

Eyeopener

GDP data and FOMC decision in the fore

Today 2Q25 GDP in USA, euro zone, Germany, Czechia and Hungary
 Fed's decision on interest rates in the evening, no change is expected
 Better consumer confidence in the USA, but lower number of vacancies
 Zloty and CEE currencies weakened yesterday again
 Polish debt market calmed after Monday's correction

Today, the first GDP data for 2Q25 will be released in the US, the euro area, Germany, Czechia, and Hungary. In addition, the European Economic Sentiment Indicator (ESI) will be published, and in the evening we will learn the FOMC's decision on interest rates in the US. According to our and market's expectations, rates will remain unchanged, and the signed EU-US trade agreement has only reinforced this view.

The EU-US trade negotiations, which have been ongoing for weeks, have not translated into a significant change in inflation expectations in the euro area. According to the ECB CES survey, the median of respondents' inflation expectations fell by 0.2 percentage points to 2.6% in June. The expected inflation rate over the next three years remained unchanged (2.4%), as did the rate of perceived inflation (3.1%).

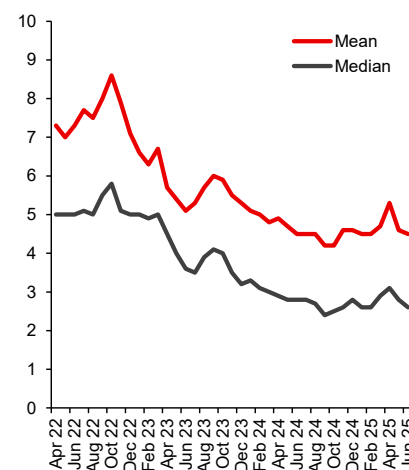
The July Conference Board survey pointed to a slight improvement in consumer sentiment in the US. The index rose to 97.2 pts from 95.2 pts in June, revised upwards 2.2 pts, thus exceeding market expectations for an increase to 96.0 pts and partially correcting the decline from May's 98.4 pts. The survey results remain significantly worse than last year (101.9 pts in July 2024). According to the Job Openings and Labour Turnover Survey, the number of vacancies fell in June to 7.4 million from 7.7 million in May, below expectations of a decline to 7.5 million.

According to Prime Minister Donald Tusk, **the 15% US tariff imposed on exports from the EU could translate into losses for Poland of around PLN8bn**, although it is unclear what time frame the prime minister had in mind. While exports from Poland to the US account for a relatively small share of Poland's total exports (approx. 3.5%), the actual costs of higher tariffs will result not only from the reduced competitiveness of Polish products for US consumers, but also from indirect effects such as a decline in exports to countries that export products with Polish components to the US, weaker foreign demand, and more expensive imports in case of a strengthening of the dollar.

The Polish zloty and other CEE currencies weakened further against the euro yesterday. The EURHUF exchange rate rose the most (by c. 0.6%), followed by EURPLN (c. 0.5%) and EURCZK (c. 0.2%). During the day, the EURUSD exchange rate fell further, though not as strongly as on Monday, by c. 0.5%. Today's macroeconomic data and the decision on interest rates in the US will be important factors driving currencies in the coming days.

The Polish debt market saw slightly lower fluctuations following a sharper correction on Monday. Polish bond yields fell by 1-3 bp, with a slight decline at the long end of the curve. IRS and FRA rates saw negligible changes, not exceeding 1 bp. In core markets, bond yields rose by 0-1 bp in Germany and fell by 3-6 bp in the US.

Households' expectations for inflation over next 12 months, %



Source: ECB, 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 Białas +48 517 881 807
 Adrian Domitrz +48 571 664 004
 Marcin Łuziński +48 510 027 662
 Grzegorz Ogonek +48 609 224 857

FX market

Today's opening

EURPLN	4.2770	CZKPLN	0.1738
USDPLN	3.7041	HUFPLN*	1.0602
EURUSD	1.1547	RONPLN	0.8428
CHFPLN	4.5948	NOKPLN	0.3629
GBPPLN	4.9444	DKKPLN	0.5730
USDCNY	7.1767	SEKPLN	0.3837

*for 100HUF

Last session in the FX market

29/07/2025

	min	max	open	close	fixing
EURPLN	4.2579	4.2858	4.2588	4.2806	4.2737
USDPLN	3.6738	3.7194	3.6738	3.7120	3.6941
EURUSD	1.1515	1.1590	1.1588	1.1533	

Interest rate market

29/07/2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4.37	11
PS0730 (5L)	4.81	-1
DS1034 (10L)	5.42	0

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.35	-1	4.24	-4	2.05	0
2L	4.06	-1	3.90	-5	2.07	0
3L	4.00	0	3.79	-5	2.17	0
4L	4.03	-1	3.78	-6	2.27	2
5L	4.09	-2	3.80	-7	2.35	1
8L	4.31	-2	3.96	-8	2.55	0
10L	4.47	-2	4.06	-8	2.66	0

