CEE Macro Weekly

Macro Research

11 September 2026

Hawks, fuels and fiscal clouds

TOP MACRO THEME(S):

- **Polish MPC strikes a moderately hawkish tone (p.3)** – The MPC left interest rates unchanged in September, while NBP Governor A.Glapinski struck a moderately hawkish tone at the post-meeting press conference. On the one hand, he stressed that there is currently no room for rate cuts; on the other, he saw limited justification for a potential rate hike

WHAT ELSE CAUGHT OUR EYE:

- **CEE: Inflation rose across most of CEE in August, mainly due to higher fuel prices, while food prices remained a key disinflationary factor across the region. In Czechia, inflation rose to 1.9% y/y from 1.7% y/y in July, with core inflation steady at 3.0% y/y**; the data were in line with CNB expectations. E.Zamrazilova sees no case for a September hike, while J.Kubicek still favours further tightening but remains uncertain about the timing. **In Hungary, inflation edged up to 1.3% y/y** from 1.2% y/y, with the lower-than-expected reading supported by favourable food prices and a stronger HUF, although services inflation accelerated to 5.0%. Fuel prices rose only modestly in August, likely reflecting incomplete pass-through of late-month diesel increases and pointing to a stronger fuel contribution in September. PM P.Magyar announced targeted support for diesel users through year-end, alongside additional aid for farmers. **Romania's CPI inflation fell sharply to 6.2% y/y in August from 8.2% y/y in July, beating expectations of 6.7% y/y.** The decline mainly reflected favourable base effects from the reversal of last year's VAT and excise duty hikes, while the surprise came from food inflation, which slowed to 2.6% y/y from 5.0% y/y. Fuel inflation remained high at 17.0% y/y, while services inflation eased to 11.3% y/y from 13.7% y/y. The disinflation trend remains broadly in line with NBR forecasts.
- **POL: General government debt rose to 64.6% of GDP in 2q26 from 61.6% in 1q26, with a record quarterly increase of PLN 154bn**, driven mainly by higher debt of the State Treasury and the Armed Forces Support Fund. Despite rising debt, Poland is not at risk of breaching domestic prudential thresholds (55% and 60% of GDP) in 2026 and 2027.
- **POL: EU-funded spending remains strong, supporting the investment rebound.** Over the last 12 months, RRF grant spending (PLN 44.5bn) exceeded cohesion-funds spending (PLN 44.0bn) for the first time, while their combined scale (2.2% of GDP) is the highest since 2021, supporting expected double-digit investment growth in 2h26.

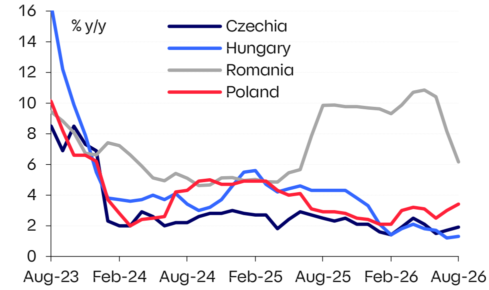
THE WEEK AHEAD:

- **We expect the CNB to leave interest rates unchanged on Wednesday.** Following its latest rate hike, the Bank has adopted a cautious stance, while recent comments from policymakers suggest little need for another move in September.
- **On Friday evening, Moody's will review Poland's sovereign rating.** Given the lack of a clear fiscal consolidation plan and the fact that Moody's rating is one notch above those of Fitch and S&P, a downgrade cannot be ruled out (currently A2, negative outlook).
- **Among macroeconomic releases,** we will see regional balance of payments data. Poland's busy data calendar includes final August CPI and core inflation, industrial production (Friday; we expect another solid reading), and September consumer confidence (Friday; a decline is possible due to higher fuel prices).

Macroeconomic Research Bureau
pkoresearch@pkobp.pl
𝕏 @PKO_Research
centrumanaliz.pkobp.pl

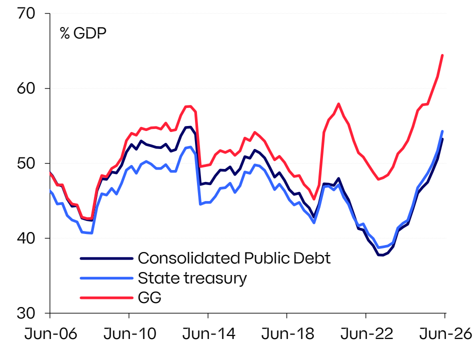
Chart(s) of the week:

CPI inflation in CEE region



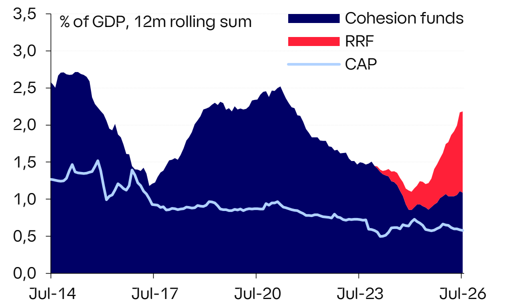
Source: Macrobond, PKO Bank Polski.

Public debt in Poland



Source: MinFin, Statistics Poland, PKO Bank Polski.

