

# Eyeopener

## Consumers in better moods

Today Polish labour market data, flash PMIs abroad  
GUS revised up GDP data for 2021-2022  
Consumer confidence improved again in April  
EURPLN dropped below 4.60, bond yields lower

**Today**, in Poland the data on wages and employment in the corporate sector will be released. Abroad, April's flash PMI indicators in Europe and USA.

**GUS revised the quarterly GDP data for 2021-22.** GDP growth in 2021 was lifted to 6.9% from 6.8% and in 2022 to 5.1% from 4.9%. In 2022, private consumption was corrected to 3.3% from 3.0%, public consumption to -2.0% from -0.3%, investment to 5.0% from 4.6%, export to 6.2% from 4.5% and import to 6.2% from 5.3%. 4Q22 GDP growth was revised to 2.3% y/y from 2.0% y/y. In general, GDP path is a bit more optimistic, but the main trends did not change significantly and thus does not affect our expectations about scenario for the coming quarters. We still think that 1Q23 was the bottom of the cycle and a gradual economic recovery should follow later this year.

**Consumer confidence improved in April across the board, with the current index rising to -32.2 pts from -36.5 in March and leading index up to -19.7 from -22.6**, both returning to levels observed just before the Russian invasion on Ukraine started. Almost all components of main sentiment indicators did improve, with the biggest gains in the assessment of future economic situation, the current scope for large expenditures and expected future unemployment. The only component that worsened was the assessment of future possibility to save money. Overall, the results of the survey seem to be fully consistent with our expectations of a gradual revival in consumption spending later this year, financed – at least partly – by the erosion of accumulated savings (consumption smoothing behaviour). The survey also confirmed that the trend of lowering households' inflation expectations kept continuing in April.

**The MPC rejected motions to raise interest rates by 100bp and 25bp at its March meeting.** Only Joanna Tyrowicz voted in favour of the motion for a 100bp hike, having unsuccessfully requested such a hike at every meeting since October. In contrast, the motion for a 25bp hike was supported only by Ludwik Kotecki and Przemysław Litwiniuk, who had also called for such a move in February.

**The NBP recorded a record loss of PLN 17 billion in 2022.** The main reason for the negative financial result was losses on the foreign bond portfolio in a rising interest rate environment.

**The US Philadelphia Fed business sentiment index fell to -31.2pts**, the lowest level since May 2020. The market had expected -19.2pts versus -23.2pts previously in March. The surprise was all the greater because the manufacturing business climate index for the New York area, published a few days earlier, surprised strongly to the upside. **US home sales fell by -2.4% m/m in March** against expectations of -1.8% m/m and 13.8% m/m previously in February. Annual growth remained negative (-22% y/y in March vs. -23.1% y/y in February) continuing a downward trend that has lasted uninterrupted since August 2021.

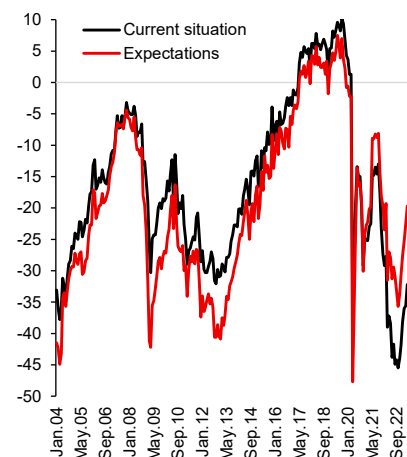
**EURUSD** fluctuated around the level of 1.095. Weaker data from the US temporarily moved the rate around 1.10, but by the end of the day it had returned to near the starting levels.

**EURPLN** slipped from 4.62 to 4.60, and even lower after the close of the local session. The zloty gained on improved consumer sentiment and an upward revision of GDP for 2021-22.

**Other CEE currencies:** EURCZK rose from 23.42 to 23.47. The koruna lost on falling CNB interest rate expectations. EURHUF fell to 376 from 378. The Hungarian government expects a breakthrough in the holiday months in the fight against inflation.

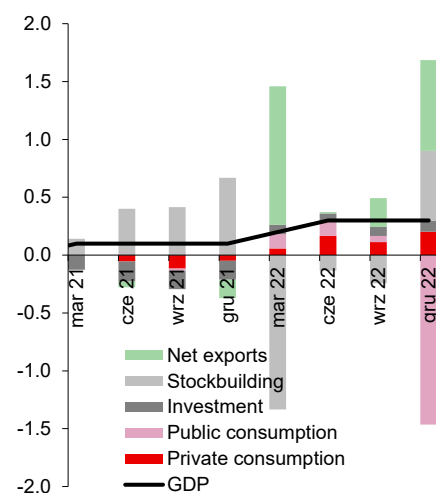
**Debt market:** Domestic yield curve fell by about 7bp on average. Interest rate expectations on the longer-dated FRA market also fell. Yields in the main markets behaved similarly, hurt by weaker US data. Today, a bond auction will take place. The MoF, expecting higher demand, raised the offered range from 4-8 to 5-9 billion zlotys.

