

28 July 2025

Eyeopener

EU and USA made a trade deal

No important economic data today
 Trump and von der Leyen announced a trade deal
 German data slightly worse than expected, US better
 FX and FI markets without important changes

Today, we do not expect any significant data releases. Instead, we prepare ourselves for a large batch of macro indicators in the coming days.

Donald Trump and Ursula von der Leyen announced that **the US and the EU agreed a trade deal**. According to the agreement, European products shipped to the US will be subject to a 15% tariff, with some products exempt, such as aircraft and aircraft parts, but the list of these products has yet to be finalised. However, imports of steel and aluminium will still be subject to a 50% tariff. The EU has also committed to purchasing weapons and energy from the US (in the case of the latter, worth US\$750bn over three years).

On Friday, during the first session of the Sejm after the government reconstruction, a resolution was adopted aimed at supporting the Polish government in its efforts to **block the trade agreement with Mercosur countries** prepared by the European Commission. In order for the EU-Mercosur agreement to be effectively blocked, the opposition of at least four countries will be required. At present, apart from Poland, France has expressed its opposition, although according to media reports, Hungary, Austria, Romania and Italy are also considering doing so.

According to ZUS data, the number of foreigners in pension and disability insurance in June was 1.24 mn, of whom 818k (i.e., 65.9%) were Ukrainians. The number of foreigners continues its upward trend, growing at 6.9% y/y (the same rate as in May), with the number of Ukrainian citizens growing slightly faster than a month ago (6.1% y/y, up from 5.8% y/y in May), and the number of other foreigners growing slightly slower (8.6% y/y, up from 9.1% in May).

According to Secretary of State at the Ministry of National Defence, Cezary Tomczyk, the government plans to allocate an amount equivalent to **5% of GDP to defence** in next year's budget.

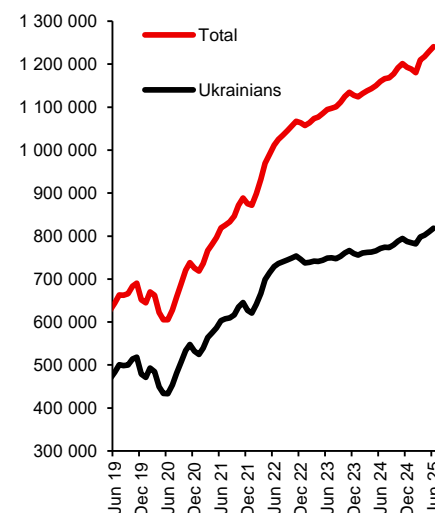
The Ifo index, which measures the overall business climate among German enterprises, rose slightly in July compared to May (from 88.4 to 88.6 points), though less than market expectations (89.0 points). Expectations for the current situation improved slightly, while assessments of the future remained unchanged m/m. Unlike recent eurozone PMI results and Polish business climate surveys, the Ifo index improved in the manufacturing sector and deteriorated in the services sector.

US durable goods orders fell by 9.3% m/m in June, but this was better than market expectations of a 10.8% decline. This result is a reversal of the high reading a month earlier (+16.5% m/m). The largest declines were seen in transport equipment orders (-22.4%) and capital goods orders (-22.2%). Excluding defence orders, capital goods orders excluding aircraft fell by 0.7%, following a 2% increase in May.

Friday's session on the FX market did not bring any significant changes in the zloty exchange rate. After a temporary rise in the EURPLN exchange rate to 4.26, the session ended closer to the level from the beginning of the day, i.e. 4.25. The Czech koruna weakened slightly, by approx. 0.1%, against the euro, and the Hungarian forint did not record any significant changes throughout the day.

Ultimately, Thursday's ECB decision to keep interest rates unchanged did not trigger a strong reaction on the Polish debt market. **On Friday, Polish bond yields did not change significantly, rising by 1-2 bp compared to Thursday** and remaining below the levels from the previous week. Domestic IRS rates rose slightly, by 1-3 bp, while FRA rates remained unchanged. On Friday, the Ministry of Finance announced that after Wednesday's bond auction (PLN12.3bn), the degree of financing of the budget's borrowing needs for the current year is approximately 84%.