EU funds expenditures* in Poland

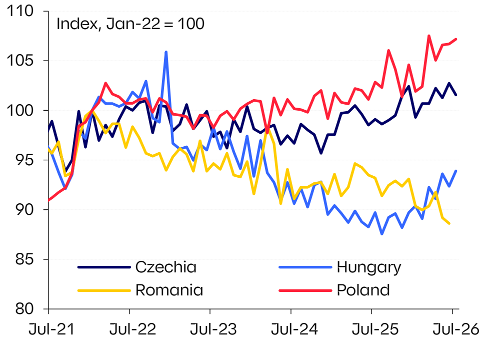


Source: MinFin, Statistics Poland, PKO Bank Polski. *only RRF grants

CEE macro review

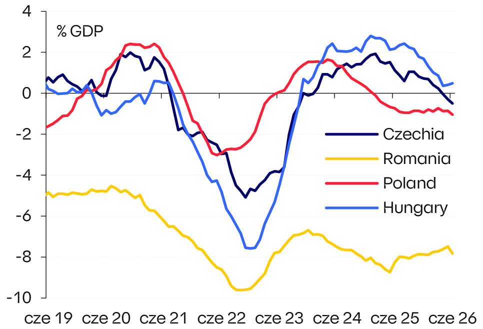
- **CEE: Industrial production trends were mixed in July in Czechia and Hungary.** In Czechia, output growth slowed to 3.1% y/y (wda) from 3.8% in June, while seasonally adjusted production fell by 1.1% m/m after a 1.4% m/m increase. Weakness was concentrated in energy-intensive sectors and suppliers exposed to weakness in German industry although stronger automotive production and orders should provide some near-term support. New industrial orders rose by 7.2% y/y, down sharply from 13.3% y/y in June. In Hungary, industrial output growth (wda) accelerated to 4.7% y/y from 4.1% y/y, while output rose by 1.7% m/m, pointing to a gradual recovery. The rebound remains concentrated in electronics and automotive production, supported by new capacity, while output is still falling in most manufacturing branches.
- **CEE: Czechia's trade balance deteriorated in July, while Romania's deficit narrowed slightly.** Czechia recorded a CZK 8.5bn deficit, CZK 5bn wider than a year earlier, as imports (+5.2% y/y) outpaced exports (+3.9%). The balance was dragged down by higher imports of computers and electronics, partly linked to AI investment, and by more expensive energy imports, while machinery exports remained weak amid softer German demand. Despite the July deficit, Czechia still posted a CZK 168bn (1.9% of GDP) surplus on a 12-month basis. Romania's trade deficit narrowed slightly to EUR 2.8bn in July, as both exports and imports rose by around 4% y/y. Both growth rates slowed, with exports weighed down by weaker external demand and imports by softer domestic demand. The 12-month deficit still widened to EUR 32.5bn, or 8.3% of GDP.
- **POL: The vacancy rate edged down to 0.78% in 2q26 from 0.80% in 1q26, extending the downward trend observed since 2022**, while registered unemployment rose by 0.1pp to 5.9% in August. However, the increase in unemployment over the past year appears to reflect mainly regulatory changes and lower funding for labour-market activation programmes rather than a deterioration in fundamentals. Overall, the data point to gradual cooling of the labour market.
- **CZE: The unemployment rate remained flat at 5.0% in August, 0.5pp higher than a year earlier, while the number of registered unemployed rose by 12.1% y/y.** The increase partly reflected higher number of new registrations, likely ahead of the planned cut in unemployment benefits from 80% to 60% of gross salary in 2027. The number of vacancies was roughly unchanged y/y.
- **CZE:** The minimum wage will rise by 11.2% in 2027 and 8.0% in 2028, reaching 44.6% and 45.8% of the average gross wage, respectively.
- **ROM:** A 0.4% y/y fall in GDP in 2q26 was confirmed by the statistical office. It means a shallower contraction than 1.2% y/y in 1q26. Growth in Romania has lagged the region, mainly due to fiscal consolidation.
- **HUN: The MNB is preparing for Hungary's eventual euro adoption**, although the formal process has not yet begun, but is expected to start in the coming months. Governor M.Varga said that inflation should not be an obstacle in the euro adoption, as a gradual reduction in the inflation target is being planned.
- **CZE:** The European Commission reopened the PM A.Babis–Agrofert conflict-of-interest issue, concluding that the trust structure does not sufficiently resolve the Czech PM's potential conflict of interest. For now, the macroeconomic significance is limited, but the dispute may again become a source of friction between Prague and Brussels.

Industrial production in CEE (seasonally adjusted)



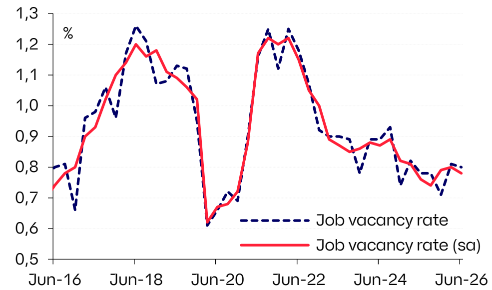
Source: Macrobond, PKO Bank Polski.

Current account balance in CEE



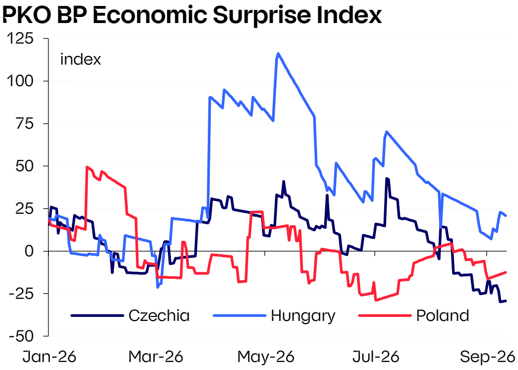
Source: Macrobond, PKO Bank Polski.

Job vacancy rate in Poland



Source: Statistics Poland, PKO Bank Polski.

PKO BP Economic Surprise Index



Source: Macrobond, PKO Bank Polski.
Note: We described the methodology of the index in CEE Macro Weekly issued on 29 May 2026.

Polish MPC strikes a moderately hawkish tone

- **The MPC left interest rates unchanged in September, while NBP Governor A.Glapinski struck a moderately hawkish tone at the post-meeting press conference. On the one hand, he stressed that there is currently no room for rate cuts; on the other, he saw limited justification for a potential rate hike .**
- **This is broadly in line with our baseline scenario, which assumes interest rates will remain unchanged until mid-2027, followed by a gradual resumption of the easing cycle around the middle of next year.**

As expected, the Monetary Policy Council kept interest rates unchanged at its September meeting. The NBP reference rate has been unchanged at 3.75% since March 2026.

The post-meeting statement was extremely brief, and the forward-looking section was identical to that published in July. The Council reiterated that future decisions would depend on incoming data, with particular importance attached to developments in the external environment, especially to commodity prices in the context of the evolving geopolitical situation. Among domestic inflation risks, the MPC continues to point to the stance of fiscal policy, developments in domestic economic activity and wage growth.

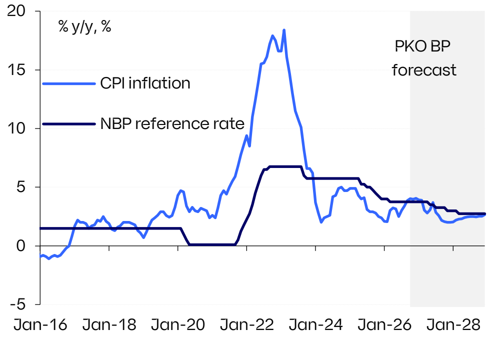
The external environment for monetary policy has changed significantly over the past two months, as Governor A.Glapinski emphasised during the press conference. In particular, oil prices have risen by around USD 20/bbl to over USD 100/bbl, while CPI inflation in 3q26 may be around 0.4pp higher than assumed in the July projection. The inflation outlook for subsequent quarters is also subject to considerable uncertainty, particularly regarding energy prices. Following the September meeting, A.Glapinski, who had previously suggested that he might submit a motion for a rate cut after the summer, said that he no longer sees room for such a move this year. **In his view, interest rates are likely to remain unchanged until mid-2027.**

According to the Governor, apart from the energy price shock, other macroeconomic conditions should not generate additional inflationary pressure. Economic activity is expected to slow visibly next year, consumption growth is also weakening, and labour market conditions do not point to rising inflationary pressure. This should support a decline in inflation, although wage growth remains a risk factor. The Governor referred to the strong increase in wages in July – which we view as temporary – and noted that a sustained acceleration in wage growth would change the assessment of the interest rate outlook. He also argued that the 2027 budget does not imply either significant fiscal tightening or loosening and therefore should not have a major impact on inflation.

The Governor described the current level of interest rates as moderate – slightly restrictive for inflation, but not sufficiently tight to constrain economic growth. A.Glapinski also said that he does not expects the real interest rate to turn negative. MPC member H.Wnorowski struck a similar tone, noting that since July, when he had suggested that rate cuts might still be possible, the balance of risks has shifted towards potential rate hikes, although for now this remains only a theoretical possibility. L.Kotecki, on the other hand, sounded slightly more hawkish, stating that if inflation remains persistently above 4%, the Council will have to consider rate hikes later this year or early next year.

