

21 May 2025

# Eyeopener

## Big set of domestic data ahead

Today data on wages, employment, output and PPI in April, consumer sentiment in May  
The EU countries are due to approve the SAFE defence loan programme today  
The zloty continued to gain, Polish bond yields slightly down

**Today**, we will see data on the state of the Polish economy in April, including information on wages and employment in the corporate sector, as well as on industrial output and PPI. We expect the labour market data to show further stabilisation of employment growth at -0.9% y/y and a rebound of wage growth from 7.7% y/y to 8.4% y/y, 0.3 pp above the consensus. The expected acceleration of wage growth is related to the weak result from a year ago and additional payments in the mining sector. Industrial output, both in our view and according to market expectations, likely registered a slight year-on-year decline, a result, among other things, of Easter, which this year fell in April and last year in March. As for PPI growth, we expect a decline from -1.1% y/y to -1.3% y/y. In addition to this, the stats office will also publish the results of the May Consumer Confidence Survey.

**Treasury debt increased by PLN9.8bn m/m to PLN1,750.4bn at the end of April.** The increase in the overall debt level was due to an increase in the level of domestic debt by around PLN9.9bn and a decrease in the level of foreign currency debt by around PLN0.1bn.

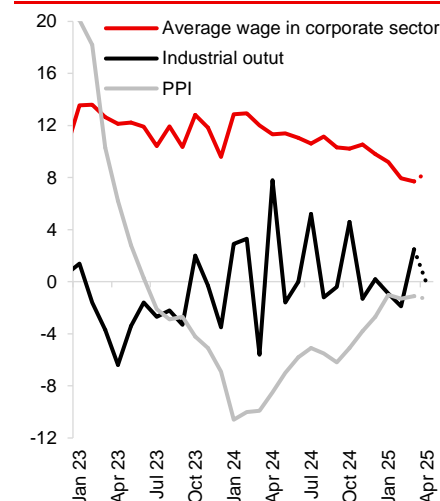
**National Defence Minister Władysław Kosiniak-Kamysz said that Poland was counting on PLN120-130bn from the EU's SAFE defence loan programme**, or around 20% of the total available to EU countries and Ukraine (the programme is to amount to €150 billion and to be financed by debt raised by the European Commission). The text of the regulation establishing the programme is due to be approved by EU member states today and the programme is likely to be launched at the beginning of June.

**Beth Hammack of the Cleveland Fed**, considered one of the most hawkish members of the FOMC, said that at present the US central bank should not change rates, but watch how changes in trade policy affect the economy. **Atlanta's Raphael Bostic** (also a hawk) presented a similar view, saying that the economic environment was increasingly unpredictable.

On Tuesday, **EURPLN continued to fall**, although the size of the move was smaller than on Monday. The exchange rate was around 4.24 at the European market close. This was the same level as in the first half of Friday, meaning that the zloty depreciation that appeared around the Polish presidential election has been entirely reversed. On Tuesday, the Hungarian forint and Czech koruna lost c. 0.2% to the euro. EURUSD remained around 1.125, which was also the Monday closing level.

**Polish money market rates and bond yields registered a decline on Tuesday.** IRS rates slid by 2-3bp, a bit more on the short end of the curve, FRA rates decreased by 2-6bp, more on the long end of the curve. Yields of Polish government bonds went down by 3-5bp and the curve became 1bp steeper. In the core markets, a minor rise in yields was seen, in Germany by 1-4bp (the curve steepened by 2bp) and in the US by 2-6bp (the curve steeper by c. 5bp).

Industrial output, PPI inflation and corporate wages, %y/y



Values in April 2025 are Santander forecasts  
Source: GUS, Santander

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## FX market

### Today's opening

EURPLN	4.2382	CZKPLN	0.1700
USDPLN	3.7360	HUFPLN*	1.0441
EURUSD	1.1344	RONPLN	0.8370
CHFPLN	4.5460	NOKPLN	0.3653
GBPPLN	5.0235	DKKPLN	0.5681
USDCNY	7.2058	SEKPLN	0.3893

\*for 100HUF

### Last session in the FX market 20/05/2025

	min	max	open	close	fixing
EURPLN	4.2386	4.2572	4.2500	4.2397	4.2497
USDPLN	3.7626	3.7854	3.7796	3.7678	3.7747
EURUSD	1.1222	1.1277	1.1241	1.1252	

## Interest rate market

20/05/2025

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

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4.62	-8
PS0130 (5L)	5.09	-4
DS1034 (10L)	5.52	-3

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

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.69	-3	4.34	0	2.03	0
2L	4.27	-4	4.02	-1	2.00	0
3L	4.18	-4	3.94	-1	2.08	1
4L	4.20	-4	3.94	-1	2.17	0
5L	4.25	-5	3.98	2	2.25	1
8L	4.45	-4	4.12	4	2.46	3
10L	4.60	-4	4.21	4	2.56	4

## WIBOR rates

Term	%	Change (bps)
O/N	5.24	-3
T/N	5.32	-1
SW	5.32	-1
1M	5.36	-2
3M	5.25	3
6M	5.01	0
1Y	4.84	0

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

Term	%	Change (bps)
1x4	5.15	2
3x6	4.77	-4
6x9	4.37	-4
9x12	4.04	-4
3x9	4.63	-3
6x12	4.26	-4

