

04 July 2025

# (Bi-)Weekly Economic Update

## US tariffs: what next?

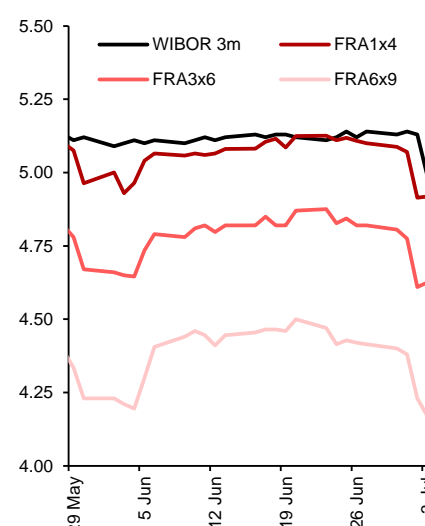
### Economy next week

- The main event of the passing week was the unexpected rate cut delivered by the MPC. Though it came two months after the previous one and will likely be followed by another one in September, the NBP Governor does not consider it to be a part of a policy-easing cycle. A new NBP projection was also released and in our view provides motivation for further rate cuts. However, it may be more important at the moment how individual MPC members see it and in the coming week, devoid of significant domestic economic data releases, their remarks may be in focus.
- Abroad, attention will be focused on the **US administration's decision on the future of the so-called reciprocal tariffs**. 9 July is the deadline for countries to negotiate new trade agreements with the US if they want to avoid the higher tariffs announced in April. Between now and that date, Donald Trump is expected to send out letters to countries that have not engaged in talks, setting new tariff rates in the range of 10-70%.
- Data due for release abroad include results of the German industry and exports, as well as retail sales in the eurozone. Minutes from the June FOMC meeting will be also released.
- The following working week, 14-18 July, will include some domestic publications: the **balance of payments for May, details of June inflation and calculation of core inflation**. The market expects that the current account deficit increased in May to €1 billion and in our opinion it was even greater. In our opinion, exports of goods could have increased by 3.2% y/y and imports by 4.2% y/y. According to our estimates based on preliminary CPI data from GUS, core inflation could have moved to 3.4% y/y in June from 3.3% in March, which would be its first increase since November last year.
- Abroad, CPI inflation, industrial production and retail sales in the US and preliminary July results of the US consumer sentiment survey will be released. The eurozone will also release full inflation data for June. The ZEW index will also be published.

### Markets next week

- The increase in EURPLN after the MPC decision to cut interest rates did not even reach 4.27 and was reversed the next day. This was at odds with the reaction of the interest rate market, where after the NBP Governor's conference the valuation of further monetary policy easing in Poland slightly increased. In our opinion, both this inconsistency in the market reaction and the approaching decisions on US tariffs create the **potential for the złoty to weaken** soon.
- The return of the topic of mutual tariffs may prove to be a contribution to strengthening the debt in Europe, including Poland. Further statements from the MPC should, in our opinion, confirm that the July cut did not end the MPC's rate adjustment, but rather opened the door to further steps, which should also support domestic debt and create **downward pressure on domestic market rates**.