Number of foreigners insured in ZUS



Source: ZUS, Santander

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FX market

Today's opening

EURPLN	4.2491	CZKPLN	0.1722
USDPLN	3.6258	HUFPLN*	1.0614
EURUSD	1.1718	RONPLN	0.8383
CHFPLN	4.5365	NOKPLN	0.3546
GBPPLN	4.8493	DKKPLN	0.5675
USDCNY	7.1690	SEKPLN	0.3784

*for 100HUF

Last session in the FX market

25/07/2025

	min	max	open	close	fixing
EURPLN	4.2470	4.2566	4.2532	4.2474	4.2544
USDPLN	3.6161	3.6332	3.6228	3.6218	3.6228
EURUSD	1.1702	1.1761	1.1740		1.1729

Interest rate market

25/07/2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4.31	-7
PS0730 (5L)	4.93	4
DS1034 (10L)	5.50	1

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.41	0	4.28	0	2.04	1
2L	4.14	3	3.95	1	2.07	2
3L	4.08	4	3.85	1	2.18	3
4L	4.11	5	3.83	0	2.27	2
5L	4.17	4	3.87	-1	2.35	1
8L	4.38	4	4.03	-1	2.56	1
10L	4.54	4	4.13	-1	2.67	0

WIBOR rates

Term	%	Change (bps)
O/N	5.13	13
T/N	5.08	-1
SW	5.07	0
1M	5.07	-3
3M	4.96	-1
6M	4.79	-1
1Y	4.62	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4.85	0
3x6	4.48	1
6x9	4.10	1
9x12	3.82	2
3x9	4.35	2
6x12	4.03	4

CDS rates and 10Y yield spread vs. German Bund

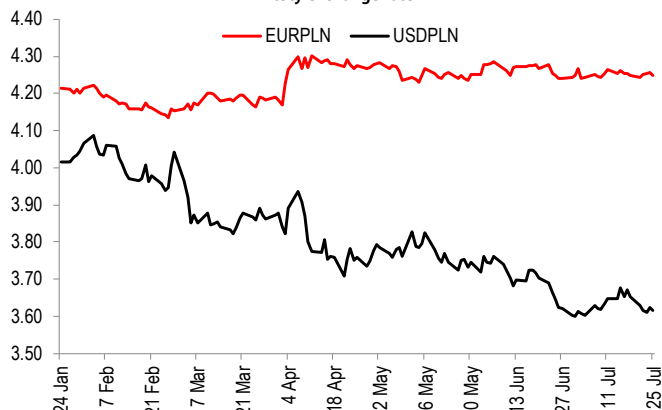
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	66	0	280	-5
France	16	0	67	1
Hungary	124	0	440	-7
Spain	28	0	60	1
Italy	17	0	87	2
Portugal	15	0	44	0
Ireland	12	0	26	-4
Germany	5	0	-	-

* 10Y treasury bonds over 10Y Bunds

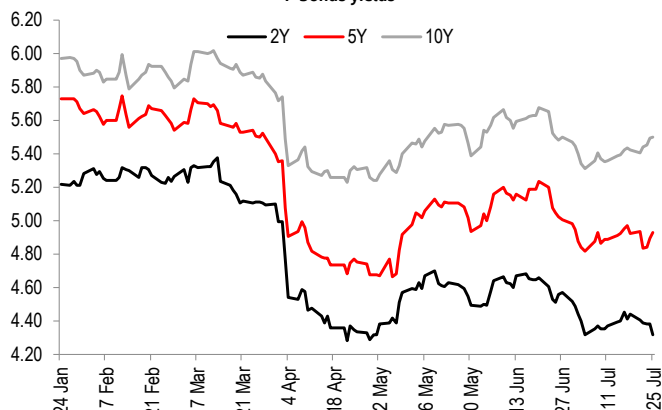
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

