

01 August 2025

# Weekly Economic Update

## Wages, PMI and the new president

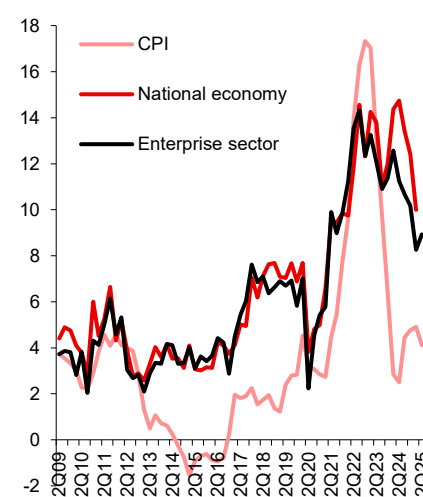
### Economy next week

- Lack of market-sensitive data on domestic market. However, on Friday, we will see data on **average wages in the national economy in 2Q25**, which are a more comprehensive measure than monthly data from the enterprise sector (ES). Despite the previously expected slowdown in wage pressure, the ES data indicate that wage growth remains quite similar to the beginning of the year. We expect the 2Q25 reading to be close to 10% y/y, although microenterprises and the public sector, not observed in the current monthly data, may see lower wage growth, which poses a downward risk to this forecast. Furthermore, on Monday, the National Bank of Poland (NBP) will release **a its survey report on the credit market situation in 3Q25** and on Thursday it will publish data on reserve assets.
- **More is happening abroad.** On Monday, we will get to see US data on June **durable and industrial goods orders**. On Tuesday, the **PMI for services** in the US, as well as in China, Germany, and the eurozone – a slight improvement is expected, with the exception of China, where a slight decline in this indicator is forecast. July inflation in the Czech Republic will also be released that day, with an expected decline to 2.7% from 2.9% y/y. On Wednesday and Thursday, we will see data from European economies on industrial production and retail sales in June, as well as the Czech central bank's interest rate decision. The week will close with inflation data in Hungary
- On Wednesday, August 6th, there will be **a change of scenery at the Presidential Palace** – Karol Nawrocki is scheduled to be sworn in as President of the Republic of Poland at 10:00 CET. The following day, the president will appoint his cabinet. The president has announced a swift legislative initiative, including questions such as construction of the Central Transport Hub and increasing the tax-free allowance, which could be the first test of Karol Nawrocki's communication with the government.

### Markets next week

- Last week, the Polish zloty weakened on the back of the US-EU trade agreement, which significantly strengthened the US currency. Only at the end of the week did worse-than-expected US labour market data undermine the dollar, which also boosted the Polish zloty. In the coming week, **we expect the Polish currency to strengthen slightly.**
- **Yields on domestic bonds were on the rise for most of the week**, primarily in response to a higher-than-expected CPI reading. As with the Polish zloty, weaker US employment data led to a strengthening of the Polish debt, so at the end of Friday's session, yields were lower than a week earlier. The coming week may bring some rebound after Friday's strong move, but in the absence of significant data releases, the performance of core markets may prove crucial. Sentiment surrounding new tariffs may also continue to be important for markets, although the picture is getting increasingly more clear.

### Wage dynamics and inflation, % y/y

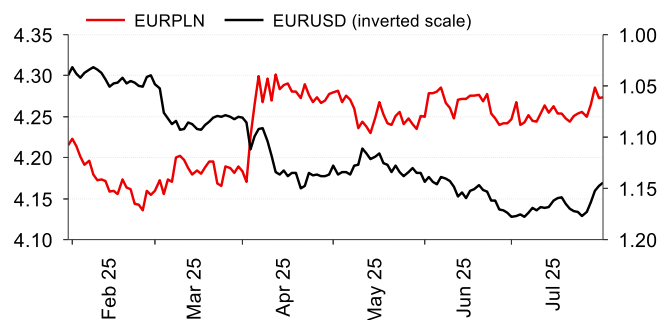


Source: GUS, Santander

### Economic Analysis Department:

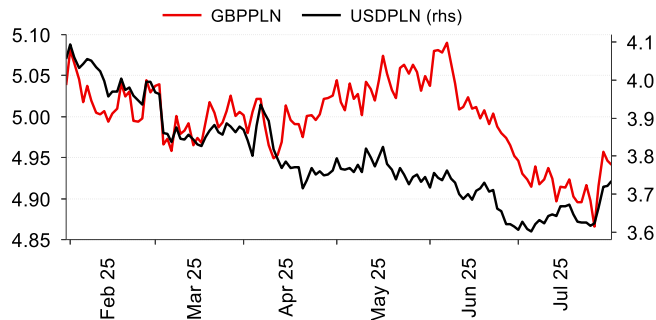
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### EURPLN and EURUSD



