

28 April 2025

Eyeopener

Another hint from NBP on interest rate cut in May

Today, no important economic events or data in the agenda
 Volume of global international trade unchanged in February, after a rise in January
 Glapiński: prospects of inflation returning to target are now more optimistic
 CEE currencies stable against euro despite dollar strengthening

Today, the economic calendar does not include any significant publications or events. However, over the next days we will see important data, including April Economic Sentiment Indicators (ESI) for EU countries, including Poland (on Tuesday), April flash CPI inflation in Poland (on Wednesday), and Polish manufacturing PMI (on Friday). On Tuesday, the government is due to adopt macroeconomic assumptions for 2025-2028 and a report on the implementation of the medium-term fiscal-structural plan. Also this week, we will see the first estimates of 1Q25 GDP in several countries, including US, euro area, Czechia, Hungary.

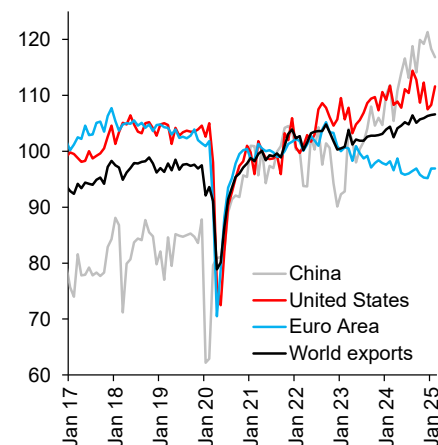
NBP Governor Adam Glapiński assessed in a statement for the Obserwator Finansowy portal, quoted by PAP, that the inflation outlook has clearly improved recently, due to, among other factors, a slowdown in wage growth in the domestic economy and a strong decline in oil prices on global markets. The Governor added that the prospects for a return of inflation to the target are more optimistic than previously anticipated, which in his view allows to assess that there will be room for an interest rate cut in the near term. We expect the next interest rate cut to be delivered in May and equal 50 bp.

World trade volumes remained unchanged month-on-month in February, following an increase of 0.7% m/m in January, according to the latest World Trade Monitor report. On the export side, increases were registered mainly in developed economies, most notably Japan, up 7.4% m/m, and the US (+3% m/m). Declines occurred in China (-1.3% m/m) and developed Asian economies outside Japan (-3% m/m). For the euro area, the survey showed that the strong rebound in exports registered in January (1.7% m/m) did not continue in February (0.0% m/m).

On Friday, the zloty appreciated slightly against the euro versus the Thursday's close, by around 0.1%. Movements of the Hungarian forint and Czech koruna against the euro were negligible. There was more movement in the EURUSD exchange rate, which fell by around 0.5% against Thursday's close. The EURPLN exchange rate has changed only marginally since the beginning of last week, as has the EURHUF exchange rate, while the EURCZK exchange rate has recorded a slight decline of 0.2%. The EURUSD exchange rate, despite a temporary rise, fell by around 0.5% over the past week. The CEE region's currencies may now be sensitive to reports on the Ukraine negotiations.

Polish 5Y and 10Y bond yields fell by about 3 bp on Friday, while 2Y bond yields rose by about 1 bp, resulting in a flattening of their curve by about 4 bp. Similar movements took place in the US, where 5Y and 10Y yields fell by 1-3 bp and 2Y bond yields rose negligibly. In Germany, yields rose by 2-3 bp. In parallel, domestic IRS rates fell by 3-6 bp and FRA rates by 0-7 bp, more strongly at the long end of the curve. Over the week, domestic IRS rates fell by 2-3 bp, more strongly at the short end of the curve, and FRA rates fell by 0-6 bp, more strongly at the long end of the curve.

