

26 May 2025

# Eyeopener

## Retail sales up in April?

Today, retail sales data and monthly Statistical Bulletin  
 Money supply rose 10.4% y/y in April  
 D.Trump announced higher tariffs on EU since 1 June, and then delayed them until July  
 Zloty slightly weaker, swap and bond curves slightly lower on Friday

**Today**, we will see April retail sales data and the monthly Statistical Bulletin, which will include e.g. the April registered unemployment rate. Retail sales are likely to have rebounded by c. 3% y/y (by 2.8% y/y according to our forecast, and by 3.4% y/y according to the market consensus), largely due to the effect of Easter having taken place a month later than in the previous year. This would be the first increase after two months of declines. For the unemployment rate, both we and the market expect a slight decline, from 5.3% to 5.2%, driven by seasonal factors.

**In April, Polish M3 money supply rose by 10.4% y/y** after 10.3% y/y in March. The market expected a slowdown to 9.8% y/y and our forecast was 10.1% y/y. Cash in circulation returned to 10.5% y/y growth, seen at the start of the year, from 10.0% y/y in March. Total deposits kept the 10.5% y/y pace from March, with household deposits growing 9.8% y/y, somewhat less than in the previous six months, and corporate deposits accelerating to 7.2% y/y (the highest since Dec-23) from 5.9% y/y a month earlier. While households focused on adding to their demand deposits, companies reduced these and increased term deposits ahead of the expected May interest rate cut by the NBP. Total credit growth, corrected for exchange rate movements, was up 4.4% y/y against 4.1% y/y in March – the growth of loans to individuals was 3.4% y/y vs. 3.7% y/y on average in 1Q, while business loans grew by 5.4% y/y (1Q average was 4.7% y/y). PLN-denominated consumer loans continued its gradual acceleration (6.6% y/y in April after 6.5% in March) and PLN-denominated mortgage loans kept slowing down (to 6.4% y/y from 6.5% in March). Credit to non-monetary financial institutions stayed for the third month running around 21.5% y/y. Generally, the data are in line with our slightly rising GDP growth profile for this year.

Minister of Finance Andrzej Domański announced on Friday that **the government intends to reduce the copper mining tax**, gradually over three years, starting in 2026. According to government estimates, this will decrease tax revenues by PLN500m in 2026 and around PLN750m in 2027 and 2028. Over ten years, the cost of the copper tax reduction is expected to reach PLN10bn. After 2028, the government also intends to allow for deductibility of costs incurred for investment expenditures.

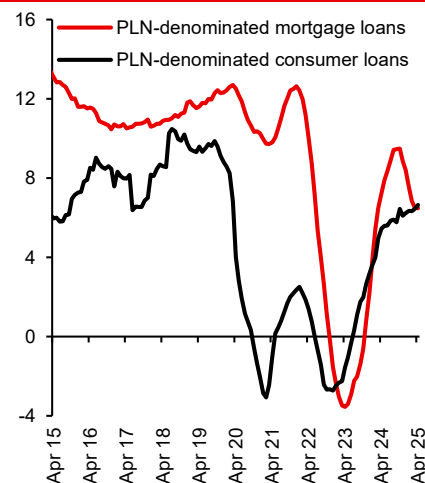
**The European Commission approved the creation of the Security and Defence Fund**, the Ministry of Funds and Regional Policy reported on its website. The Fund is to amount to PLN25bn, which are to be used for investment in civil infrastructure, defence industry, and cyber-security. Deputy Minister of Funds and Regional Policy Jan Szyszko said that the EC's approval of the Fund was the last point in the current revision of the Polish RRP, so that the revision only needs to be approved by the EU Council (in June) to be formally completed. According to the deputy minister, in the summer after the revision is completed, Poland should receive the next payment from the RRF of c. PLN10bn.

**US President Donald Trump recommended the imposition of a 50% tariff on imports from the European Union from 1 June this year.** The decision was related to, among other things, the lack of progress in the trade negotiations. On Sunday, after a telephone conversation with Ursula von der Leyen, the US president decided to hold off the higher tariffs until 9 July in exchange for a declaration of readiness for swift trade talks.