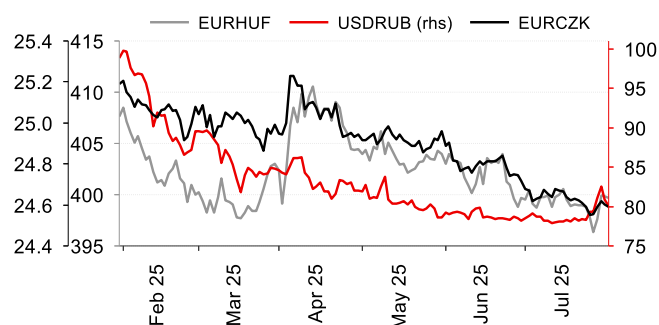
Source: LSEG Datastream, Santander

### GBPPLN and USDPLN



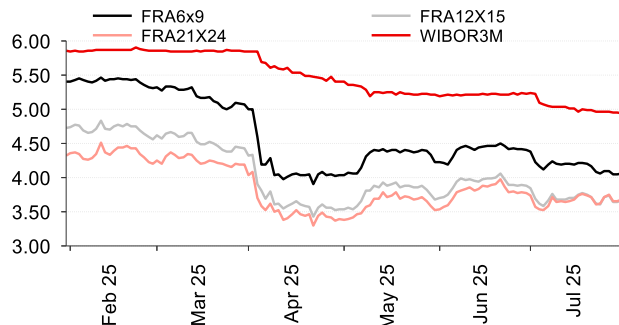
Source: LSEG Datastream, Santander Bank Polska

### EURCZK, EURHUF and USDRUB



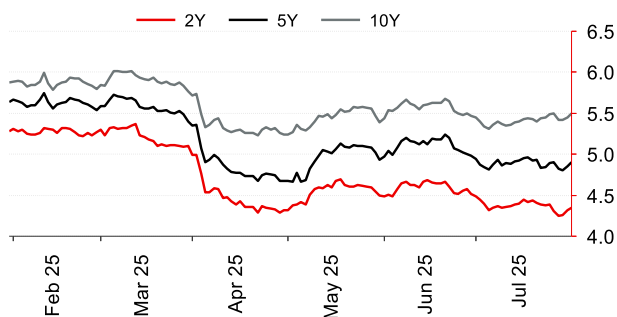
Source: LSEG Datastream, Santander Bank Polska

### PLN FRA and WIBOR3M



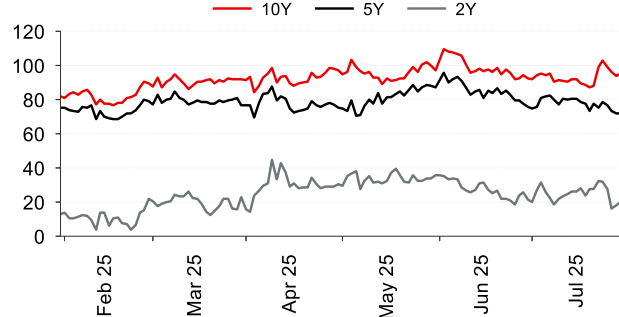
Source: LSEG Datastream, Santander Bank Polska

### Polish bond yields



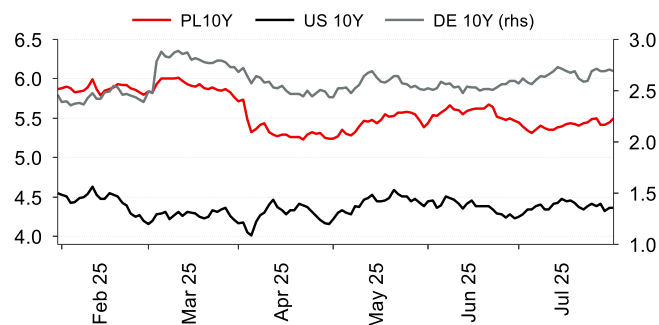
Source: LSEG Datastream, Santander Bank Polska

### Asset swap spreads



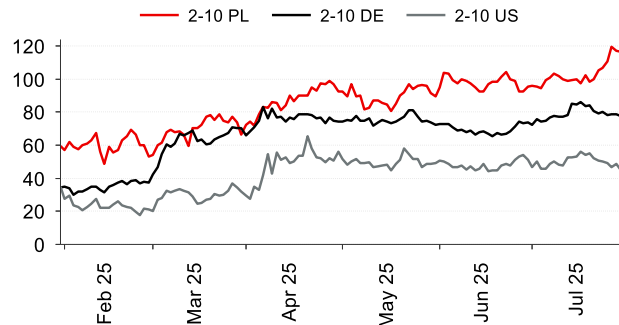
Source: LSEG Datastream, Santander Bank Polska

### 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 (4 August)							
16:00	US	Durable Goods Orders	Jun	% m/m	-9.3	-9.3	
16:00	US	Factory Orders	Jun	% m/m	-5.0	8.2	
TUESDAY (5 August)							
03:45	CN	Caixin China PMI Services	Jul	pts	50.3	50.6	
09:00	CZ	CPI	Jul	% y/y	2.7	2.9	
09:55	DE	Markit Germany Services PMI	Jul	pts	50.1	50.1	
10:00	EZ	Eurozone Services PMI	Jul	pts	51.2	51.2	
16:00	US	ISM services	Jul	pts	51.5	50.8	
WEDNESDAY (6 August)							
08:00	DE	Factory Orders	Jun	% m/m	1.0	-1.4	
08:30	HU	Industrial Production SA	Jun	% y/y	-3.0	-2.6	
09:00	CZ	Industrial Production	Jun	% y/y	2.9	-0.9	
11:00	EZ	Retail Sales	Jun	% m/m	0.4	-0.7	
THURSDAY (7 August)							
08:00	DE	Exports SA	Jun	% m/m	0.0	-1.3	
08:00	DE	Industrial Production SA	Jun	% m/m	-0.5	1.2	
14:30	US	Initial Jobless Claims	Aug.25	k	220	218	
14:30	CZ	Central Bank Rate Decision	Aug.25		3.5	3.5	
FRIDAY (8 August)							
08:30	HU	CPI	Jul	% y/y	4.1	4.6	
10:00	PL	Gross Wages – National Economy	2Q	% y/y	-	9.8	10.0

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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