Polish Money market rates, %

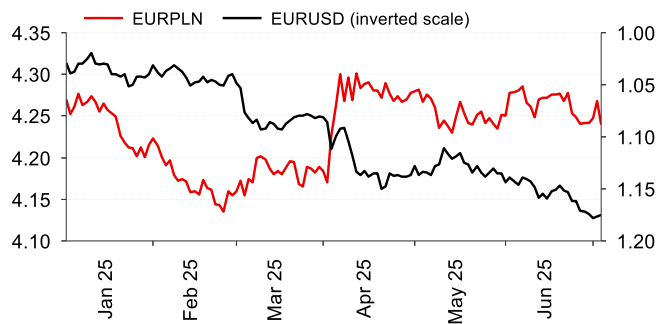


Source: LSEG Datastream, Santander

### Economic Analysis Department:

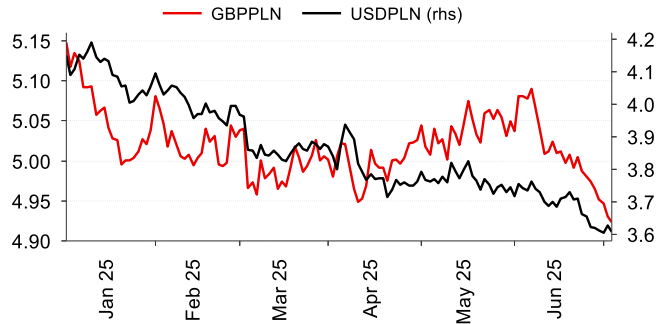
aL. Jana Pawła II 17, 00-854 Warszawa  
 email: [ekonomia@santander.pl](mailto:ekonomia@santander.pl)  
 website: [santander.pl/en/economic-analysis](https://santander.pl/en/economic-analysis)  
**Piotr Bielski** +48 691 393 119  
**Bartosz Białas** +48 517 881 807  
**Adrian Domitrz** +48 571 664 004  
**Marcin Łuziński** +48 510 027 662  
**Grzegorz Ogonek** +48 609 224 857

### EURPLN and EURUSD



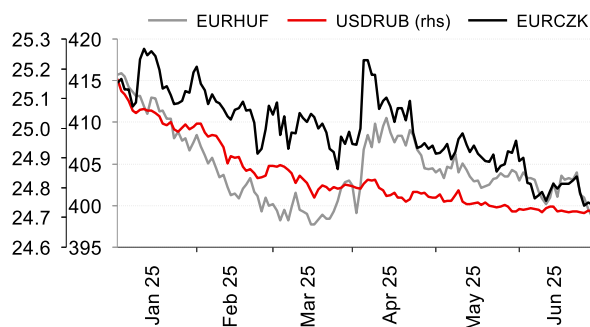
Source: LSEG Datastream, Santander

### GBPPLN and USDPLN



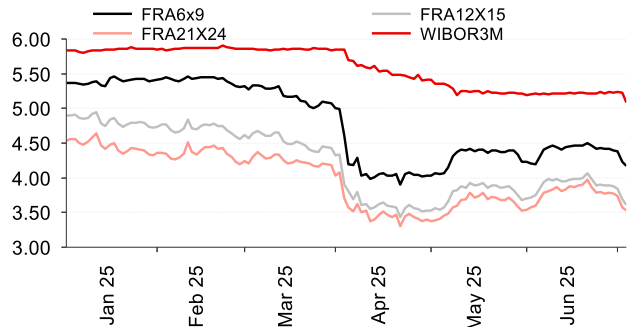
Source: LSEG Datastream, Santander Bank Polska

### EURCZK, EURHUF and USDRUB



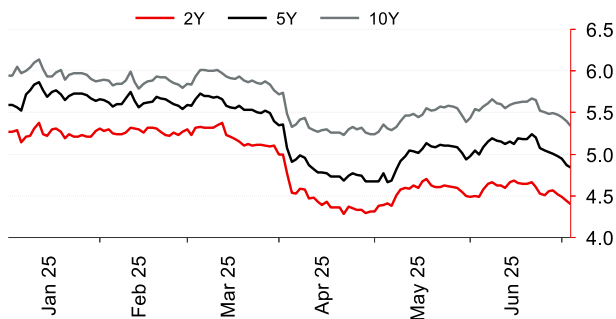
Source: LSEG Datastream, Santander Bank Polska

### PLN FRA and WIBOR3M



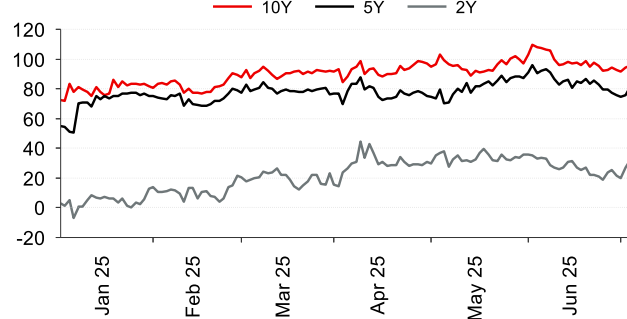
Source: LSEG Datastream, Santander Bank Polska

