

25 April 2025

Eyeopener

Wave of orders for Polish industry

Today data on US consumers

Polish consumer confidence slightly weaker in April

March unemployment rate down to 5.3%, major rebound in industrial orders

CEE currencies stronger, steeper yield curve

Today, we will see the final April print of the Michigan index, which measures US consumer sentiment and inflation expectations. Other than that, the economic calendar does not show any economic publications or events.

In April, Polish consumer confidence worsened. The current situation index dropped to -16.5 pts from -15.2 pts, marginally below its long-term average of -16.1 pts. The expectations index fell to -11.8 pts from -9.8 pts, which is still significantly higher than the long-term average (-18.1 pts). The survey was conducted at the time of high market stress and uncertainty following the tightening of the US tariff policy, and the accompanying news flow may have weighed on consumers' opinions. There was a marked decline in the major purchases index, by over 4 pts to -10.0 pts, but it is still above any of the 2024 readings. At the same time, the index of propensity to save was down 2.5 pts from its fresh all-time high to 9.2 pts (which is still its second strongest value ever). Both changes occurred while there was no large swing in consumers' assessment of their own finances. However, there was a deterioration in job security index, by 3.6 pts to the lowest level in more than two years (there is no confirmation of these worries in actual unemployment statistics, which remain close to/at all-time lows). We expect private consumption to grow less in 1H25 than the 3.5% y/y recorded in 4Q24, but in 2H25 it should return to 3-3.5% pace, amid further disinflation and still tight labour market.

The registered unemployment rate fell to 5.3% in March from 5.4% in February, in line with expectations. We expect it to decline further in the coming months and return to around 5.0% by mid-year.

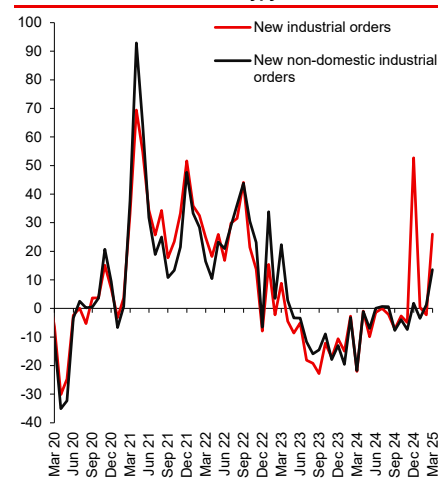
New industrial orders growth rebounded from -2.2% y/y in February to 26.0% y/y in March with export new orders growth rising from 1.3% y/y to 13.6% y/y. Given the weak performance of domestic industrial production in March and the increased uncertainty surrounding the tightening of trade policy, we believe that the increase in orders may indicate a desire to accelerate inventory building ahead of the potential entry into force of higher tariffs. This was hinted at e.g. in the latest PMI report from Germany.

MPC member Przemysław Litwiniuk said at the European Economic Congress in Katowice that recent data from the Polish economy justify consideration of an interest rate cut at the MPC's May meeting. In his view, the conditions exist to cut rates by 50 bp before the publication of the July inflation projection, possibly in two steps (i.e. by 25 bp in both May and June). As he added, if nothing changes by the time of the May meeting and a motion for a 50 bp cut is not submitted, he will submit it himself. Litwiniuk does not rule out further 50 bp of cuts in the autumn and, although he considers 100 bp of cuts over the year to be sufficient, he does not rule out 125 bp.

The zloty strengthened slightly against the euro on Thursday, with the EURPLN exchange rate dropping from 4.28 to 4.27. The Hungarian forint also strengthened against the euro, by c. 0.3%, and the Czech koruna by a little over 0.1%. The appreciation of the CEE currencies took place simultaneously with increases in the stock markets and with the depreciation of the dollar against the euro by around 0.6%.

Domestic bond yields fell by around 5 bp at the short end of the curve and rose by around 2 bp over the rest of its length, resulting in a steepening of the curve by around 7 bp. Yields in the core markets declined, including by 4-5 bp in Germany and by 6-8 bp in the US. Domestic IRS rates and FRAs rose by around 1-4 bp, more strongly at the long end of the curve.

