18 July 2025

# Eyeopener

## NBP's Quick Monitoring today

Today NBP's Quick Monitoring report, in the USA construction and Michigan
June's MPC meeting with one motion to hike rates
Euro zone's HICP under control, negative contribution from energy
Better then expected US data on unemployment and sales
FX and FI markets stable

There's no hard data on the Polish economy **today**, though the release of the next wave of the NBP Quick Monitoring survey report will provide new information. There will also be another round of interesting news from the US market during the day. June data on construction activity (housing starts and building permits) will be released, as well as the University of Michigan's index tracking consumer sentiment and expectations.

Yesterday, **NBP published results of the MPC June vote** when the Council did not change interest rates. The only motion submitted at that time was a 250 bp increase by MPC member Joanna Tyrowicz. This is an even harsher proposal than at previous meetings, when Tyrowicz proposed a 200 bp increase. All other Council members voted against this proposal.

**According to a research report by the EY group**, Polish companies are highly concerned about the trade war and higher tariffs. A significant proportion (up to 3/4) of companies are considering a significant change in their business strategy. A significant proportion of respondents expressed concerns about rising production costs, the need to adjust production locations, and changes in suppliers. The report identifies the automotive, machinery, chemical, and electrical industries as the most at risk.

According to Climate Minister Paulina Hennig-Kloska, **the current energy price freeze** will certainly be extended until the end of this year, an additional three months after the current September 30th unfreezing deadline. However, the topic of further price freezes in 2026 will undoubtedly resurface, as members of the Law and Justice party have already submitted such a bill. The bill estimates the cost of government subsidies at PLN7.6billion annually.

The government has updated its **Multiannual Macroeconomic Assumptions for 2025-2029**. GDP growth is expected at 3.4% in 2025 and 3.5% in 2026. Inflation is forecast at 3.7% and 3.0%, respectively. These figures are consistent with the assumptions for the Budget Act published in June and are roughly in line with our expectations.

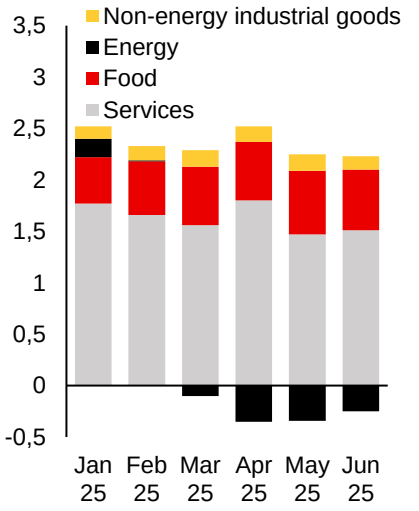
Eurostat has published the final data on the **Harmonized Index of Inflation (HICP) for June**. In the euro zone, inflation rose by 0.1pp compared to May, reaching 2.0% y/y (confirming the flash reading from July 1st). Services continued to contribute the most to price growth, with energy prices recording a negative contribution for the fourth consecutive month. In the EU, HICP rose from 2.2% to 2.3% y/y. The lowest price growth was recorded in Cyprus (0.5% y/y), France (0.9% y/y), and Ireland (1.6%), while the highest in Romania (5.8% y/y), Estonia (5.2% y/y), Hungary, and Slovakia (both 4.6% y/y). Poland fared relatively well compared to other CEE countries, posting 3.4% (0.1pp lower than in May and 0.9pp below January).

The latest **US unemployment figures** were better than expected, with the number of unemployment benefit claims reaching 221k, down from the previous reading of 227k and the expected 233k. At the same time, US retail sales data, after a 0.9% decline in May, rose by 0.6% m/m (a minimal 0.1% m/m increase was expected).

On Wednesday, **EURPLN** did not see any significant changes, remaining around the opening rate of 4.25. **The EURCZK and EURHUF** exchange rates were similarly calm. The **EURUSD** exchange rate briefly fluctuated amid media debate about Fed Chairman Jerome Powell's future. However, at the end of the day, the rate remained close to the 1.16 level seen at the beginning of the session. Christopher Waller, a member of the Fed's Board of Governors, said that interest rates should be cut at the next meeting to support the labour market.

Following Wednesday's Ministry of Finance auction, **the Polish debt market saw** continued slight increases in Polish bond yields of 1-2 bp, particularly at the longer end, resulting in a steepening of the curve by 1 bp. 2Y IRS rates rose by about 1 bp, and 5- and 10Y rates rose slightly more, by 2-3 bp. FRA rates were relatively stable, with increases of 1-2 bp for contracts with a longer horizon, above 12 months.