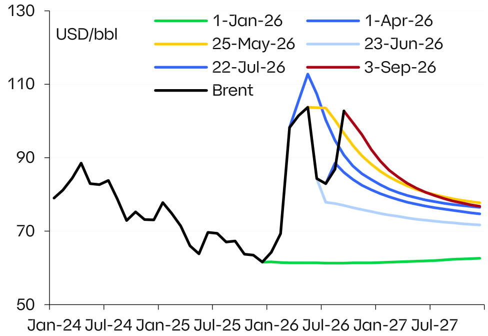
The key takeaways from the press conference are consistent with our baseline scenario. We expect the MPC to consider rate cuts again around mid-2027, as inflation is expected to decline towards the NBP target. In our view, current market pricing of aggressive rate hikes in Poland is overdone.

Inflation and reference rate



Source: NBP, Statistics Poland, PKO Bank Polski.

Crude oil futures



Source: Refinitiv, PKO Bank Polski.

Weekly economic calendar

Indicator	Time (UK)	Unit	Previous	Consensus*	PKO BP	Comment
Monday. 14 September						
CZE: C/A balance (Jul)	9:00	CZK bn	-80.47	--	--	--
POL: Current account balance (Jul)	**13:00**	**EUR bn**	**-2.216**	**-2.129**	**-2.350**	**Export and import growth slowed, while the current account deficit remained broadly unchanged from June.**
POL: Exports (Jul)	**13:00**	**% y/y**	**12.3**	**8.3**	**8.8**	
POL: Imports (Jul)	**13:00**	**% y/y**	**16.9**	**10.5**	**10.8**	
Tuesday. 15 September						
ROM: Industrial Output (Jul)	7:00	% y/y	-5.2	--	--	--
POL: CPI inflation (Aug. final)	**8:30**	**% y/y**	**3.0**	**3.4**	**3.4**	**Final reading will likely confirm flash estimate**
GER: ZEW Economic Sentiment (Sep)	10:00	pts.	34.2	42.3	--	--
EUR: Trade balance (Jul)	10:00	bn bn	1.8	--	--	--
ROM: Current Account YTD (Jul)	--	EUR bn	-14.202	--	--	--
Wednesday. 16 September						
EUR: Industrial production (Jul)	10:00	% y/y	0.1	-0.7	--	--
POL: Core inflation (Aug)	**13:00**	**% y/y**	**3.1**	**3.3**	**3.4**	**Core inflation has recently increased, reflecting the indirect impact of higher fuel prices.**
USA: Retail sales (Aug)	13:30	% m/m	-0.6	0.9	--	--
USA: Retail sales excl. autos (Aug)	13:30	%. m/m	-0.3	0.5	--	--
USA: Fed meeting	19:00	%	3.50-3.75	3.50-3.75	3.50-3.75	--
Thursday. 17 September						
POL: Consumer Confidence (Sep)	**8:30**	**pts.**	**-11.3**	**-12.0**	**-11.1**	**Consumer confidence was likely negatively affected by higher fuel prices.**
EUR: HICP inflation (Aug. final)	10:00	% y/y	2.9	3.3	--	--
EUR: Core inflation (Aug. final)	10:00	% y/y	2.5	2.4	--	--
UK: BoE meeting	12:00	%	3.75	3.75	3.75	--
CZE: Central bank meeting	**13:30**	**%**	**3.75**	**3.75**	**3.75**	**--**
USA: Initial Jobless Claims ()	13:30	k k	206	--	--	--
USA: Housing starts (Aug)	13:30	m	1.239	1.315	--	--
USA: Building Permits (Aug. flash)	13:30	mln	1.433	1.410	--	--
Friday. 18 September						
GER: PPI inflation (Aug)	7:00	% y/y	3.0	3.8	--	--
POL: Industrial production (Aug)	**8:30**	**% y/y**	**5.1**	**6.1**	**4.9**	**Industrial output keeps growing at a solid pace.**
USA: Industrial production (Aug)	14:15	% m/m	0.2	0.3	--	--
JPN: BOJ meeting	--	%	1.00	1.25	1.25	--

Source: GUS, NBP, Parkiet, PAP, Bloomberg, Reuters, PKO Bank Polski. Parkiet for Poland, Bloomberg, Reuters for others.

Monetary policy monitor

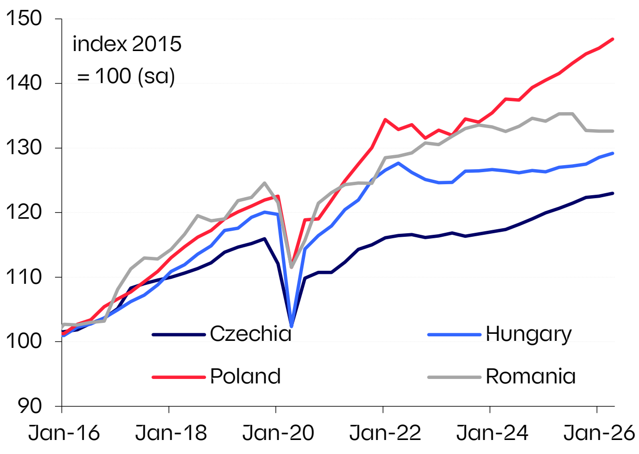
MPC Members	Hawk-o-meter*	Recent policy indicative comments^
J.Tyrowicz	4.9	"Admittedly, we currently have higher nominal interest rates than before Russia's invasion of Ukraine, so there is no risk of an inflation spike like the one in 2022, but in real terms - that is, taking into account the inflation expectations of consumers, businesses and even professional analysts - interest rates in Poland currently remain at a level that stimulates the economy - not even at a neutral level, let alone a restrictive one". (21.07.2026, Dziennik Gazeta Prawna via PAP Biznes)
I.Dabrowski	3.1	"If we are talking about a possible change in interest rates in the future, then based on the data we currently have, a cut is more likely than a hike. (...) One or two months ago, we expected a much worse scenario than the one that is currently materialising. (...) There is a very small chance that there will be one small interest rate cut later this year." (12.06.2026, Bloomberg via PAP BIZNES)
A.Glapinski	2.9	**"But basically, we are in a stable situation, called 'wait and see.' i.e. we sit and watch what is going to happen with inflation. (...) We have interest rates at the appropriate level. They stabilise the economy, stabilise inflation. (...) If you ask me for my opinion, as one of the Council members, my view is that until the end of this year and the middle of next year the rates will likely be stable," (10.09.2026, PAP Biznes)**
M.Zarzecki	2.9	"From today's perspective, a hike seems to me even more likely than a rate cut as the Council's next move in the first quarter of 2027. (...) Easing monetary policy in September, or more broadly this year, would be a premature move burdened with significant risk of error, which I would not be inclined to support." (14.07.2026, Bloomberg)
G.Maslowska	2.9	"The NBP's July projection points more towards the prospect of the next move being an interest rate cut, probably still in 2026. It can be said with a high degree of confidence that, unless the situation changes, this would be no more than a single cut. We always respond in line with the incoming data." (20.07.2026, PAP Biznes, PKO translation)
I.Duda	2.8	"The baseline scenario remains that rates will remain unchanged at least through the end of this year. (...) At this point, any expectations of rate cuts in the coming quarters are not justified. (...) A return to discussions about looser monetary policy will only be possible once inflation falls to the point target of 2.5% and remains there on a sustained basis." (03.09.2026, Bloomberg)
H.Wnorowski	2.8	**"My baseline scenario at present is to maintain interest rates at their current level over the longer term, perhaps until the end of the first half of 2027. I believe we are in a good position with our policy in terms of its tightness. (...) At present, it must be said that the balance of risks for interest rates is shifting towards possible hikes, although I would emphasise that at this stage this is merely a theoretical possibility." (11.09.2026, PAP Biznes)**
W.Janczyk	2.8	"Poland will likely keep interest rates unchanged in coming quarters as inflation is set to stay within the central bank's tolerance range despite pressures from the Iran war." (13.04.2026, Bloomberg)
P.Litwiniuk	2.3	"If price developments triggered by the conflict in the Middle East were to lead to a loss of anchor, or a threat of a loss of anchor, in inflation expectations, and to an increased risk of an impact on prices and wages, then the Council should be, and is, ready to raise interest rates." (13.05.2026, PAP Biznes)
L.Kotecki	2.2	**"If the projection shows that inflation will likely remain consistently above 4%, the Council will have to consider rate hikes later this year or early next year - one or two 25 basis point increases." (11.09.2026, Bloomberg)**