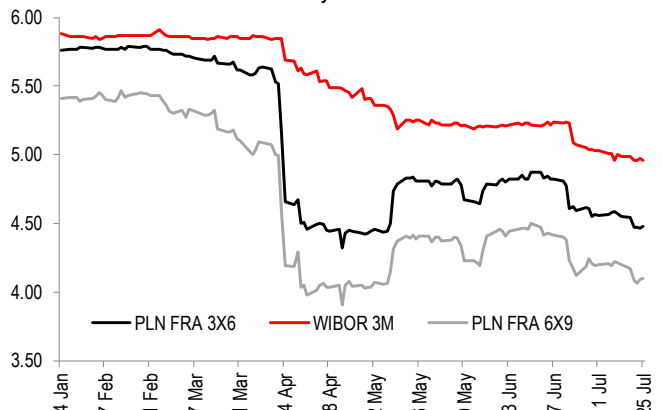
Zloty exchange rate



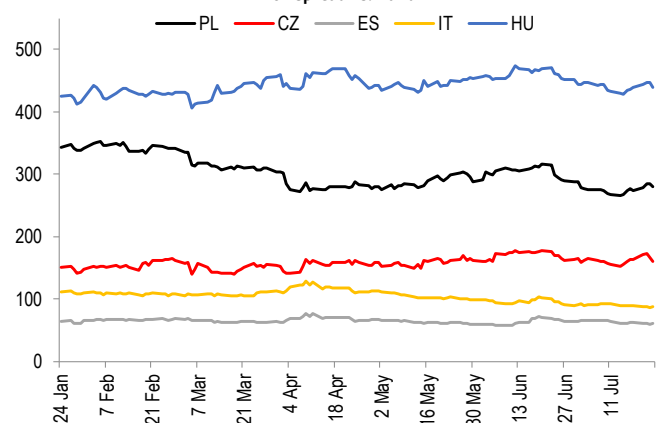
T-bonds yields



3M money market rates



10Y spread vs. Bund



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		ACTUAL VALUE	LAST VALUE*	
				MARKET	SANTANDER			
FRIDAY (25 July)								
10:00	DE	IFO Business Climate	Jul	pts	89.0	88.6	88.4	
14:30	US	Durable Goods Orders	Jun	% m/m	-10.8	-9.3	16.5	
MONDAY (28 July)								
No data releases								
TUESDAY (29 July)								
16:00	US	Consumer Conference Board	Jul	pts	96.0	-	93.0	
WEDNESDAY (30 July)								
08:30	HU	GDP	2Q	% y/y	0.0	-	0.0	
09:00	CZ	GDP SA	2Q	% y/y	2.5	-	2.4	
10:00	DE	GDP WDA	2Q	% y/y	0.2	-	0.0	
11:00	EZ	GDP SA	2Q	% y/y	1.2	-	1.5	
11:00	EZ	ESI	Jul	pct.	94.5	-	94.0	
14:15	US	ADP report	Jul	k	80	-	-33	
14:30	US	GDP Annualized	2Q	% Q/Q	2.4	-	-0.5	
16:00	US	Pending Home Sales	Jun	% m/m	0.0	-	1.82	
20:00	US	FOMC decision	Jul.25		4.50	-	4.50	
THURSDAY (31 July)								
10:00	PL	CPI	Jul	% y/y	2.8	2.9	-	4.1
11:00	EZ	Unemployment Rate	Jun	%	6.3	-	6.3	
14:00	DE	HICP	Jul	% m/m	0.4	-	0.1	
14:30	US	Initial Jobless Claims	Jul.25	k	220	-	217	
14:30	US	Personal Spending	Jun	% m/m	0.4	-	-0.1	
14:30	US	Personal Income	Jun	% m/m	0.2	-	-0.4	
14:30	US	PCE Deflator SA	Jun	% m/m	0.3	-	0.1	
FRIDAY (1 August)								
09:00	PL	Poland Manufacturing PMI	Jul	pts	45.6	45.6	-	44.8
09:55	DE	Germany Manufacturing PMI	Jul	pts	49.2	-	49.0	
10:00	EZ	Eurozone Manufacturing PMI	Jul	pts	49.8	-	49.5	
11:00	EZ	Flash HICP	Jul	% y/y	1.9	-	2.0	
14:30	US	Change in Nonfarm Payrolls	Jul	k	110	-	147	
14:30	US	Unemployment Rate	Jul	%	4.2	-	4.1	
16:00	US	Michigan index	Jul	pts	61.8	-	61.8	
16:00	US	ISM manufacturing	Jul	pts	49.5	-	49.0	

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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