupled with weakening fundamental upward pressure on prices. We continue to assume that the reference rate will ultimately decline to 3.50%, with the balance of risks shifting asymmetrically towards lower levels.

Source: GUS, NBP, Eurostat, PKO Bank Polski.

CEE macro in a nutshell

	2024	2025	2026	Comment
Czechia				
- real GDP (%)	1.1	2.5	2.7	<p>In 2025, the Czech economy grew by 2.5%, only slightly faster than our expectations. Activity was primarily driven by domestic demand, but the exact composition of growth is not yet known. In 2026, we expect GDP growth to be around 2.7%, which represents an upward revision to our previous forecast, which takes into account the stimulus from fiscal easing, which will support consumption and investment. The acceleration in GDP growth will also be driven by the expected economic recovery in the external environment – in this context, the CNB assumes that the contribution of net exports will be close to neutral. Inflation at the beginning of the year fell to 1.6% y/y from 2.1% y/y in December. Energy prices were the main driver of disinflation – the annual decline in this category deepened to 7.9% y/y from 4.2% y/y in December. In monthly terms, prices fell by 3.7%, largely reflecting the abolition of the renewable energy surcharge. We have slightly revised our inflation forecast downwards – we expect it to average 1.7% in 2026, with food prices and regulated prices having the largest disinflationary impact. In our baseline scenario, we assume that CNB interest rates will remain unchanged until the end of the year, with core inflation above target throughout the year. However, we see a non-zero probability that cuts could resume in 2q26, with limited scope for monetary policy easing (there is only room for fine-tuning).</p>
- CPI inflation (%)	2.4	2.5	1.7	
Hungary				
- real GDP (%)	0.5	0.4	2.4	<p>Full-year GDP growth in Hungary for 2025 was 0.4%, below our expectations and the MNB forecast. On the supply side, services were the main driver of growth, while industry was the largest drag on economic activity. 2026 should bring an improvement in industry due to the launch of new production plants by Chinese automotive companies. We expect the Hungarian economy to grow by 2.4% in 2026 – consumption will remain the growth driver, and investments will increase by approximately 1%, in our opinion, after a decline in 2025. The contribution of net exports to growth will most likely remain negative. The outcome of the parliamentary elections on April 12th will be crucial for medium-term growth prospects. A potential victory for the TISZA party could lead to improved relations with the EU and the release of EU funds, which would support investment. At the beginning of the year, inflation in Hungary will fall below the MNB's target of 3.0%, but will rise later in the year, reaching a range of 3-4%. We expect average inflation in 2026 to reach 3.3%, compared to 4.5% in 2025, with slightly higher core inflation. This decline in inflation, combined with its favorable outlook, will create room for interest rate cuts in 1q26 and further moves in 2q26, bringing the central bank's interest rate down to 6.0% by year-end.</p>
- CPI inflation (%)	3.7	4.4	3.3	
Romania				
- real GDP (%)	0.9	0.9	1.5	<p>After taking into account GDP growth data for 3q25 (1.6% y/y at constant prices from the previous year), we have revised our 2025 growth forecast upwards to 0.9%. In 2026, we expect GDP to grow by 1.5%. Romania is the only country in the region where we expect a decline in consumption this year. At the same time, investment growth will most likely double compared to 2025 and could exceed 5%. During the year, weak domestic demand will turn net exports' contribution to growth positive. Inflation in Romania will remain close to 9% y/y at 1q26, but will decline to 3.7% y/y by the end of the year due to a high statistical base. Average annual inflation in 2026 will reach 6.7%, significantly higher than in other countries in the region. In our opinion, only an improvement in the inflation outlook could prompt the central bank to cut interest rates. We expect three moves during the year that will bring the central bank's interest rate down to 5.75%.</p>
- CPI inflation (%)	5.6	7.3	6.7	

Source: Eurostat. INSSE. CZSO. KSH. PKO Bank Polski.