*The higher the indicator the more hawkish views. The positioning has been made based positively on PAP survey conducted among economists at banks in Poland (scale 1-5). **^Quotes in bold** have been modified in this issue of Poland Macro Weekly.

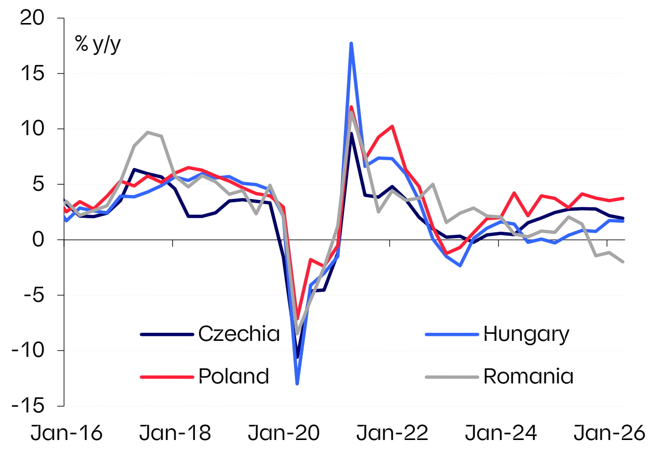
Selected comments from central bankers in other CEEs	
CNB	**"In my view, there are not many reasons for a change. At this moment, the relatively stubborn persistent price increase in services is compensated by falling food prices, which is surprising. It is not a question of whether food prices will turn in a pro-growth, pro-inflationary direction, but when." Board member E.Zamrazilová (9.09.2026, Reuters)**
MNB	**„The Monetary Council will be able to decide on the future path of the base rate in a month's time, in light of the September Inflation Report." Governor M. Varga (25.08.2026, infostart.hu)**
NBR	**„As inflation declines, once it falls below the policy rate, we can of course expect interest rate cuts." Governor M.Isărescu (13.08.2026, agerpres.ro)**