Polish consumer confidence indices, pts



Source: Refinitiv, Santander

GDP growth – revision vs previous estimates, percentage points



Source: Refinitiv, Santander

### Economic Analysis Department:

a.l. Jana Pawła II 17, 00-854 Warszawa  
email: [ekonomia@santander.pl](mailto:ekonomia@santander.pl)  
website: [santander.pl/en/economic-analysis](https://santander.pl/en/economic-analysis)  
**Piotr Bielski** +48 691 393 119  
**Jarostaw Kosaty** +48 887 842 480  
**Marcin Luziński** +48 510 027 662  
**Grzegorz Ogonek** +48 609 224 857

**FX market**

**Today's opening**

EURPLN	4.5978	CZKPLN	0.1956
USDPLN	4.1939	HUFPLN*	1.2332
EURUSD	1.0960	RUBPLN	0.0514
CHFPLN	4.6936	NOKPLN	0.3941
GBPPLN	5.2123	DKKPLN	0.6224
USDCNY	6.8876	SEKPLN	0.4062

\*for 100HUF

**Last session in the FX market** 20/04/2023

	min	max	open	close	fixing
EURPLN	4.5955	4.6211	4.6192	4.5990	4.6109
USDPLN	4.1822	4.2202	4.2155	4.1929	4.2024
EURUSD	1.0931	1.0989	1.0957	1.0968	-

**Interest rate market** 20/04/2023

**T-bonds on the interbank market\*\***

Benchmark (term)	%	Change (bps)
PS1024 (2Y)	6.09	-8
WS0428 (5Y)	6.11	-7
DS1033 (10Y)	6.11	-7

**IRS on the interbank market\*\***

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	6.90	-5	5.11	-3	3.72	-2
2L	6.47	-9	4.42	-12	3.60	-5
3L	6.01	-9	4.01	-12	3.40	-6
4L	5.76	-11	3.80	-9	3.27	-5
5L	5.65	-11	3.68	-8	3.20	-5
8L	5.53	-10	3.53	-7	3.10	-5
10L	5.55	-8	3.51	-8	3.09	-4

**WIBOR rates**

Term	%	Change (bps)
O/N	6.73	10
T/N	6.75	3
SW	6.83	-1
2W	6.83	-1
1M	6.86	1
3M	6.90	0
6M	6.95	0
1Y	7.06	0

**FRA rates on the interbank market\*\***

Term	%	Change (bps)
1x4	6.88	-3
3x6	6.85	-4
6x9	6.74	-6
9x12	6.42	-9
3x9	6.88	-4
6x12	6.74	-13