New industrial orders, % y/y



Source: GUS, Santander

Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa

email: ekonomia@santander.pl

website: santander.pl/en/economic-analysis

Piotr Bielski +48 691 393 119

Bartosz Białas +48 517 881 807

Marcin Łuziński +48 510 027 662

Grzegorz Ogonek +48 609 224 857

FX market

Today's opening

EURPLN	4.2729	CZKPLN	0.1711
USDPLN	3.7725	HUFPLN*	1.0386
EURUSD	1.1327	RONPLN	0.8591
CHFPLN	4.5271	NOKPLN	0.3608
GBPPLN	5.0090	DKKPLN	0.5724
USDCNY	7.2884	SEKPLN	0.3907

*for 100HUF

Last session in the FX market

24/04/2025

	min	max	open	close	fixing
EURPLN	4.2645	4.2858	4.2839	4.2667	4.2789
USDPLN	3.7463	3.7812	3.7771	3.7558	3.7599
EURUSD	1.1329	1.1394	1.1338	1.1361	

Interest rate market

24/04/2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4.35	-2
PS0130 (5L)	4.77	2
DS1034 (10L)	5.33	3

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.52	1	4.15	-5	1.96	-1
2L	4.07	1	3.83	-7	1.88	-4
3L	3.96	1	3.77	-6	1.96	-4
4L	3.97	2	3.80	-6	2.05	-5
5L	4.01	3	3.84	-10	2.13	-5
8L	4.23	2	4.00	-8	2.34	-5
10L	4.39	2	4.08	-8	2.44	-4

WIBOR rates

Term	%	Change (bps)
O/N	5.67	-3
T/N	5.82	0
SW	5.82	-1
1M	5.68	-5
3M	5.45	-2
6M	5.14	-1
1Y	4.93	-1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	5.07	-1
3x6	4.45	2
6x9	4.08	3
9x12	3.81	4
3x9	4.23	2
6x12	3.94	4

CDS rates and 10Y yield spread vs. German Bund

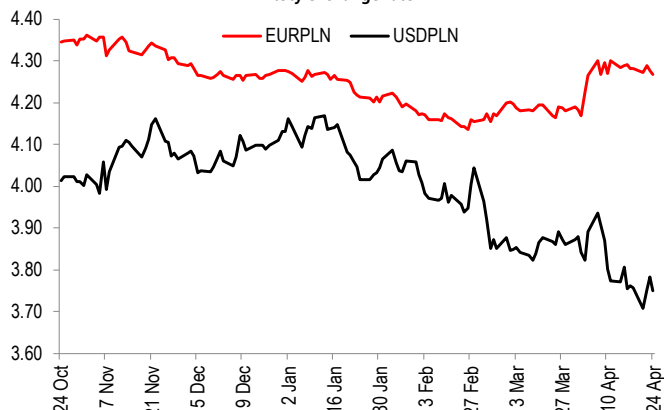
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	72	-1	288	8
France	21	-1	72	-2
Hungary	130	-4	458	5
Spain	37	0	64	-3
Italy	26	0	110	-4
Portugal	19	0	53	-3
Ireland	14	0	36	0
Germany	8	0	-	-

* 10Y treasury bonds over 10Y Bunds

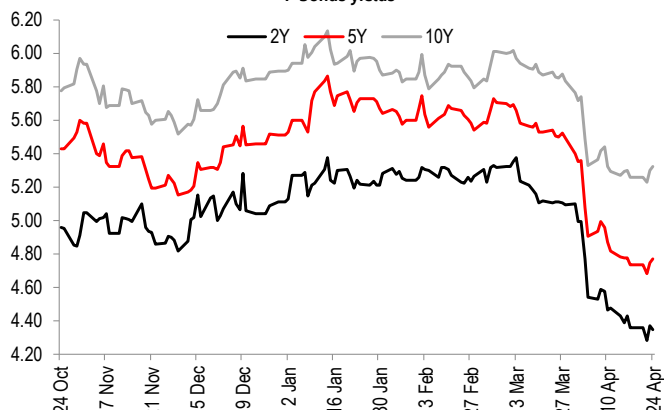
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