CEE macro chartbook

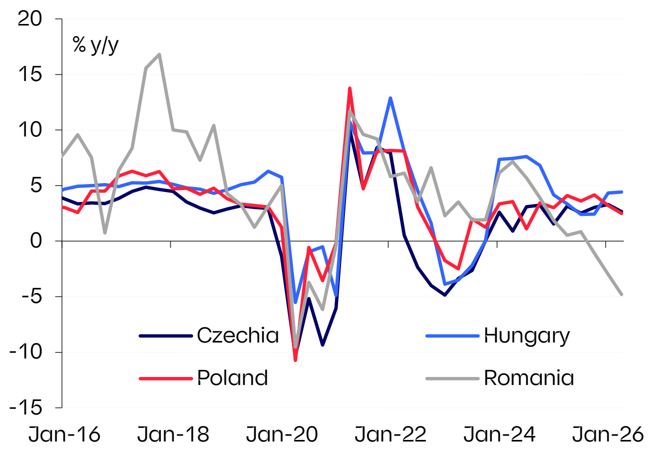
GDP level



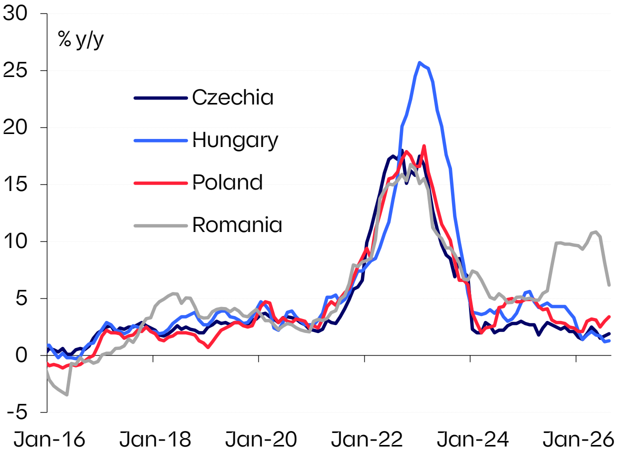
GDP growth



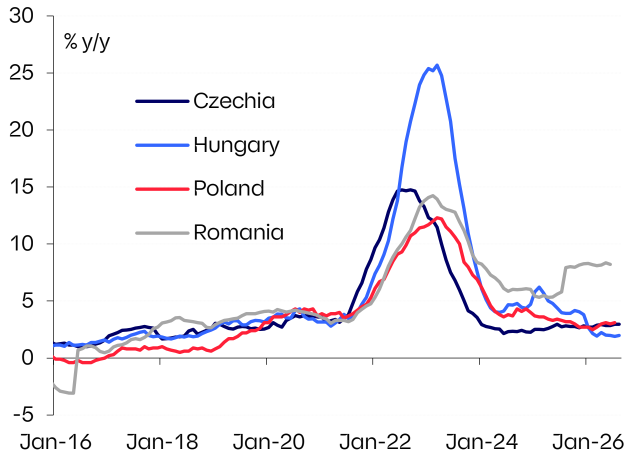
Private consumption growth



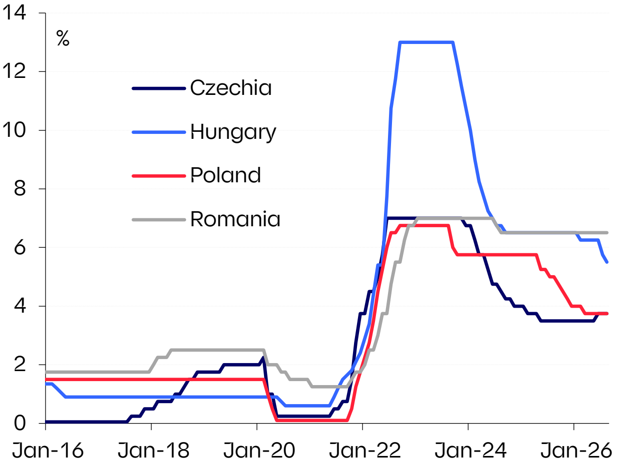
CPI inflation



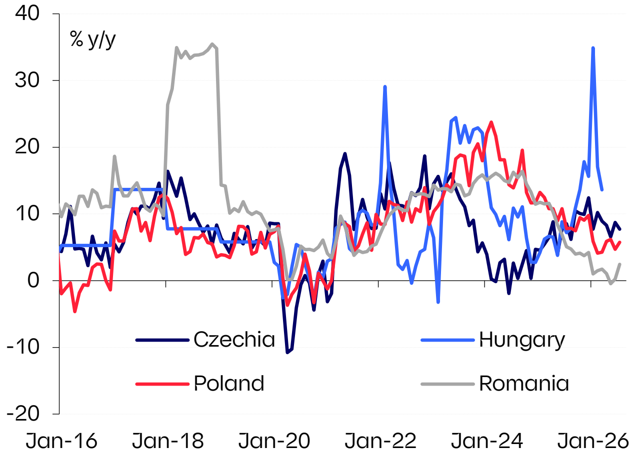
Core CPI inflation



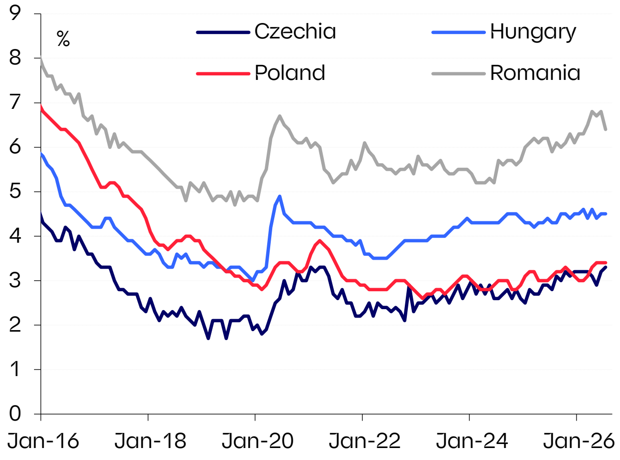
Interest rates (policy rates)



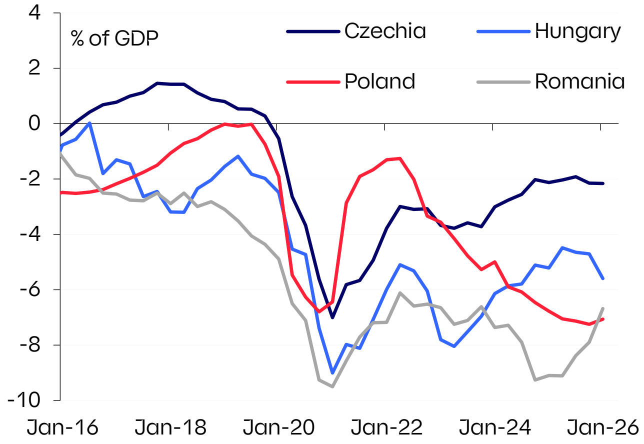
Wages*



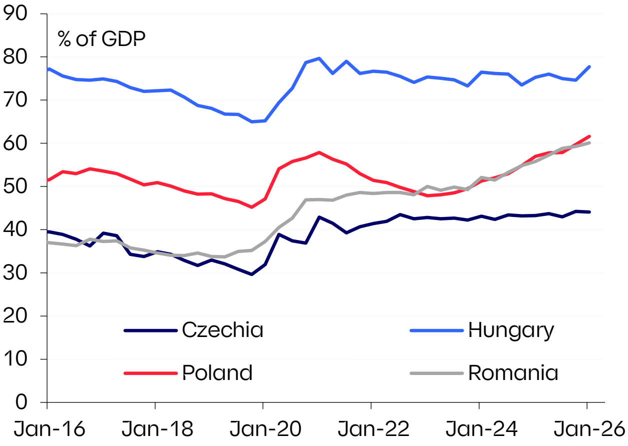
Harmonised unemployment rate



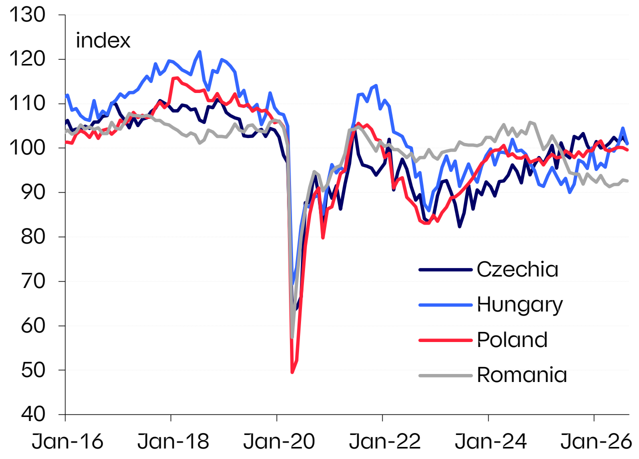
Fiscal deficit (ESA)



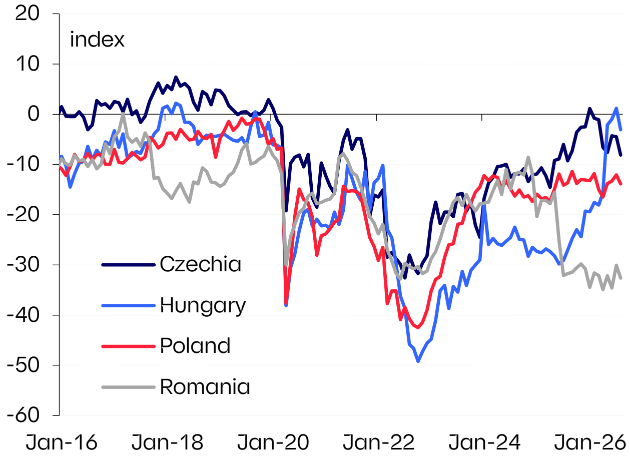
Public debt



ESI



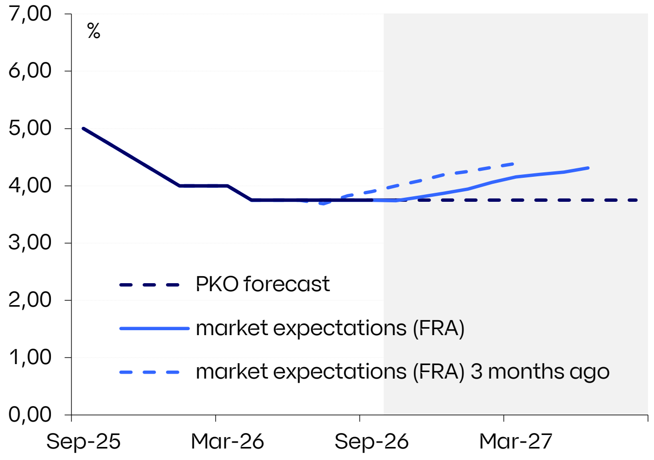
Consumer confidence ESI



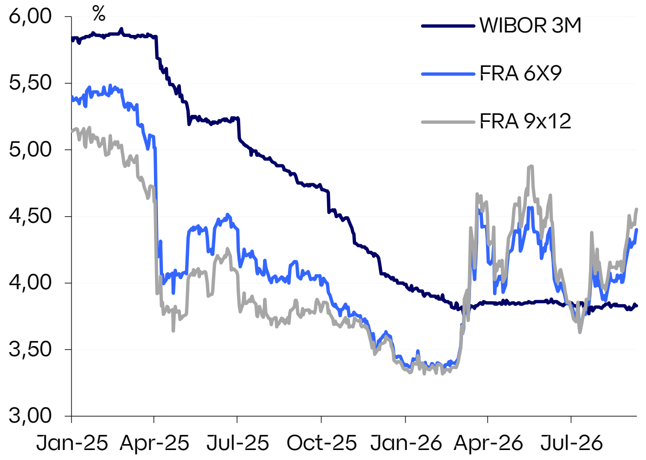
Source: Macrobond, GUS, INSSE, CZSO, KSH, PKO Bank Polski. *for Czechia wages in industry, for Hungary – national economy, Poland and Romania – enterprise sector.