### Polish bond yields



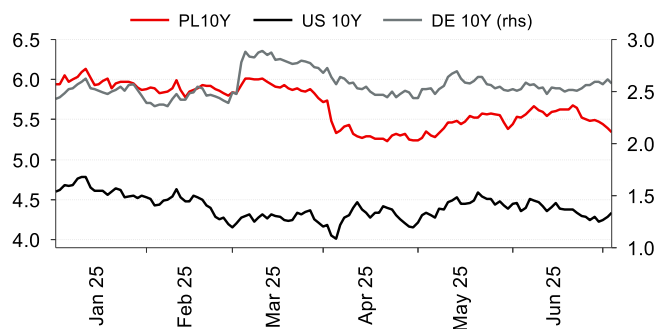
Source: LSEG Datastream, Santander Bank Polska

### Asset swap spreads



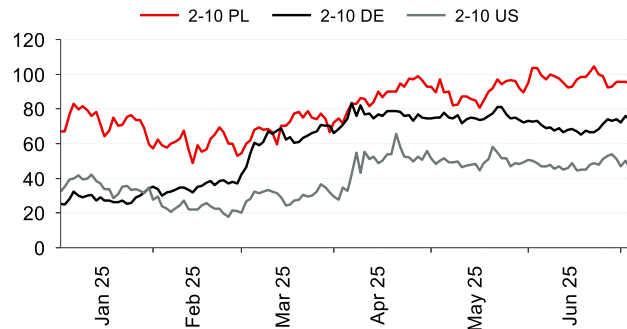
Source: LSEG Datastream, Santander Bank Polska

### 10Y bond yields



Source: LSEG Datastream, Santander

### Steepness of yield curves



Source: LSEG Datastream, Santander Bank Polska

## Economic Calendar

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		LAST VALUE	
				MARKET	SANTANDER		
MONDAY (7 July)							
08:00	DE	Industrial Production SA	May	% m/m	-0.2	-	-1.4
09:00	CZ	Industrial Production	May	% y/y	0.6	-	-1.1
11:00	EZ	Retail Sales	May	% m/m	-0.6	-	0.1
TUESDAY (8 July)							
08:00	DE	Exports SA	May	% m/m	-0.5	-	-1.7
08:30	HU	CPI	Jun	% y/y	4.6	-	4.4
WEDNESDAY (9 July)							
20:00	US	FOMC Meeting Minutes	Jun				
THURSDAY (10 July)							
08:00	DE	HICP	Jun	% m/m	0.1	-	0.1
14:30	US	Initial Jobless Claims	weekly	k	241	-	233
FRIDAY (11 July)							
No data releases							
MONDAY (14 July)							
14:00	PL	Current Account Balance	May	€mn	-999	-1 289	-374
14:00	PL	Trade Balance	May	€mn	-	-1 407	-941
14:00	PL	Exports	May	€mn	-	27 924	28072
14:00	PL	Imports	May	€mn	-	29 331	29013
TUESDAY (15 July)							
10:00	PL	CPI	Jun	% y/y	4.1	4.1	4.0
11:00	EZ	Industrial Production SA	May	% m/m	-	-	-2.4
11:00	DE	ZEW Survey Current Situation	Jul	pts	-	-	-72.0
14:30	US	CPI	Jun	% m/m	0.3	-	0.1
WEDNESDAY (16 July)							
14:00	PL	CPI Core	Jun	% y/y	-	3.4	3.3
15:15	US	Industrial Production	Jun	% m/m	-0.1	-	-0.2
THURSDAY (17 July)							
11:00	EZ	HICP	Jun	% y/y	-	-	2.0
14:30	US	Retail Sales Advance	Jun	% m/m	0.0	-	-0.9
14:30	US	Housing Starts	Jun	% m/m	3.5	-	-9.8
16:00	US	Michigan index	Jul	pts	61.3	-	60.7
FRIDAY (18 July)							
No data releases							

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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>.