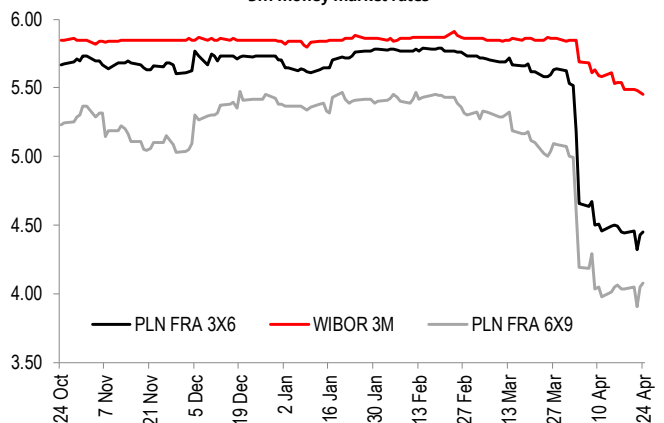
Zloty exchange rate



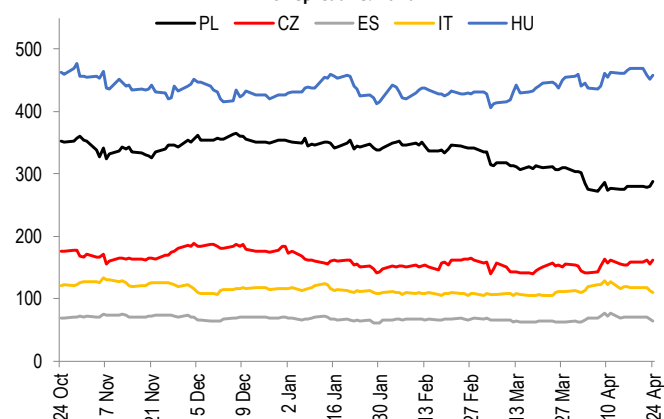
T-bonds yields



3M money market rates



10Y spread vs. Bund



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		ACTUAL	LAST
				MARKET	SANTANDER	VALUE	VALUE*
MONDAY (21 April)							
Holiday							
TUESDAY (22 April)							
10:00	PL	Employment	Mar	% y/y	-0.9	-0.9	-0.9
10:00	PL	Average Gross Wages	Mar	% y/y	7.9	8.4	7.9
10:00	PL	Sold Industrial Output	Mar	% y/y	3.6	2.9	-1.9
10:00	PL	Construction Output	Mar	% y/y	5.6	5.7	-1.1
10:00	PL	PPI	Mar	% y/y	-1.1	-0.9	-1.3
WEDNESDAY (23 April)							
09:30	DE	Germany Manufacturing PMI	Apr	pts	47.6	-	48.0
09:30	DE	Markit Germany Services PMI	Apr	pts	50.4	-	48.8
10:00	EZ	Eurozone Manufacturing PMI	Apr	pts	47.4	-	48.7
10:00	EZ	Eurozone Services PMI	Apr	pts	50.5	-	49.7
10:00	PL	Retail Sales Real	Mar	% y/y	0.6	-0.9	-0.3
14:00	PL	Money Supply M3	Mar	% y/y	9.6	10.1	10.3
16:00	US	New Home Sales	Mar	% m/m	1.1	-	7.4
THURSDAY (24 April)							
10:00	DE	IFO Business Climate	Apr	pts	85.2	-	86.9
10:00	PL	Unemployment Rate	Mar	%	5.3	5.3	5.4
14:30	US	Durable Goods Orders	Mar	% m/m	1.5	-	9.2
14:30	US	Initial Jobless Claims	weekly	k	222	-	222
16:00	US	Existing Home Sales	Mar	% m/m	-3.1	-	-5.9
FRIDAY (25 April)							
16:00	US	Michigan index	Apr	pts	50.8	-	-

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* 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>.