

Eyeopener

High momentum in tourism

Today ESI business indicators, US personal incomes and spending, PCE deflator

Lutnick: USA and China finalised an understanding on trade

In April the domestic tourism advanced by 10.6% y/y

Sejm enacted bill prolonging price cap on electricity

Zloty stronger again, yields lower

Today, June readings of the ESI economic sentiment indicators will be released in EU countries, including Poland. In the US, May personal income and spending data will be out, as well as the May reading of the PCE index, the Fed's preferred measure of consumer price levels, and the June reading of the University of Michigan's consumer sentiment index. In addition, the Czech Republic will release a new estimate of GDP growth in 1Q25.

US Commerce Secretary Howard Lutnick said that the **US and China had reached an agreement on trade issues**, which had a positive impact on market optimism.

The Sejm passed an amendment to the so-called Windmill Act, which, among other things, reduces the minimum distance of wind turbines from buildings to 500 m. The law also includes provisions for a maximum electricity price for households until the end of the year of PLN500 per MWh. Currently, the maximum price is in force until the end of September. The next session of the Senate is scheduled for 16-17 July. President Andrzej Duda said this week that the inclusion of the electricity pricing issue in the windmill bill is an attempt to force his signature on the bill, but did not clearly declare whether he would be willing to sign it.

In April, 6.8 million overnight stays were provided in domestic tourist facilities, some 10.6% more than a year ago. The number of nights provided to domestic tourists increased by 7.1% y/y and the number of nights provided to international tourists increased by 24.3% y/y, the strongest increase since February 2023. As a result, the number of overnights provided since the start of 2025 rose to nearly 25.9 million in April, and was thus just over 2 million more than in 2023 and 2024, and over 3 million more than in pre-pandemic 2019. The scale of the increases in the number of overnight stays indicates a recovery in demand for domestic tourism services.

In May, EUR692.2 million of EU funds flowed into Poland, including EUR78.9mn under the Cohesion Policy and EUR590.8mn under the Common Agricultural Policy. Poland's payment to the EU budget amounted to EUR700.1mn, bringing the balance of settlements between Poland and the EU to -EUR8.7mn.

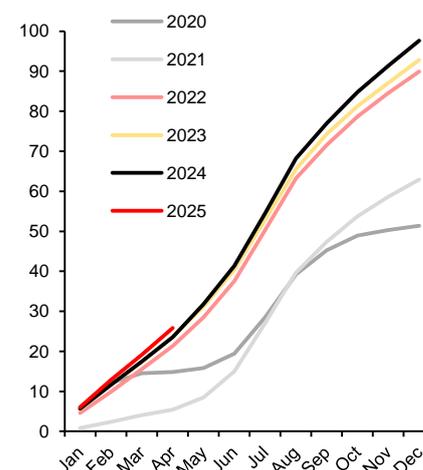
US 1Q25 GDP growth was revised down from -0.2% q/q to -0.5% q/q on an annualised basis. The revision was primarily due to a reduction in the estimated growth in services spending from 1.7% q/q to 0.6% q/q, which subtracted about 0.5 percentage points from GDP growth rate. This impact was partially mitigated by a revision in the contribution of net exports from -4.9pp to -4.6pp.

US durable goods orders increased by 16.4% m/m in May, clearly above market expectations of an 8.5% m/m increase. The May increase in orders was largely driven by a 230.8% m/m increase in orders for aircraft and parts. Orders of core capital goods, i.e. civilian capital goods excluding aircraft, increased by 1.7% m/m. In an environment of heightened uncertainty, this represents a good result, indicating that companies in the US have not stopped investing.

The EURPLN exchange rate continued its downward trend on Thursday, slipping by almost 0.2% to around 4.24, the lowest since late May. The currency's appreciation occurred in parallel with marked increases on the Polish stock market and the strengthening of government bonds, reflecting increased investor interest in Polish financial assets. Among the CEE region's currencies, the Hungarian forint also registered an appreciation against the euro, by nearly 0.3%. The Czech koruna fared less well, depreciating against the euro by around 0.1%. In parallel, there was a further depreciation of the dollar against the euro, which took the EURUSD above 1.17.

Domestic money market rates and bond yields fell slightly on Thursday. IRS rates and FRA rates fell by 2-4 bps, slightly more strongly at the long ends of their curves. Polish bond yields fell by 1-4 bp, and their curve flattened by around 2 bp. Yields also fell in the core markets, including by 1-2 bp in Germany and by 3-5 bp in the US.