Poland macro chartbook

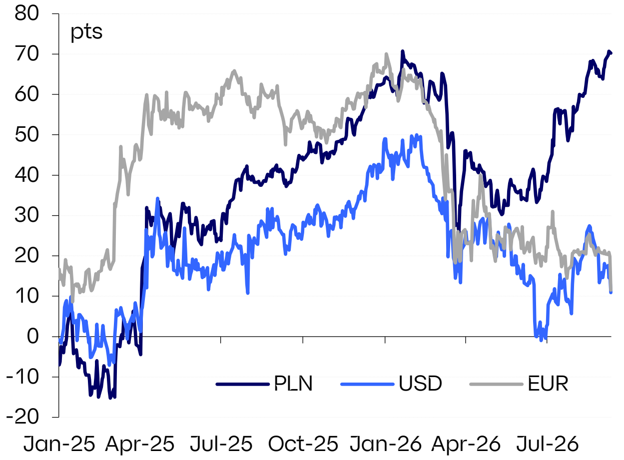
NBP policy rate: PKO BP forecast vs. market expectations



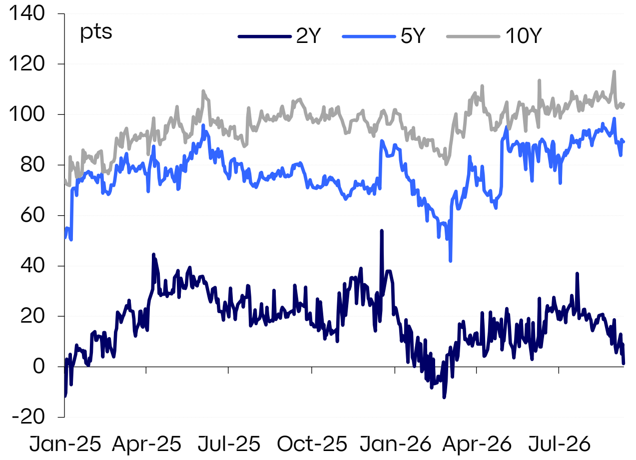
Short-term PLN interest rates



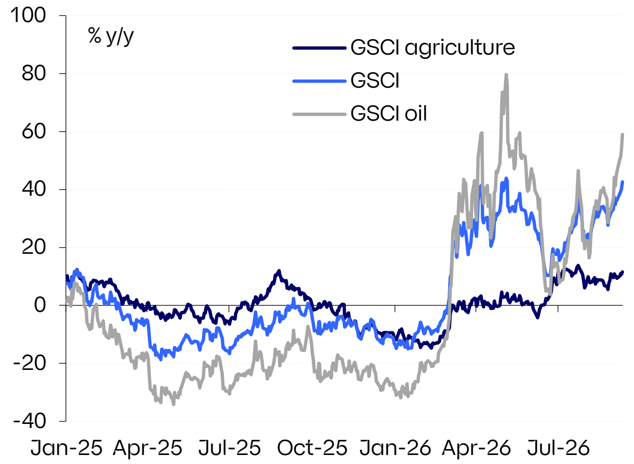
Slope of the swap curve (spread 10Y-2Y)*



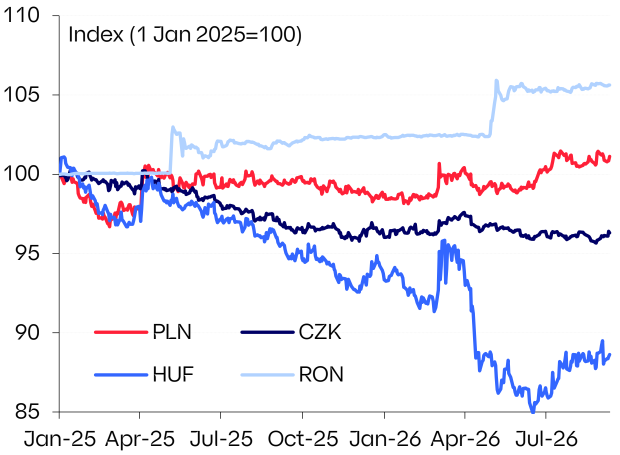
PLN asset swap spread



Global commodity prices (in PLN)

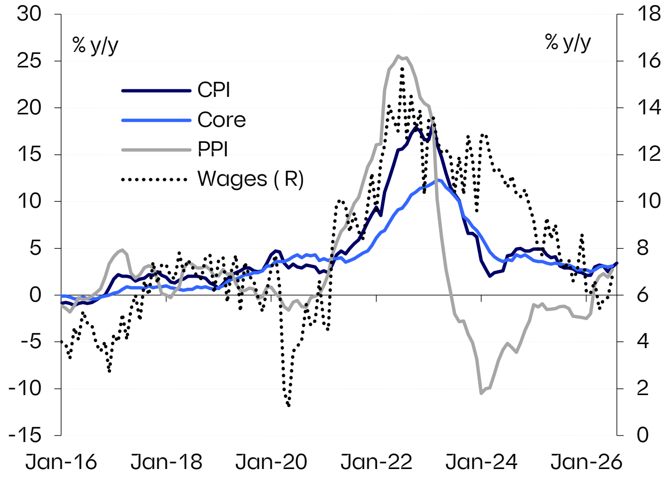


Selected CEE exchange rates against the EUR

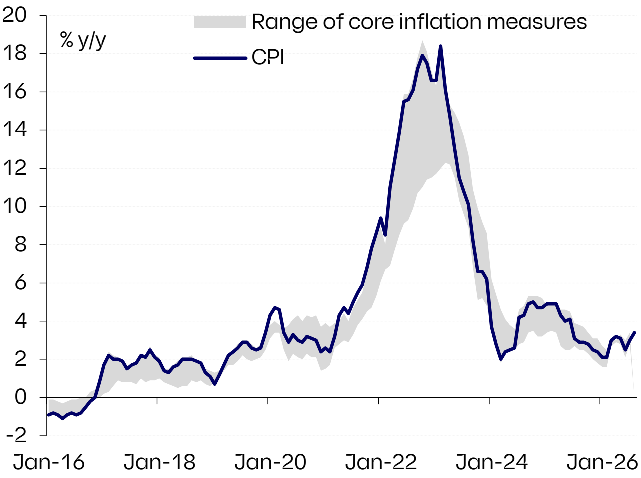


Source: Datastream, NBP, PKO Bank Polski. *for PLN, and EUR 6M, for USD 3M.