WIBOR rates

Term	%	Change (bps)
O/N	4.81	-14
T/N	5.05	-4
SW	5.08	1
1M	5.10	-1
3M	4.95	0
6M	4.78	-1
1Y	4.61	-1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4.82	1
3x6	4.43	0
6x9	4.05	0
9x12	3.74	1
3x9	4.30	0
6x12	3.95	-1

CDS rates and 10Y yield spread vs. German Bund

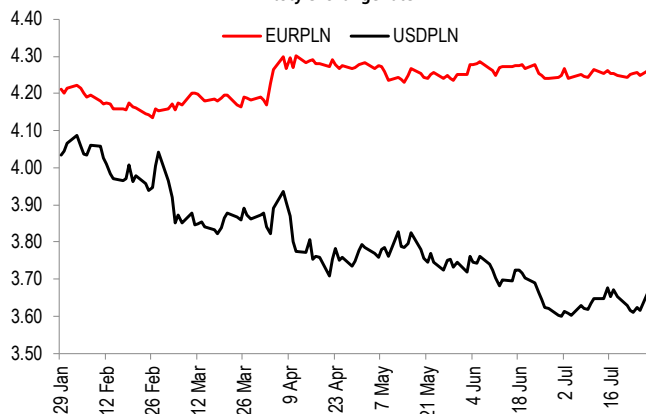
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	65	-1	273	0
France	16	0	66	0
Hungary	120	-4	444	3
Spain	27	0	58	0
Italy	17	0	84	-1
Portugal	15	0	43	0
Ireland	12	0	24	2
Germany	5	0	-	-

* 10Y treasury bonds over 10Y Bunds

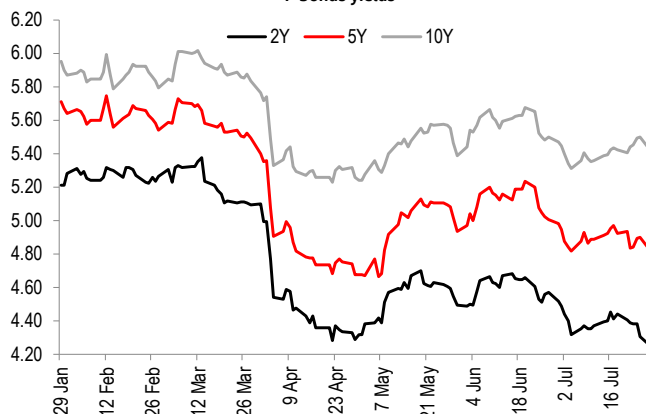
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

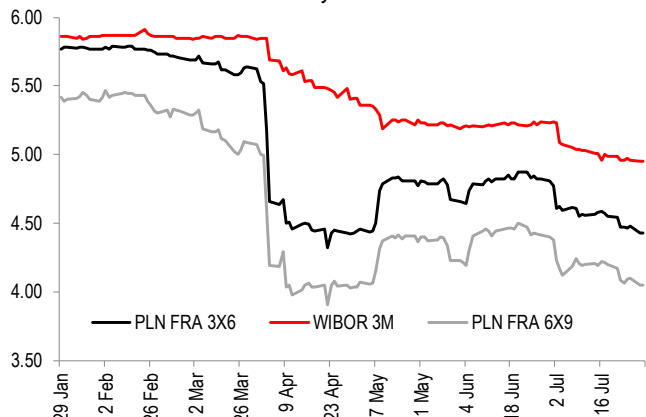
Zloty exchange rate



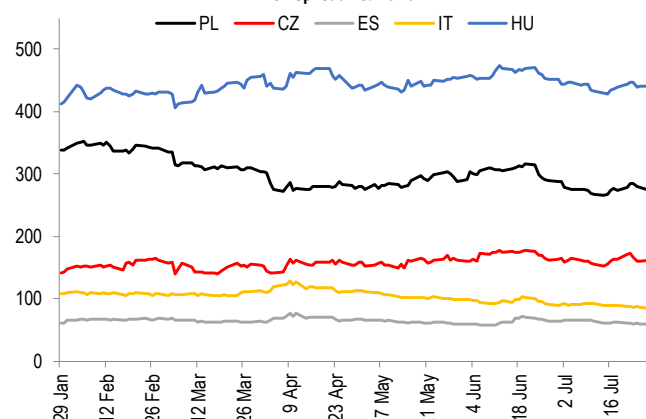
T-bonds yields



3M money market rates



10Y spread vs. Bund



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		ACTUAL	LAST	
				MARKET	SANTANDER	VALUE	VALUE*	
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	97.2	95.2	
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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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>.