Nights spent in domestic tourist accommodation establishments, millions, cumulative



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 Biały +48 517 881 807

Marcin Luźniński +48 510 027 662

Grzegorz Ogonek +48 609 224 857

FX market

Today's opening

EURPLN	4.2429	CZKPLN	0.1712
USDPLN	3.6284	HUFPLN*	1.0516
EURUSD	1.1691	RONPLN	0.8368
CHFPLN	4.5296	NOKPLN	0.3596
GBPPLN	4.9815	DKKPLN	0.5686
USDCNY	7.1698	SEKPLN	0.3809

*for 100HUF

Last session in the FX market 26/06/2025

	min	max	open	close	fixing
EURPLN	4.2384	4.2504	4.2478	4.2395	4.2479
USDPLN	3.6131	3.6402	3.6373	3.6186	3.6222
EURUSD	1.1671	1.1744	1.1679	1.1716	

Interest rate market 26/06/2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4.56	5
PS0730 (5L)	5.03	-2
DS1034 (10L)	5.48	-2

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.73	-2	4.15	-4	1.98	-1
2L	4.32	0	3.78	-6	1.98	-1
3L	4.20	-2	3.68	-6	2.06	-1
4L	4.20	-2	3.67	-6	2.15	-1
5L	4.23	-2	3.69	-7	2.24	0
8L	4.41	-2	3.85	-6	2.46	0
10L	4.56	-3	3.96	-5	2.58	1

WIBOR rates

Term	%	Change (bps)
O/N	5.25	2
T/N	5.30	0
SW	5.33	1
1M	5.35	0
3M	5.22	-2
6M	5.05	0
1Y	4.84	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	5.11	-1
3x6	4.82	-2
6x9	4.42	-1
9x12	4.10	-1
3x9	4.67	-3
6x12	4.31	0

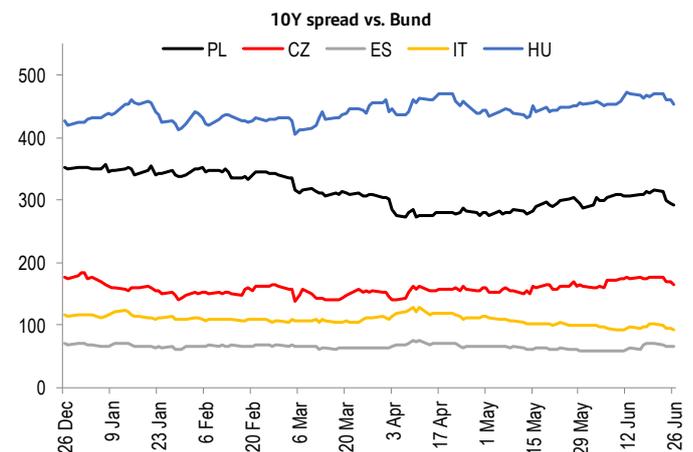
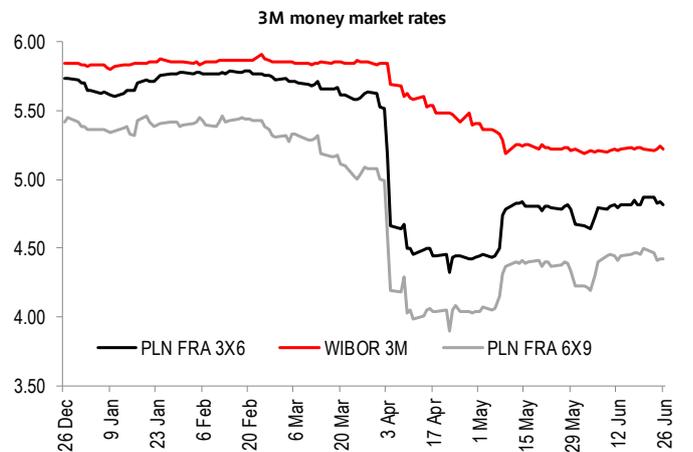
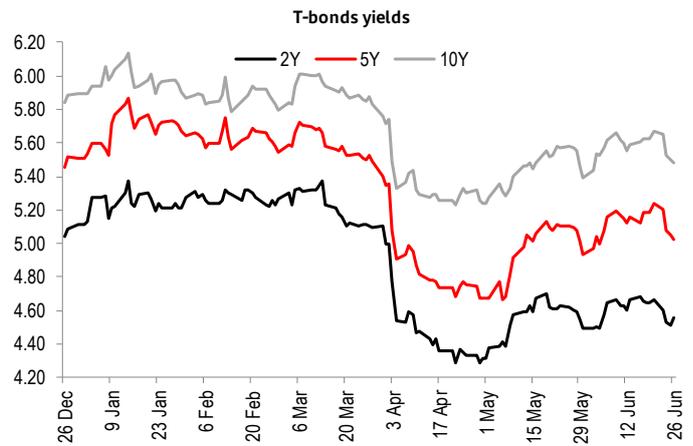
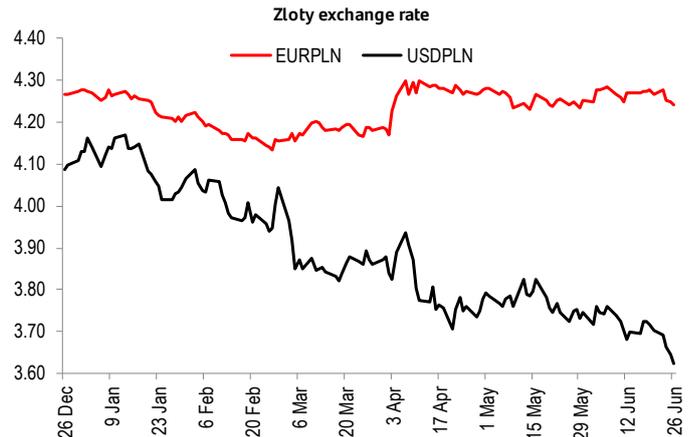
CDS rates and 10Y yield spread vs. German Bund

