

17 January 2025

# Weekly Economic Update

## Domestic data and events abroad

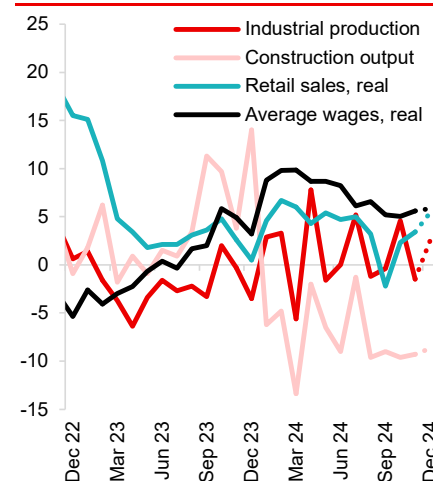
### Economy next week

- This is going to be an extremely interesting week. Already on Monday, the **inauguration of US President Donald Trump** will take place and, at the same time, the **World Economic Forum in Davos** will begin and last until the end of the week. Both events are likely to bring new information shaping investors' expectations on the global economic outlook. Particularly awaited will be the first statements, let alone decisions, of D.Trump and key representatives of his administration after taking office.
- The calendar of domestic data releases is quite rich: **on Wednesday, December wage and employment data, industrial production and PPI, and January economic activity; on Thursday, construction production and retail sales; and on Friday, money supply.** Abroad, on the other hand, the list of publications is quite short, with the most important being the flash January PMI indexes on Thursday.
- Our forecasts indicate that most domestic indicators should show an improvement in the economic situation in December relative to previous months, confirming that GDP growth accelerated in 4Q24 after a temporary slowdown in 3Q24.
- As usual, in the week following the MPC meeting, **new comments by Council members** can be expected, shedding more light on their assessment of the monetary policy outlook. We expect that, as was the case a month earlier, opinions will be divided and some may question the hawkish narrative reiterated at President Glapiński's conference today.
- Interest rate decisions will be taken by central banks in: China (Monday), Norway and Turkey (Thursday), Japan (Friday).

### Markets next week

- Stability continues to dominate the domestic foreign exchange market, for the time being. In the coming days, the zloty should be supported by local factors: hawkish statements by the NBP president, leading to an increase in expected interest rate disparity in the coming months, as well as solid December macro data. If these PLN-positive factors are not neutralised by changes in global sentiment (strengthening of the dollar, increase in risk aversion) in reaction to D.Trump's statements/actions after the inauguration, **it is quite possible for EURPLN to go down to 4.25 or even below.**
- The reinforcement of the hawkish announcement by NBP President Adam Glapinski plus local macro data indicating not bad economic activity at the end of the year will, in our view, be conducive to further postponement of the date of NBP rate cuts priced by the market and thus **can send the short end of the local bond yield and swap curves higher in the coming week.** For longer yields, global trends and general risk appetite may be more important. Looking ahead to the coming weeks, a downward direction seems more likely to us than a continuation of yield increases.

Selected economic data with Santander forecast for Dec'24, %y/y

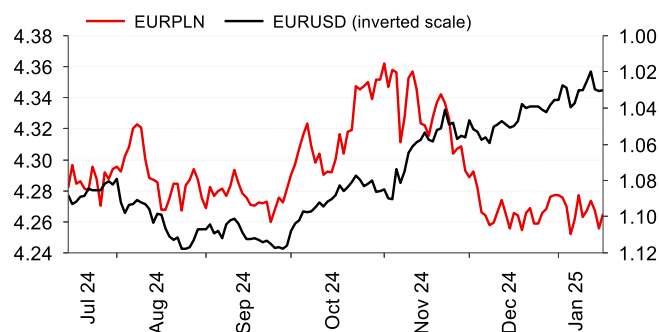


Source: GUS, Santander

### Economic Analysis Department:

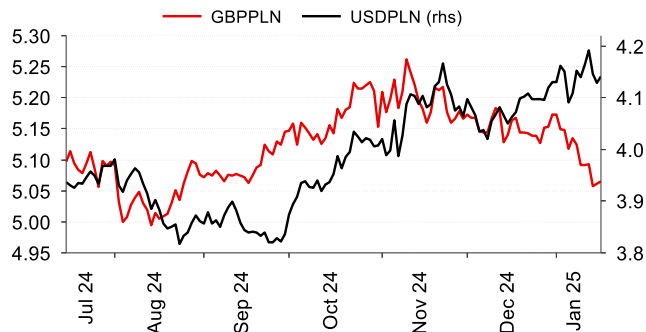
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### EURPLN and EURUSD



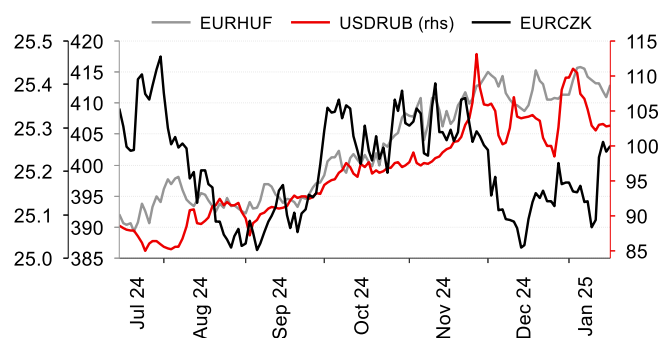
Source: LSEG Datastream, Santander

### GBPPLN and USDPLN



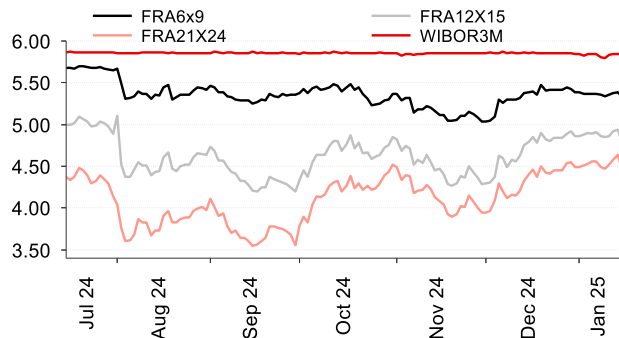
Source: LSEG Datastream, Santander Bank Polska