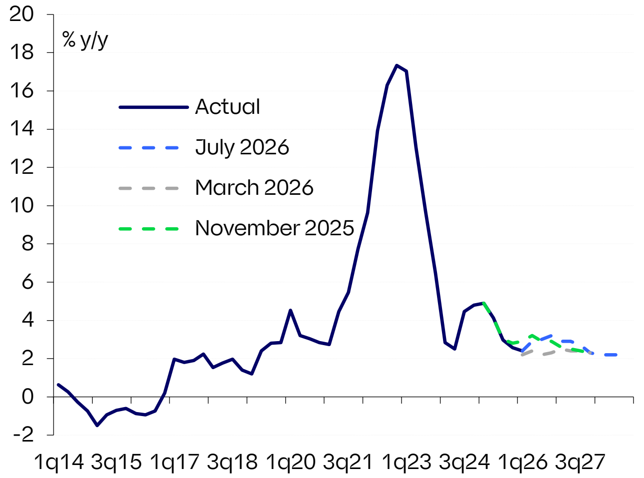
Broad inflation measures



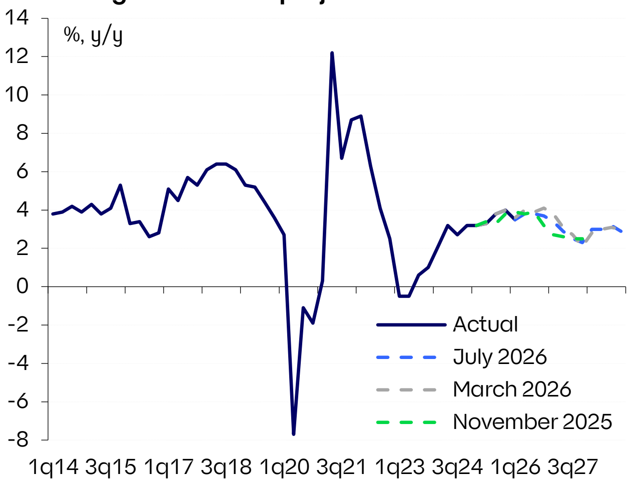
CPI and core inflation measures



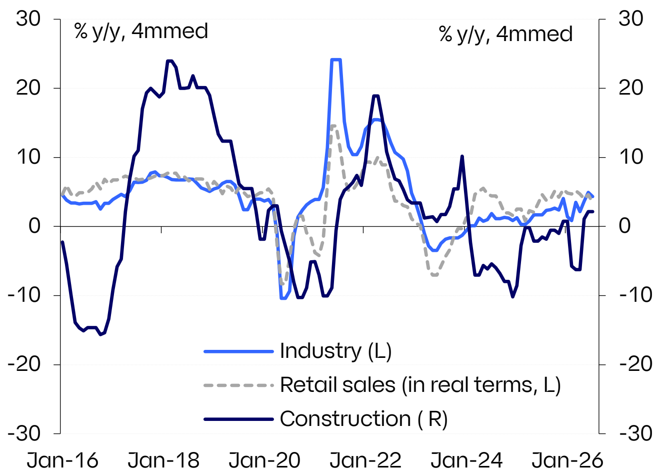
CPI inflation – NBP projections vs. actual



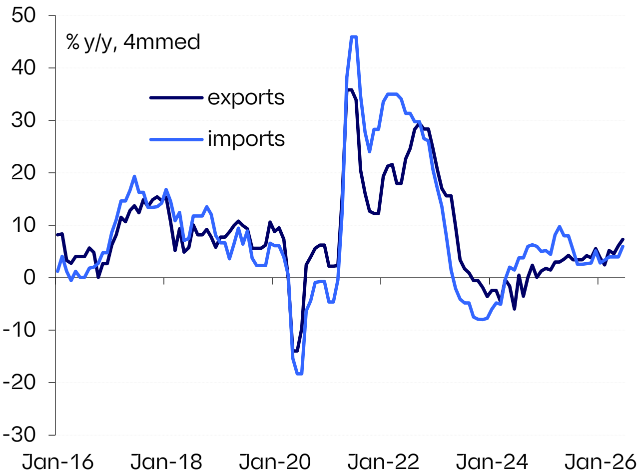
Real GDP growth – NBP projections vs. actual



Economic activity indicators

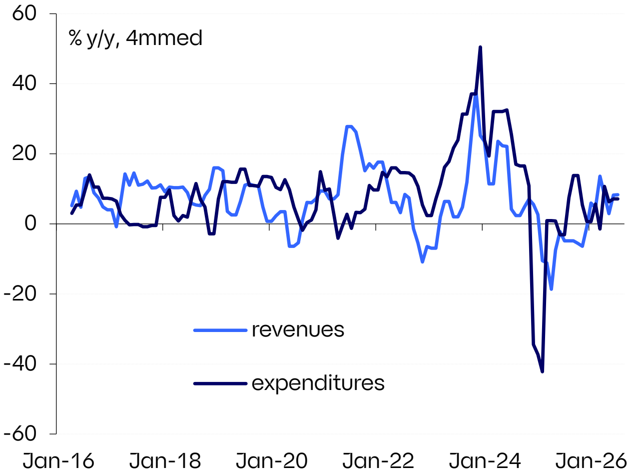


Merchandise trade (in EUR terms)

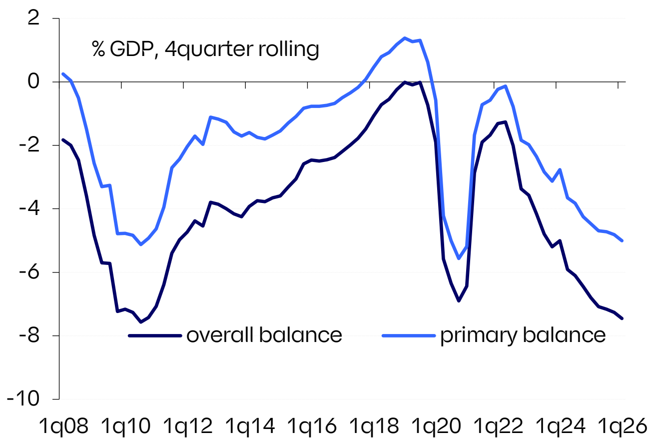


Source: Datastream, GUS, EC, NBP, PKO Bank Polski.