### CDS rates and 10Y yield spread vs. German Bund

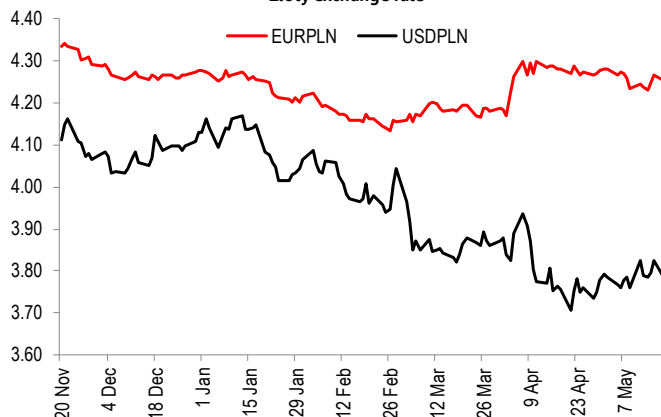
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	71	0	292	-5
France	19	-1	66	-2
Hungary	129	0	441	-7
Spain	35	-1	61	-1
Italy	24	0	101	-1
Portugal	17	-1	50	-1
Ireland	15	0	31	0
Germany	8	-1	-	-

\* 10Y treasury bonds over 10Y Bunds

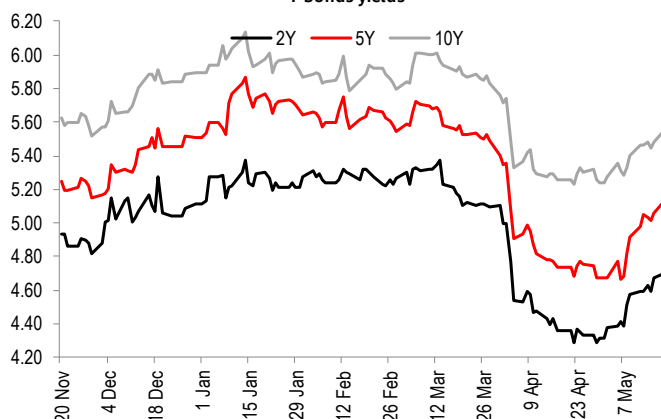
\*\*Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

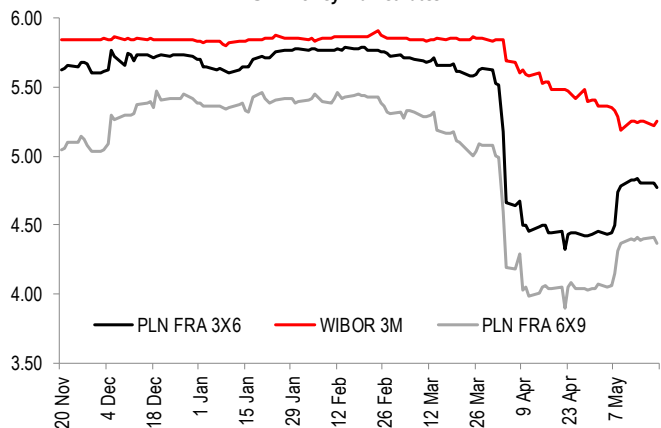
## Zloty exchange rate



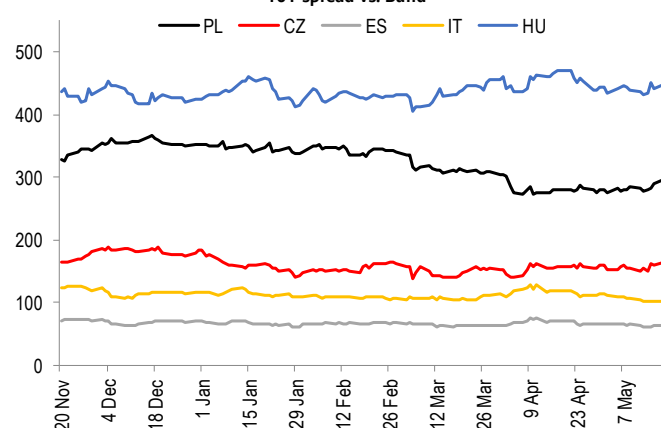
## T-bonds yields



## 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*	
FRIDAY (16 May)								
14:00	PL	CPI Core	Apr	% y/y	3.5	3.5	3.4	3.6
14:30	US	Housing Starts	Apr	% m/m	3.0	-	1.6	-10.1
16:00	US	Michigan index	May	pts	53.5	-	50.8	52.2
MONDAY (19 May)								
11:00	EZ	HICP	Apr	% y/y	2.2	-	2.2	2.2
TUESDAY (20 May)								
No data releases								
WEDNESDAY (21 May)								
10:00	PL	Employment in corporate sector	Apr	% y/y	-0.9	-0.9	-	-0.9
10:00	PL	Average Gross Wages	Apr	% y/y	8.1	8.4	-	7.7
10:00	PL	Sold Industrial Output	Apr	% y/y	-0.1	-0.2	-	2.5
10:00	PL	PPI	Apr	% y/y	-1.5	-1.3	-	-1.1
THURSDAY (22 May)								
09:30	DE	Germany Manufacturing PMI	May	pts	48.8	-	-	48.4
09:30	DE	Markit Germany Services PMI	May	pts	49.7	-	-	49.0
10:00	DE	IFO Business Climate	May	pts	87.45	-	-	86.9
10:00	EZ	Eurozone Manufacturing PMI	May	pts	49.3	-	-	49.0
10:00	EZ	Eurozone Services PMI	May	pts	50.5	-	-	50.1
10:00	PL	Construction Output	Apr	% y/y	-0.6	-0.2	-	-1.1
14:30	US	Initial Jobless Claims	weekly	k	228	-	-	229
16:00	US	Existing Home Sales	Apr	% m/m	3.2	-	-	-5.9
FRIDAY (23 May)								
08:00	DE	GDP WDA	1Q	% y/y	-0.2	-	-	-0.2
14:00	PL	Money Supply M3	Apr	% y/y	9.9	10.1	-	10.3
16:00	US	New Home Sales	Apr	% m/m	-3.3	-	-	7.4

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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

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