World Trade Monitor: export volume in selected economies, 2021 = 100



Source: CPB, Santander

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FX market

Today's opening

EURPLN	4.2723	CZKPLN	0.1704
USDPLN	3.7574	HUFPLN*	1.0538
EURUSD	1.1370	RONPLN	0.8584
CHFPLN	4.5277	NOKPLN	0.3589
GBPPLN	4.9891	DKKPLN	0.5705
USDCNY	7.2954	SEKPLN	0.3867

*for 100HUF

Last session in the FX market

27/04/2025

	min	max	open	close	fixing
EURPLN	4.2610	4.2781	4.2751	4.2762	4.2688
USDPLN	3.7508	3.7761	3.7713	3.7581	3.7611
EURUSD	1.1320	1.1382	1.1333	1.1378	

Interest rate market

27/04/2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4.33	-2
PS0130 (5L)	4.75	-2
DS1034 (10L)	5.30	-2

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.49	-3	4.11	-4	1.98	2
2L	4.04	-3	3.78	-5	1.91	3
3L	3.93	-3	3.71	-6	1.98	2
4L	3.94	-3	3.73	-7	2.06	2
5L	3.98	-3	3.77	-7	2.14	1
8L	4.19	-4	3.91	-9	2.35	1
10L	4.35	-4	4.00	-8	2.45	1

WIBOR rates

Term	%	Change (bps)
O/N	5.74	7
T/N	5.81	-1
SW	5.83	1
1M	5.66	-2
3M	5.42	-3
6M	5.14	0
1Y	4.93	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	5.04	-3
3x6	4.45	0
6x9	4.04	-4
9x12	3.76	-5
3x9	4.26	3
6x12	3.89	-4

CDS rates and 10Y yield spread vs. German Bund

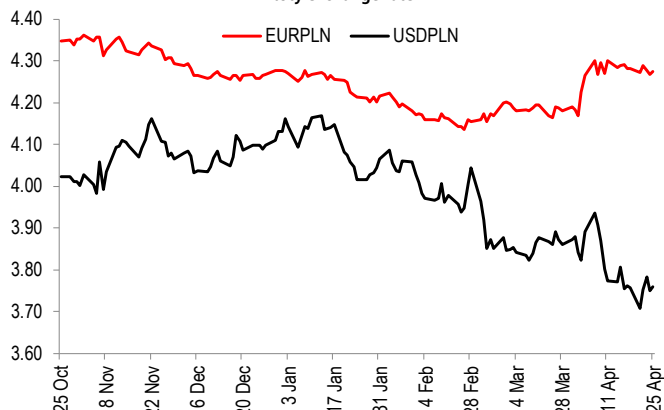
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	72	0	283	-5
France	20	-1	72	0
Hungary	128	-2	453	-5
Spain	37	-1	66	2
Italy	26	-1	112	2
Portugal	19	0	54	1
Ireland	15	0	36	0
Germany	8	0	-	-

* 10Y treasury bonds over 10Y Bunds

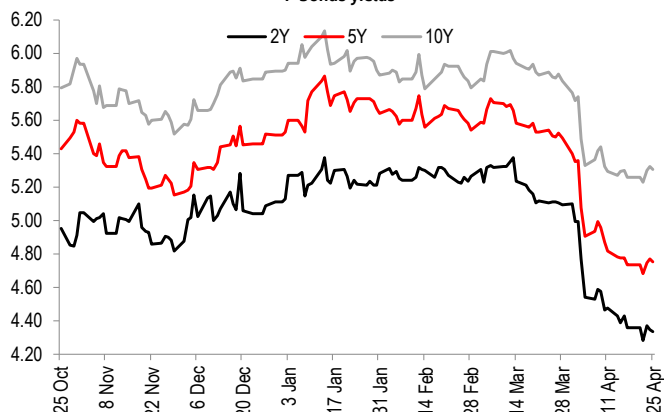
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