**On Friday, the Polish złoty lost a bit more than 0.2% to the euro**, which sent the EURPLN exchange rate from around 4.24 near 4.26. The depreciation of the złoty might have been related to the announcement of an imposition of higher tariffs on EU by the USA, which increased risk aversion in global markets. HUF also weakened to the euro by around 0.2% and CZK strengthened by 0.1%. The US dollar lost more than 0.3% to the euro. Over last week, EURPLN declined by around 0.2%, EURHUF rose by c. 0.5% and EURCZK hardly moved. The EURUSD exchange rate rose by around 1.5% over the past week.

**Domestic yields and money market rates registered slight declines on Friday.** Polish bond yields fell by around 2 bp across the curve. Yields also fell in the core markets, in Germany by around 8 bp across the curve and in the US by around 2-3 bp. Domestic IRS rates fell by 3-4 bp and FRA rates by 2-4 bp, a little more at the long end of the curve. Over last week, domestic yields fell by around 4 bp at the short end of the curve and rose by 4-11 bp on the rest of the curve.

Value of credit to individuals, %y/y



Source: NBP, Santander

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## FX market

### Today's opening

|        |        |         |        |
|--------|--------|---------|--------|
| EURPLN | 4.2518 | CZKPLN  | 0.1710 |
| USDPLN | 3.7246 | HUFPLN* | 1.0441 |
| EURUSD | 1.1416 | RONPLN  | 0.8418 |
| CHFPLN | 4.5643 | NOKPLN  | 0.3707 |
| GBPPLN | 5.0654 | DKKPLN  | 0.5704 |
| USDCNY | 7.1725 | SEKPLN  | 0.3933 |

\*for 100HUF

### Last session in the FX market

25/05/2025

|        | min    | max    | open   | close  | fixing |
|--------|--------|--------|--------|--------|--------|
| EURPLN | 4.2445 | 4.2630 | 4.2485 | 4.2539 | 4.2541 |
| USDPLN | 3.7376 | 3.7711 | 3.7542 | 3.7488 | 3.7506 |
| EURUSD | 1.1296 | 1.1374 | 1.1317 |        | 1.1348 |

## Interest rate market

25/05/2025

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

| Benchmark (term) | %    | Change (bps) |
|------------------|------|--------------|
| PS0527 (2L)      | 4.63 | 2            |
| PS0130 (5L)      | 5.11 | 0            |
| DS1034 (10L)     | 5.57 | -1           |

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

| Term | PL   |              | US   |              | EZ   |              |
|------|------|--------------|------|--------------|------|--------------|
|      | %    | Change (bps) | %    | Change (bps) | %    | Change (bps) |
| 1L   | 4.69 | -2           | 4.36 | 1            | 1.99 | -3           |
| 2L   | 4.27 | -3           | 4.03 | -1           | 1.96 | -4           |
| 3L   | 4.16 | -3           | 3.94 | -2           | 2.05 | -4           |
| 4L   | 4.17 | -3           | 3.95 | -2           | 2.14 | -5           |
| 5L   | 4.22 | -3           | 3.95 | -5           | 2.23 | -4           |
| 8L   | 4.43 | -4           | 4.12 | -5           | 2.46 | -4           |
| 10L  | 4.58 | -4           | 4.21 | -5           | 2.57 | -4           |

## WIBOR rates

| Term | %    | Change (bps) |
|------|------|--------------|
| O/N  | 5.19 | -2           |
| T/N  | 5.32 | 1            |
| SW   | 5.33 | 1            |
| 1M   | 5.33 | -6           |
| 3M   | 5.22 | -1           |
| 6M   | 5.01 | -1           |
| 1Y   | 4.84 | 0            |

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

| Term | %    | Change (bps) |
|------|------|--------------|
| 1x4  | 5.11 | -3           |
| 3x6  | 4.79 | -1           |
| 6x9  | 4.37 | -3           |
| 9x12 | 4.05 | -2           |
| 3x9  | 4.65 | -2           |
| 6x12 | 4.27 | -4           |