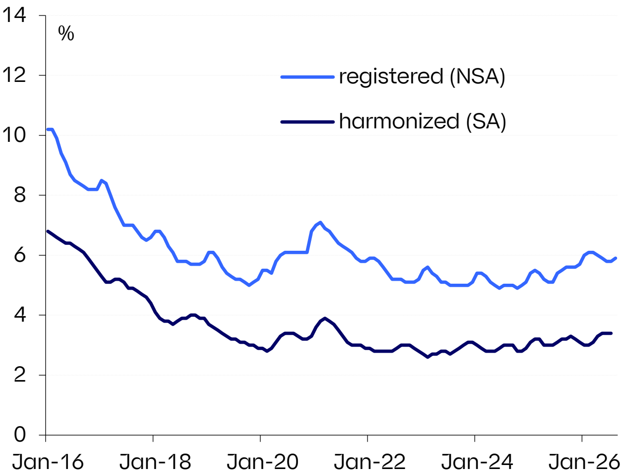
Central government revenues and expenditures*



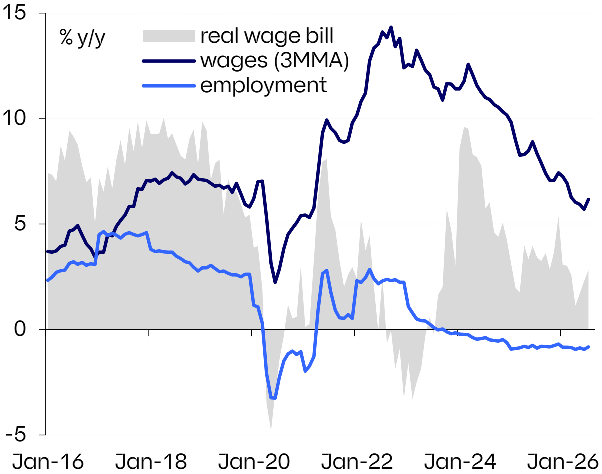
General government balance (ESA2010)



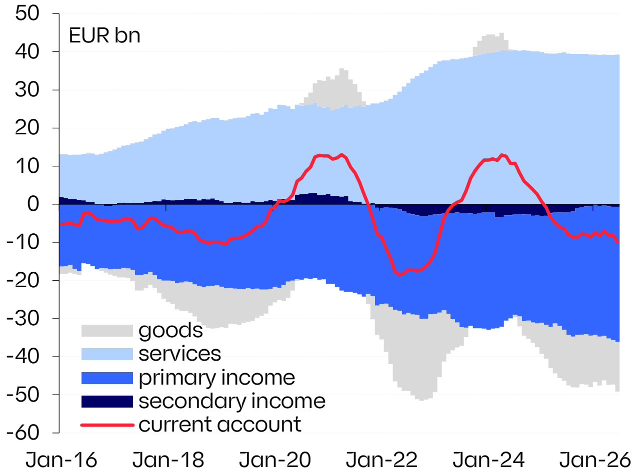
Unemployment rate



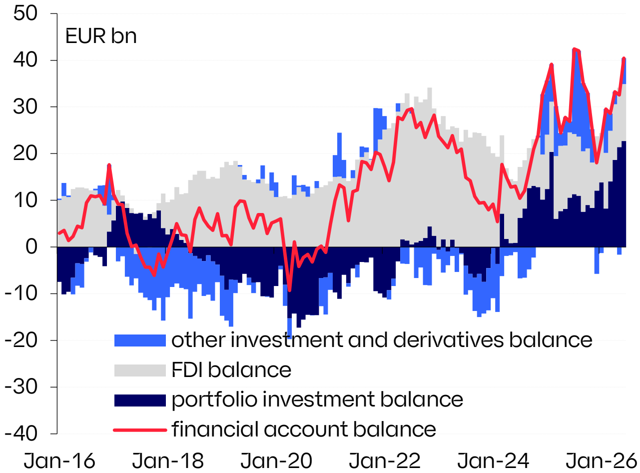
Employment and wages in the enterprise sector



Current account balance



Financial account balance



Source: NBP, Eurostat, GUS, MinFin, PKO Bank Polski. *break in series in 2010 due to methodological changes.

Previous issues of CEE Macro Weekly:

- CEE rides the euro area recovery (September 4, 2026)
- Fiscal consolidation key to Poland's rating (August 28, 2026)
- 'More or less' budget-neutral (August 21, 2026)
- Low inflation, hawkish stance (August 7, 2026)
- Higher inflation does not close the door on a rate cut (July 31, 2026)
- Healthy economy with unhealthy public finances (July 24, 2026)
- CPI keeps falling across CEE (July 17, 2026)
- More or less cautious doves (July 10, 2026)
- The moon doesn't care for barking dogs (July 3, 2026)
- No signs of cooling (June 26, 2026)
- Diverging interest rate paths in the CEE (June 19, 2026)
- Hawkish sentiment is gaining ground in Czechia (June 12, 2026)
- CEE sentiment holds up (May 29, 2026)
- Calm amid the storm (May 22, 2026)
- A tale of two economies (May 15, 2026)
- The hawks are circling overhead (May 8, 2026)
- Swinging moods in the CEE (Apr 24, 2026)
- Wind of change in Hungary (Apr 17, 2026)
- Hungary at the crossroads (Apr 10, 2026)
- Divergent fiscal paths in the CEE (Apr 2, 2026)
- Inflation up, GDP growth down (Mar 27, 2026)
- Small tweaks to the CEE macro scenario (as for now) (Mar 20, 2026)
- Central banks in the grip of (geo)politics (Mar 13, 2026)
- NBP rate cut despite global turbulence (Mar 6, 2026)
- Romania's road from austerity to innovation (Feb 27, 2026)
- Polish economy in a deep freeze – but just temporarily (Feb 20, 2026)
- Ambiguous inflation in the region (Feb 13, 2026)
- Inflation below target does not always imply rate cuts (Feb 6, 2026)
- The consumer was calling the shots last year (Jan 30, 2026)
- A golden outlook ahead (Jan 23, 2026)
- The Year of a Fiery Economy (Jan 16, 2026)
- Prosperous New Year! (Jan 9, 2026)
- Economic harmony with one dissonance (Dec 19, 2025)
- Monetary policy calm in CEE (Dec 12, 2025)
- 175 bps in 8 months (Dec 5, 2025)
- A month full of surprises (Nov 28, 2025)
- Divergent forecasts (Nov 21, 2025)
- CEE at different stages of the business cycle (Nov 14, 2025)
- Industry is shying away from expansion (Nov 7, 2025)
- October inflation treat – CPI falls again (Oct 31, 2025)
- Poland's acceleration on the final stretch of 3q25 (Oct 24, 2025)
- Poland as the region's growth engine (Oct 17, 2025)
- Divergent appetite for rate cuts (Oct 10, 2025)

Economic Research Department

PKO Bank Polski S.A.
Swietokrzyska 36, 00-116 Warszawa
email: pkoresearch@pkobp.pl

Chief economist

Piotr Bujak	piotr.bujak@pkobp.pl	+48 693 333 127

Macroeconomic Research Bureau

Marta Petka-Zagajewska (Head of Bureau)	marta.petka-zagajewska@pkobp.pl	+48 691 335 426
Urszula Krynska	urszula.krynska@pkobp.pl	+48 722 060 794
Szymon Fabianski	szymon.fabianski@pkobp.pl	+48 722 051 585
Kamil Pastor	kamil.pastor@pkobp.pl	+48 723 670 836
Agnieszka Pierzak	agnieszka.pierzak@pkobp.pl	+48 666 823 657
Michał Reczek	michal.reczek@pkobp.pl	+48 783 552 546
Anna Sznajderska, PhD	anna.sznajderska@pkobp.pl	+48 722 050 645
Anna Wojtyniak-Stefanska	anna.wojtyniak-stefanska@pkobp.pl	+48 698 635 126

Are you interested in receiving research notes of PKO Bank Polski?
Please subscribe at: centrumanaliz.pkobp.pl/subskrypcja

You can also find us on X/Twitter and on our website Centrum Analiz PKO Bank Polski

𝕏 @PKO_Research

Bank Polski | Centrum Analiz