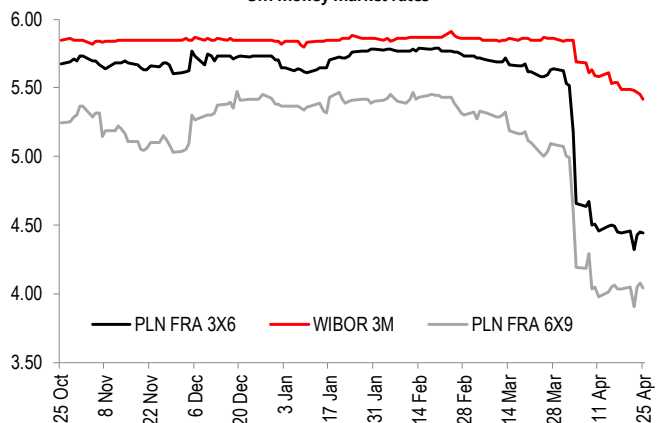
Zloty exchange rate



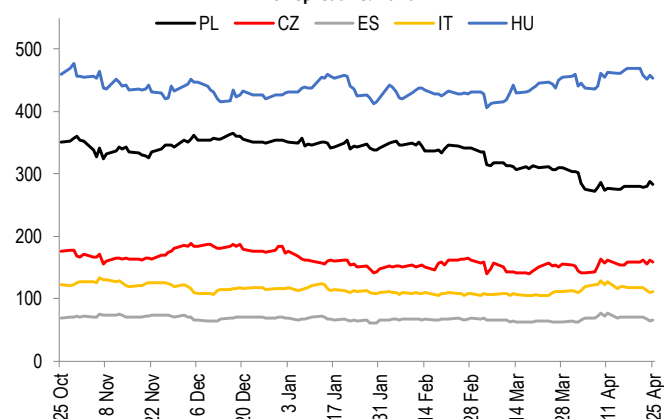
T-bonds yields



3M money market rates



10Y spread vs. Bund



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST		ACTUAL VALUE	LAST VALUE*
			MARKET	SANTANDER				
FRIDAY (25 April)								
16:00	US	Michigan index	Apr	pts	50.6	-	52.2	57.0
MONDAY (28 April)								
No key data releases or events								
TUESDAY (29 April)								
11:00	EZ	ESI	Apr	pct.	94.5	-		95.2
14:00	HU	Central Bank Rate Decision	Apr	%	6.50	-		6.50
16:00	US	Consumer Conference Board	Apr	pts	87.0	-		92.9
WEDNESDAY (30 April)								
08:00	DE	Retail Sales	Apr	% m/m	-0.5	-		0.3
08:30	HU	GDP	1Q	% y/y	0.4	-		0.4
09:00	CZ	GDP SA	1Q	% y/y	2.0	-		1.8
10:00	PL	CPI	Apr	% y/y	4.3	4.2		4.9
10:00	DE	GDP WDA	1Q	% y/y	-0.2	-		-0.2
11:00	EZ	GDP SA	1Q	% y/y	1.1	-		1.2
14:00	DE	HICP	Apr	% m/m	0.4	-		0.4
14:15	US	ADP report	Apr	k	125	-		155
14:30	US	GDP Annualized	1Q	% Q/Q	0.3	-		2.4
16:00	US	Personal Spending	Mar	% m/m	0.6	-		0.4
16:00	US	Personal Income	Mar	% m/m	0.4	-		0.8
16:00	US	Pending Home Sales	Mar	% m/m	-0.3	-		2.0
16:00	US	PCE Deflator SA	Mar	% m/m	0.0	-		0.3
THURSDAY (1 May)								
	PL	Holiday						
14:30	US	Initial Jobless Claims	week	k	220	-		222
16:00	US	ISM manufacturing	Apr	pts	48.0	-		49.0
FRIDAY (2 May)								
09:00	PL	Poland Manufacturing PMI	Apr	pts	50.4	50.1		50.7
09:55	DE	Germany Manufacturing PMI	Apr	pts	48.0	-		48.3
10:00	EZ	Eurozone Manufacturing PMI	Apr	pts	48.7	-		48.6
11:00	EZ	Flash HICP	Apr	% y/y	2.1	-		2.2
11:00	EZ	Unemployment Rate	Mar	%	6.1	-		6.1
14:30	US	Change in Nonfarm Payrolls		k	125	-		228
14:30	US	Unemployment Rate	Apr	%	4.2	-		4.2
16:00	US	Durable Goods Orders	Apr	% m/m	2.0	-		9.2
16:00	US	Factory Orders	Mar	% m/m	4.4	-		0.6

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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