### EURCZK, EURHUF and USDRUB



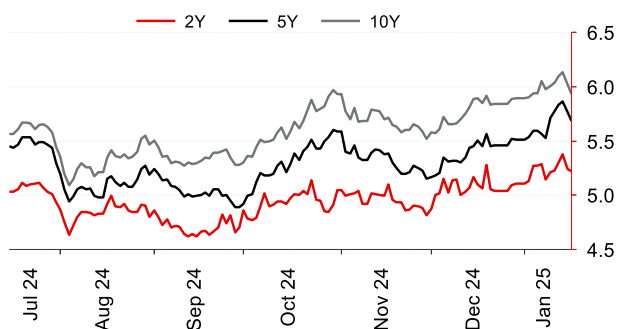
Source: LSEG Datastream, Santander Bank Polska

### PLN FRA and WIBOR3M



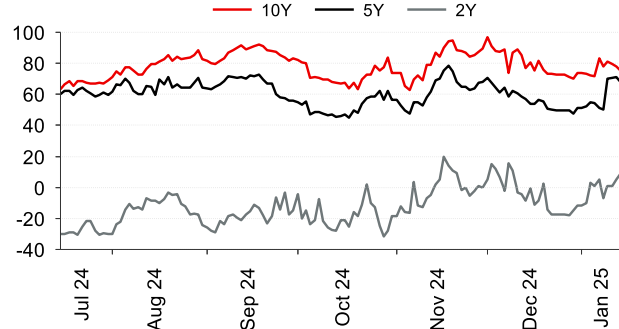
Source: LSEG Datastream, Santander Bank Polska

### Polish bond yields



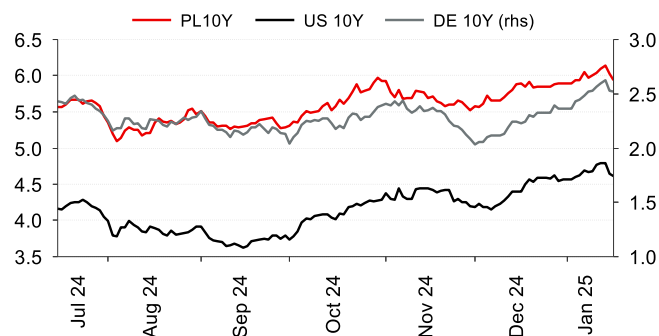
Source: LSEG Datastream, Santander Bank Polska

### Asset swap spreads



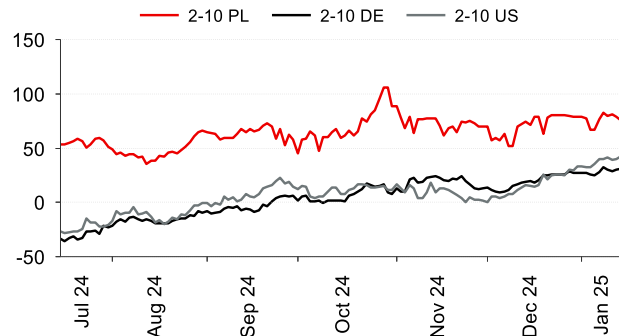
Source: LSEG Datastream, Santander Bank Polska

### 10Y bond yields



Source: LSEG Datastream, Santander

### Steepness of yield curves



Source: LSEG Datastream, Santander Bank Polska

## Economic Calendar

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		LAST VALUE	
				MARKET	SANTANDER		
MONDAY (20 January)							
No data releases							
TUESDAY (21 January)							
11:00	DE	ZEW Survey Current Situation	Jan	pts	-93.0	-	-93.1
WEDNESDAY (22 January)							
10:00	PL	Employment in corporate sector	Dec	% y/y	-0.5	-0.5	-0.5
10:00	PL	Average Gross Wages	Dec	% y/y	11.1	10.8	10.5
10:00	PL	Sold Industrial Output	Dec	% y/y	2.3	2.5	-1.5
10:00	PL	PPI	Dec	% y/y	-2.5	-2.5	-3.7
THURSDAY (23 January)							
10:00	PL	Construction Output	Dec	% y/y	-11.7	-8.7	-9.3
10:00	PL	Retail Sales Real	Dec	% y/y	3.9	4.3	3.1
14:30	US	Initial Jobless Claims	weekly	k	210	-	217
FRIDAY (24 January)							
09:30	DE	Germany Manufacturing PMI	Jan	pts	42.9	-	42.5
09:30	DE	Markit Germany Services PMI	Jan	pts	51.0	-	51.2
10:00	EZ	Eurozone Manufacturing PMI	Jan	pts	45.5	-	45.1
10:00	EZ	Eurozone Services PMI	Jan	pts	51.5	-	51.6
14:00	PL	Money Supply M3	Dec	% y/y	8.7	9.0	8.7
16:00	US	Michigan index	Jan	pts	-	-	73.2
16:00	US	Existing Home Sales	Dec	% m/m	1.2	-	4.8

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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