Selected macroeconomic indicators: data and forecasts

	1q25	2q25	3q25	4q25	1q26	2q26	2023	2024	2025	2026
Economic activity										
Real GDP (% y/y)	3.2	3.3	3.8	3.9	3.7	3.7	0.2	3.0	3.6	3.7
Domestic demand (% y/y)	4.3	4.1	3.7	3.9	4.1	4.4	-3.0	4.5	4.0	4.5
Private consumption (% y/y)	2.6	4.5	3.5	4.2	3.5	3.0	-0.3	2.9	3.7	3.4
Gross fixed capital formation (% y/y)	6.4	-0.7	7.1	4.2	8.6	13.7	12.7	-0.9	4.2	12.0
Inventories (pp)	1.4	1.0	-1.0	-0.7	-0.2	-0.3	-4.6	1.0	0.1	-0.3
Net exports (pp)	-0.8	-0.7	0.3	0.1	-0.2	-0.5	2.6	-1.2	-0.3	-0.7
Industrial output (% y/y)^	-0.1	1.6	3.9	3.0	4.9	3.8	-2.1	1.1	2.1	3.5
Construction output (% y/y)^	0.8	-1.5	-1.9	3.1	1.5	7.7	4.8	-7.7	0.3	4.1
Retail sales (real. % y/y)^	1.3	4.7	4.7	4.6	4.7	4.1	-3.2	3.2	3.9	3.6
Nominal GDP (PLN bn)	893.2	928.3	970.6	1093.7	949.0	987.6	3415	3653	3886	4143
Labour market										
Registered unemployment rate‡(%)	5.4	5.1	5.6	5.7	6.0	5.5	5.1	5.1	5.7	5.6
Employment in enterprises (% y/y)	-0.9	-0.8	-0.8	-0.8	-0.4	-0.3	0.3	-0.4	-0.8	-0.1
Wages in enterprises (% y/y)	8.3	8.9	7.4	7.4	7.0	6.7	11.9	11.2	8.0	6.7
Prices^										
CPI inflation (% y/y)	4.9	4.1	3.0	2.5	1.7	2.0	11.4	3.6	3.6	1.8
Core inflation (% y/y)	3.6	3.4	3.2	2.8	2.4	2.3	10.1	4.3	3.3	2.3
15% trimmed mean (% y/y)	4.5	x	3.0	2.5	x	x	x	x	x	x
PPI inflation (% y/y)	-1.1	-1.6	-1.4	-2.4	-2.3	-1.6	2.6	-6.7	-1.6	-1.0
Monetary aggregates‡										
Money supply. M3 (PLN bn)	2515.7	2585.8	2642.7	2737.7	2777.4	2828.1	2268.2	2479.8	2737.7	2961.5
Money supply. M3 (% y/y)	10.3	10.5	11.1	10.4	10.4	9.4	8.5	9.3	10.4	8.2
Real money supply. M3 (% y/y)	5.1	6.2	7.9	7.7	8.6	7.3	-2.6	5.5	6.5	6.3
Loans. total (PLN bn)	1516.4	1537.5	1552.7	1575.3	1597.9	1634.3	1428.1	1499.6	1575.3	1683.7
Loans. total (% y/y)	5.1	4.5	4.6	5.0	5.4	6.3	-0.1	5.0	5.0	6.9
Deposits. total (PLN bn)	2346.3	2421.8	2415.3	2474.1	2470.8	2503.3	2065.3	2266.0	2474.1	2617.4
Deposits. total (% y/y)	11.3	12.7	10.0	9.2	5.3	3.4	9.3	9.7	9.2	5.8
Balance of payments										
Current account balance (% GDP)	-0.4	-0.7	-0.8	-0.5	-0.6	-0.9	1.6	0.3	-0.5	-1.5
Trade balance (%GDP)	-1.2	-1.5	-1.5	-1.4	-1.3	-1.4	0.6	-0.7	-1.4	-1.7
FDI (% GDP)	1.5	1.4	1.2	1.7	1.4	1.5	2.9	1.1	1.7	1.8
Fiscal policy										
Fiscal balance (% GDP)	-6.8	-7.0	-7.0	-6.9	-7.3	-7.0	-5.2	-6.5	-6.9	-6.5
Public debt (% GDP)	57.3	58.1	58.1	59.6	61.5	63.3	49.5	55.1	59.6	66.3
Monetary policy‡										
NBP reference rate (%)	5.75	5.25	4.75	4.00	3.75	3.50	5.75	5.75	4.00	3.50
NBP lombard rate (%)	6.25	5.75	5.25	4.50	4.25	4.00	6.25	6.25	4.50	4.00
NBP deposit rate (%)	5.25	4.75	4.25	3.50	3.25	3.00	5.25	5.25	3.50	3.00
WIBOR 3M ^x (%)	5.84	5.23	4.72	3.99	3.65	3.57	5.88	5.84	3.99	3.57
Exchange rates*‡										
EUR-PLN	4.18	4.24	4.27	4.23	4.20	4.21	4.35	4.27	4.23	4.25
USD-PLN	3.86	3.62	3.63	3.60	3.53	3.48	3.94	4.10	3.60	3.57
CHF-PLN	4.39	4.53	4.56	4.54	4.47	4.43	4.68	4.54	4.54	4.38
EUR-USD	1.08	1.17	1.18	1.17	1.19	1.21	1.10	1.04	1.18	1.19

Source: GUS, NBP, PKO Bank Polski.

*period averages for quarterly and yearly data.

‡period end values.

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