**HICP y/y in euro-zone decomposition (pp)**




*Source: Eurostat, Santander*

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**FX market**

**Today's opening**

| | | | |
|---|---|---|---|
| EURPLN | 4.2566 | CZKPLN | 0.1725 |
| USDPLN | 3.6634 | HUFPLN* | 1.0663 |
| EURUSD | 1.1615 | RONPLN | 0.8391 |
| CHFPLN | 4.5597 | NOKPLN | 0.3566 |
| GBPPLN | 4.9178 | DKKPLN | 0.5703 |
| USDCNY | 7.1801 | SEKPLN | 0.3768 |

*for 100HUF

**Last session in the FX market** **17/07/2025**

| | min | max | open | close | fixing |
|---|---|---|---|---|---|
| EURPLN | 4.2506 | 4.2584 | 4.2508 | 4.2567 | 4.2559 |
| USDPLN | 3.6555 | 3.6790 | 3.6570 | 3.6706 | 3.6686 |
| EURUSD | 1.1555 | 1.1627 | 1.1624 | 1.1596 | |

**Interest rate market** **17/07/2025**

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

| Benchmark (term) | % | Change (bps) |
|---|---|---|
| PS0527 (2L) | 4.41 | -4 |
| PS0730 (5L) | 4.97 | 2 |
| DS1034 (10L) | 5.44 | 1 |

**IRS on the interbank market****

| Term | PL | | US | | EZ | |
|---|---|---|---|---|---|---|
| | % | Change (bps) | % | Change (bps) | % | Change (bps) |
| 1L | 4.49 | 1 | 4.29 | 2 | 2.01 | 1 |
| 2L | 4.18 | 1 | 3.94 | 2 | 2.01 | 2 |
| 3L | 4.12 | 2 | 3.84 | 1 | 2.10 | 2 |
| 4L | 4.14 | 3 | 3.84 | 0 | 2.21 | 2 |
| 5L | 4.19 | 3 | 3.89 | 0 | 2.31 | 2 |
| 8L | 4.39 | 3 | 4.07 | 0 | 2.54 | 1 |
| 10L | 4.55 | 2 | 4.17 | 0 | 2.66 | 1 |

**WIBOR rates**

| Term | % | Change (bps) |
|---|---|---|
| O/N | 5.05 | -1 |
| T/N | 5.09 | -1 |
| SW | 5.09 | 0 |
| 1M | 5.11 | -1 |
| 3M | 5.00 | 4 |
| 6M | 4.84 | 0 |
| 1Y | 4.65 | 0 |

**FRA rates on the interbank market****

| Term | % | Change (bps) |
|---|---|---|
| 1x4 | 4.92 | 0 |
| 3x6 | 4.58 | -1 |
| 6x9 | 4.22 | 0 |
| 9x12 | 3.88 | 0 |
| 3x9 | 4.44 | -2 |
| 6x12 | 4.12 | 1 |

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

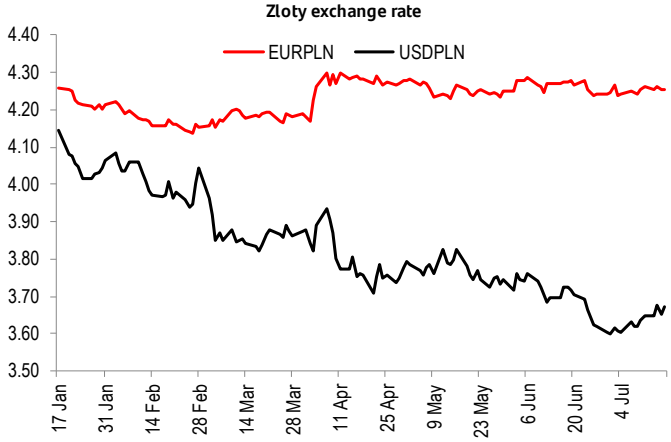
| Country | CDS 5Y USD | | 10Y spread* | |
|---|---|---|---|---|
| | Level | Change (bps) | Level | Change (bps) |
| Poland | 66 | 0 | 276 | 3 |
| France | 17 | 0 | 71 | 1 |
| Hungary | 124 | 0 | 437 | 3 |
| Spain | 29 | 0 | 62 | 0 |
| Italy | 18 | 0 | 89 | 0 |
| Portugal | 16 | 0 | 45 | 0 |
| Ireland | 12 | 0 | 27 | 1 |
| Germany | 5 | 0 | - | - |

* 10Y treasury bonds over 10Y Bunds

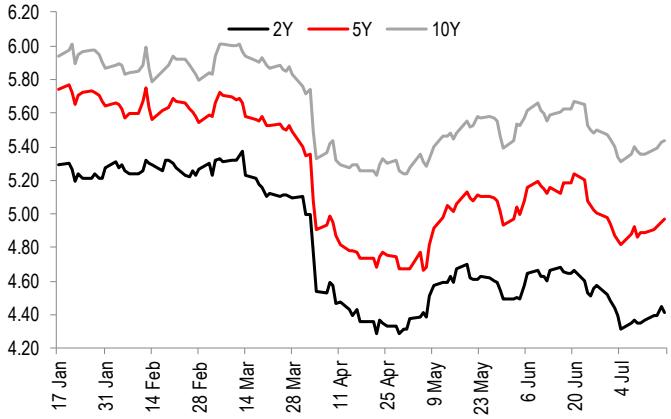
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