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

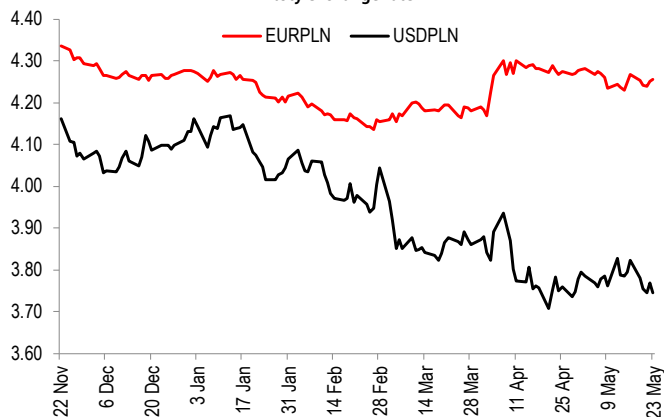
| Country  | CDS 5Y USD |              | 10Y spread* |              |
|----------|------------|--------------|-------------|--------------|
|          | Level      | Change (bps) | Level       | Change (bps) |
| Poland   | 71         | 0            | 299         | 6            |
| France   | 19         | 0            | 69          | 2            |
| Hungary  | 131        | 1            | 450         | 6            |
| Spain    | 35         | 0            | 63          | 1            |
| Italy    | 24         | 0            | 103         | 1            |
| Portugal | 17         | 0            | 52          | 2            |
| Ireland  | 15         | 0            | 33          | 2            |
| Germany  | 8          | 0            | -           | -            |

\* 10Y treasury bonds over 10Y Bunds

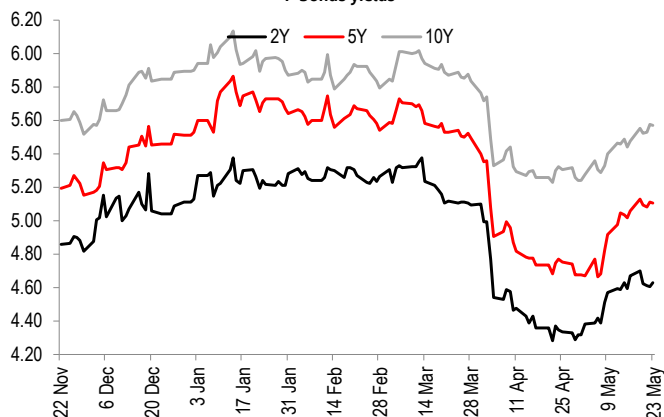
\*\*Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