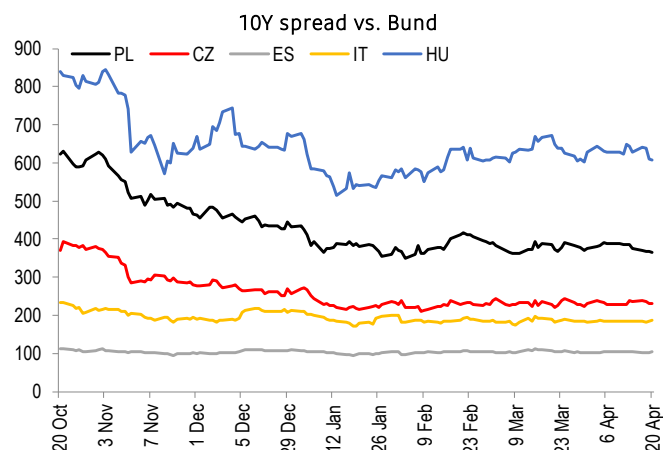
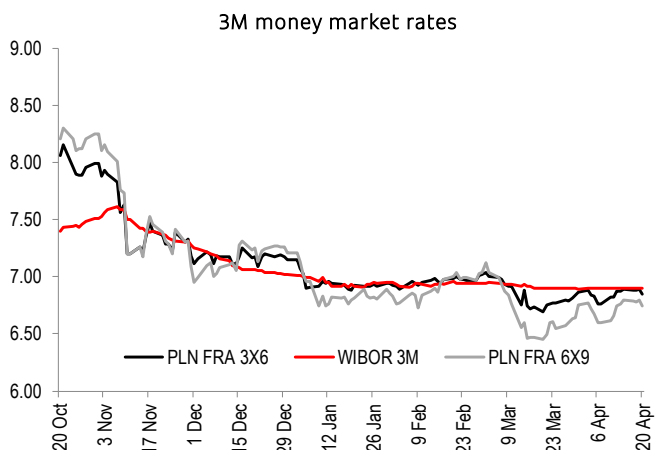
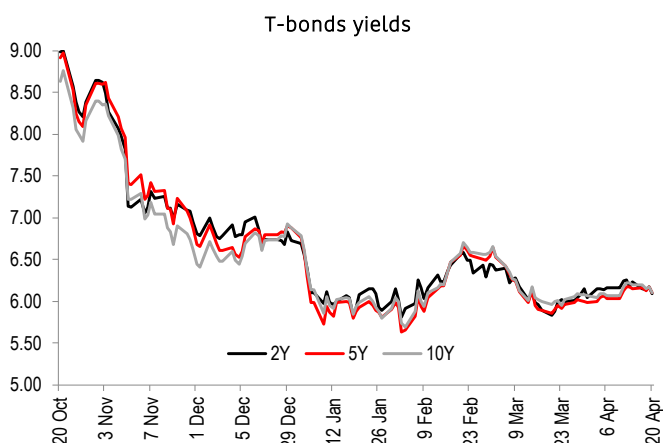
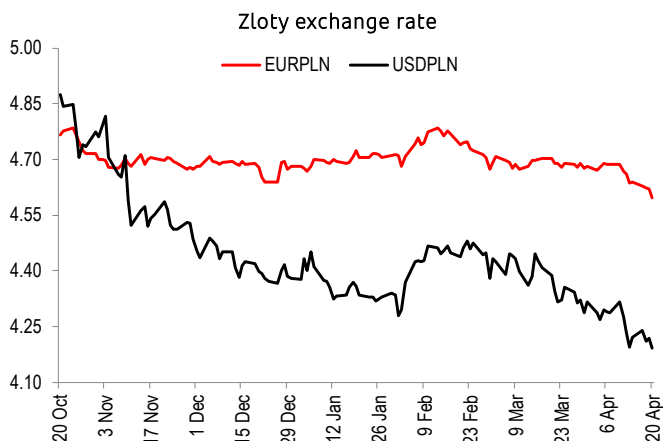
**Measures of fiscal risk**

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	95	0	366	-1
France	14	0	51	1
Hungary	174	0	607	-3
Spain	49	0	104	1
Italy	46	1	187	2
Portugal	37	0	87	1
Ireland	19	0	42	1
Germany	12	0	-	-

\* 10Y treasury bonds over 10Y Bunds

\*\*Information shows bid levels on the interbank market at the end of the trading day

Source: Refinitiv, Datastream



## Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		ACTUAL VALUE	LAST VALUE*
				MARKET	SANTANDER		
<b>FRIDAY (14 April)</b>							
10:00	PL	CPI	Mar	% y/y	16.2		16.2
14:30	US	Retail Sales Advance	Mar	% m/m	-0.4	-1.0	-0.2
15:15	US	Industrial Production	Mar	% m/m	0.2	0.4	0.2
16:00	US	Michigan index	Apr	pts	62.0	63.5	62.0
<b>MONDAY (17 April)</b>							
14:00	PL	CPI Core	Mar	% y/y	12.2	12.2	12.3
<b>TUESDAY (18 April)</b>							
11:00	DE	ZEW Survey Current Situation	Apr	pts	-	-32.5	-46.5
14:30	US	Housing Starts	Mar	% m/m	-2.8	-0.8	7.3
<b>WEDNESDAY (19 April)</b>							
11:00	EZ	HICP	Mar	% y/y	6.9	-	6.9
<b>THURSDAY (20 April)</b>							
14:30	US	Initial Jobless Claims		k	235.0	245	240.0
16:00	US	Existing Home Sales	Mar	% m/m	-1.8	-2.4	13.8
<b>FRIDAY (21 April)</b>							
09:30	DE	Germany Manufacturing PMI	Apr	pts	-	-	44.7
09:30	DE	Markit Germany Services PMI	Apr	pts	-	-	53.7
10:00	EZ	Eurozone Manufacturing PMI	Apr	pts	-	-	47.3
10:00	EZ	Eurozone Services PMI	Apr	pts	-	-	55.0
10:00	PL	Employment in corporate sector	Mar	% y/y	0.6	0.5	0.8
10:00	PL	Average Gross Wages	Mar	% y/y	12.5	12.3	13.6

Source: Santander Bank Polska, Bloomberg, Parkiet

\* in the case of a revision the data is updated

This publication has been prepared by Santander Bank Polska S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Santander Bank Polska S.A. its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Santander Bank Polska S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Santander Bank Polska S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication.

Additional information is available on request. Please contact Santander Bank Polska S.A., Financial Management Division, Economic Analysis Department. al. Jana Pawła II 17, 00-854 Warsaw, Poland. phone +48 22 534 18 87, email ekonomia@santander.pl, <http://www.santander.pl>.