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	70	0	292	-2
France	18	0	69	-1
Hungary	126	0	454	-6
Spain	30	0	65	-1
Italy	20	0	93	-2
Portugal	16	0	48	-1
Ireland	12	0	32	-1
Germany	6	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



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		ACTUAL VALUE	LAST VALUE*	
				MARKET	SANTANDER			
FRIDAY (20 June)								
No key data releases or events								
MONDAY (23 June)								
09:30	DE	Germany Manufacturing PMI	Jun	pts	49.0	-	49.0	48.3
09:30	DE	Markit Germany Services PMI	Jun	pts	47.8	-	49.4	47.1
10:00	EZ	Eurozone Manufacturing PMI	Jun	pts	49.7	-	49.4	49.4
10:00	EZ	Eurozone Services PMI	Jun	pts	50.0	-	50.0	49.7
10:00	PL	Employment in corporate sector	May	% y/y	-0.7	-0.7	-0.8	-0.8
10:00	PL	Average Gross Wages	May	% y/y	8.9	8.8	8.4	9.3
10:00	PL	Sold Industrial Output	May	% y/y	4.6	5.6	3.9	1.2
10:00	PL	Construction Output	May	% y/y	-1.1	-2.8	-2.9	-4.2
10:00	PL	PPI	May	% y/y	-1.2	-1.4	-1.5	-1.6
16:00	US	Existing Home Sales	May	% m/m	-1.3	-	0.8	-0.5
TUESDAY (24 June)								
10:00	DE	IFO Business Climate	Jun	pts	88.1	-	88.4	87.5
10:00	PL	Retail Sales Real	May	% y/y	4.3	3.3	4.4	7.6
14:00	HU	Central Bank Rate Decision	Jun	%	6.50	-	6.50	6.50
14:00	PL	Money Supply M3	May	% y/y	10.2	9.9	10.3	10.4
16:00	US	Consumer Conference Board	Jun	pts	99.0	-	93.0	98.0
WEDNESDAY (25 June)								
10:00	PL	Unemployment Rate	May	%	5.0	5.0	5.0	5.2
14:30	CZ	Central Bank Rate Decision	Jun	%	3.50	-	3.50	3.50
16:00	US	New Home Sales	May	% m/m	-6.7	-	-13.7	9.6
THURSDAY (26 June)								
14:30	US	Durable Goods Orders	May	% m/m	8.5	-	16.4	-6.6
14:30	US	GDP Annualized	1Q	% Q/Q	-0.2	-	-0.5	2.4
14:30	US	Initial Jobless Claims	weekly	k	243	-	236	246
16:00	US	Pending Home Sales	May	% m/m	0.1	-	1.8	-6.3
FRIDAY (27 June)								
09:00	CZ	GDP SA	1Q	% y/y	2.2	-	-	1.8
11:00	EZ	ESI	Jun	pct.	95.0	-	-	94.8
14:30	US	Personal Spending	May	% m/m	0.2	-	-	0.2
14:30	US	Personal Income	May	% m/m	0.2	-	-	0.8
14:30	US	PCE Deflator SA	May	% m/m	0.1	-	-	0.1
16:00	US	Michigan index	Jun	pts	60.5	-	-	52.2

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.