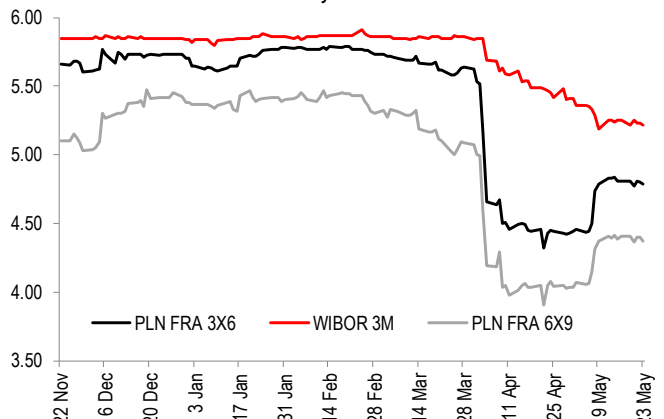
## Zloty exchange rate



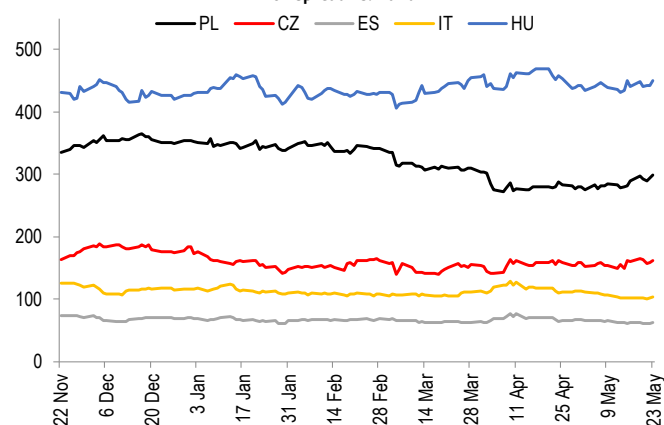
## T-bonds yields



## 3M money market rates



## 10Y spread vs. Bund



## Calendar of events and publications

| TIME<br>CET        | COUNTRY | INDICATOR                  | PERIOD |       | FORECAST |           | ACTUAL | LAST   |
|--------------------|---------|----------------------------|--------|-------|----------|-----------|--------|--------|
|                    |         |                            |        |       | MARKET   | SANTANDER | VALUE  | VALUE* |
| FRIDAY (23 May)    |         |                            |        |       |          |           |        |        |
| 08:00              | DE      | GDP WDA                    | 1Q     | % y/y | -0.2     | -         | 0.0    | -0.2   |
| 14:00              | PL      | Money Supply M3            | Apr    | % y/y | 9.8      | 10.1      | 10.4   | 10.3   |
| 16:00              | US      | New Home Sales             | Apr    | % m/m | -4.0     | -         | 10.9   | 2.6    |
| MONDAY (26 May)    |         |                            |        |       |          |           |        |        |
| 10:00              | PL      | Retail Sales Real          | Apr    | % y/y | 3.4      | 2.8       | -      | -0.3   |
| 10:00              | PL      | Unemployment Rate          | Apr    | %     | 5.2      | 5.2       | -      | 5.3    |
| TUESDAY (27 May)   |         |                            |        |       |          |           |        |        |
| 11:00              | EZ      | ESI                        | May    | pct.  | 94.1     | -         | -      | 93.6   |
| 14:00              | HU      | Central Bank Rate Decision | May    | %     | 6.5      | -         | -      | 6.5    |
| 14:30              | US      | Durable Goods Orders       | Apr    | % m/m | -8.2     | -         | -      | 7.5    |
| 16:00              | US      | Consumer Conference Board  | May    | pts   | 87.0     | -         | -      | 86.0   |
| WEDNESDAY (28 May) |         |                            |        |       |          |           |        |        |
| 20:00              | US      | FOMC Meeting Minutes       | May    |       |          |           |        |        |
| THURSDAY (29 May)  |         |                            |        |       |          |           |        |        |
| 14:30              | US      | GDP Annualized             | 1Q     | % Q/Q | -0.3     | -         | -      | -0.3   |
| 14:30              | US      | Initial Jobless Claims     | weekly | k     | 230      | -         | -      | 227    |
| 16:00              | US      | Pending Home Sales         | Apr    | % m/m | -1.1     | -         | -      | 6.1    |
| FRIDAY (30 May)    |         |                            |        |       |          |           |        |        |
| 08:00              | DE      | Retail Sales               | Apr    | % m/m | 0.2      | -         | -      | 0.4    |
| 09:00              | CZ      | GDP SA                     | 1Q     | % y/y | 2.0      | -         | -      | 1.8    |
| 10:00              | PL      | CPI                        | May    | % y/y | 4.3      | 4.2       | -      | 4.3    |
| 14:00              | DE      | HICP                       | May    | % m/m | 0.1      | -         | -      | 0.5    |
| 14:30              | US      | Personal Spending          | Apr    | % m/m | 0.2      | -         | -      | 0.7    |
| 14:30              | US      | Personal Income            | Apr    | % m/m | 0.3      | -         | -      | 0.5    |
| 14:30              | US      | PCE Deflator SA            | Apr    | % m/m | 0.1      | -         | -      | 0.0    |
| 16:00              | US      | Michigan index             | May    | pts   | 50.8     | -         | -      | 52.2   |

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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

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