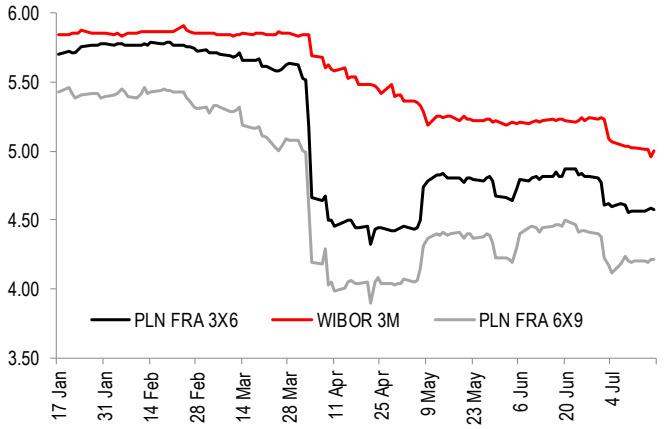
Zloty exchange rate



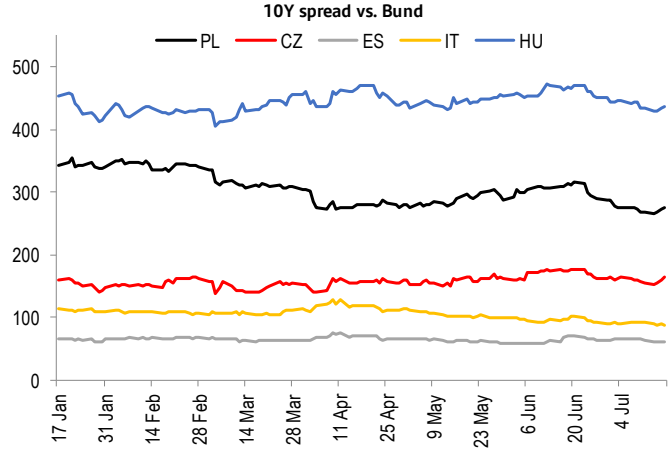

T-bonds yields




3M money market rates




10Y spread vs. Bund



## Calendar of events and publications

| TIME CET | COUNTRY | INDICATOR | PERIOD | | FORECAST MARKET | FORECAST SANTANDER | ACTUAL VALUE | LAST VALUE* |
|---|---|---|---|---|---|---|---|---|
| | | | **FRIDAY (11 July)** | | | | | |
| | | | No important data releases | | | | | |
| | | | **MONDAY (14 July)** | | | | | |
| **14:00** | **PL** | **Current Account Balance** | **May** | **€mn** | **-785** | **-1289** | **-1740** | **-374** |
| **14:00** | **PL** | **Trade Balance** | **May** | **€mn** | **-1265** | **-1407** | **-1443** | **-941** |
| **14:00** | **PL** | **Exports** | **May** | **€mn** | **27710** | **27924** | **28188** | **28072** |
| **14:00** | **PL** | **Imports** | **May** | **€mn** | **28967** | **29331** | **29631** | **29013** |
| | | | **TUESDAY (15 July)** | | | | | |
| **10:00** | **PL** | **CPI** | **Jun** | **% y/y** | **4.1** | **4.1** | **4.1** | **4.0** |
| 11:00 | EZ | Industrial Production SA | May | % m/m | 1.0 | | 1.7 | -2.2 |
| 11:00 | DE | ZEW Survey Current Situation | Jul | pts | -66.0 | | -59.5 | -72.0 |
| 14:30 | US | CPI | Jun | % m/m | 0.3 | | 0.3 | 0.1 |
| | | | **WEDNESDAY (16 July)** | | | | | |
| **14:00** | **PL** | **CPI Core** | **Jun** | **% y/y** | **3.4** | **3.4** | **3.4** | **3.3** |
| 15:15 | US | Industrial Production | Jun | % m/m | 0.1 | | 0.3 | -0.2 |
| | | | **THURSDAY (17 July)** | | | | | |
| 11:00 | EZ | HICP | Jun | % y/y | 2.0 | | 2.0 | 2.0 |
| 14:30 | US | Initial Jobless Claims | | k | 233 | | 221 | 227 |
| 14:30 | US | Retail Sales Advance | Jun | % m/m | 0.1 | | 0.6 | -0.9 |
| | | | **FRIDAY (18 July)** | | | | | |
| 14:30 | US | Housing Starts | Jun | % m/m | 3.5 | | - | -9.8 |
| 16:00 | US | Michigan index | Jul | pts | 61.5 | | - | 60.7 |

*Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg*
** in the case of a revision the data is updated*


*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.*