

26 August 2025

Eyeopener

Another July data beats expectations

Today data on registered unemployment, interest rate decision in Hungary
Polish retail sales rose by 4.8% y/y in July, more than expected
Money supply and credit growth still going up
Domestic foreign exchange and interest rate markets stable on Monday amid lack of UK investors

Today, the Polish stats office will release its July Statistical Bulletin. The bulletin will include, among other things, information on the registered unemployment rate in July, which, according to estimates by the Ministry of Family, Labour and Social Policy, rose to 5.4% from 5.2%. This increase was most likely due to recent legislative changes and does not signal a deterioration in the labour market. In addition, the Hungarian central bank will decide today on interest rates and will likely keep them unchanged, leaving the main rate at 6.50%. In the US, there will be July data on durable goods orders, as well as the August print of the Conference Board's consumer confidence index.

In July, retail sales were stronger than expected, rising by 4.8% y/y, compared to our and market expectations of 3.5% y/y and June's result of 2.2% y/y. The improvement was mainly driven by sales of durable goods, in supermarkets and clothing stores. The stronger July data come right after disappointing statistics from June, which in our opinion shows that the underlying trend in retail sales growth sits at about 3-4% y/y, a robust result that supports our forecasts that private consumption will remain the backbone of GDP growth in the coming quarters. According to the financial results of non-financial enterprises, gross profit declined slightly year-on-year in 2Q, with a slight increase in profitability from 4.3% to 5.3%. Investment growth, after five quarters of decline, recorded a positive result. Investment expenditures increased thanks to transport and information and communications, while they remained weak in manufacturing. Read more in our [Economic Comment](#).

In July, Poland's M3 money supply increased by 10.8% y/y, compared to 10.5% y/y in June, marking another record growth rate for this aggregate in recent years. This result is in line with our forecast and 0.3 percentage points higher than the market consensus (10.5% y/y). The growth rate of cash in circulation accelerated (from 11.1% to 11.6% y/y), while the dynamics of total deposits remained unchanged (10.6% y/y). Demand deposits grew at a slightly slower pace, by 9.7% y/y, after 11.3% in June, with the slower growth resulting from lower growth in corporate deposits (7.4% y/y, after 11.4% y/y in June). Total credit, adjusted for exchange rate fluctuations, accelerated to 4.9% y/y in July, after 4.5% y/y in June. This was primarily due to corporate loans, which grew by 9.0% y/y, compared to 7.8% y/y the previous month. Household loans grew slightly faster than in previous months, at 3.8% y/y (3.6% in June and the same rate throughout the first half of the year). PLN-denominated consumer loans increased by 7.0% y/y (after 6.8% in June), and mortgage loans by 6.7% y/y (0.1 percentage point higher than in June). M3 data, both in terms of deposit growth and the credit market, are consistent with our forecast of a slight acceleration in GDP growth in Poland this year.

President Karol Nawrocki "does not agree to raising any taxes or levies," but advocates for the government to limit unnecessary spending and tighten the tax system, said Zbigniew Bogucki, head of the presidential office. This statement calls into question not only the Ministry of Finance's planned increase in alcohol excise tax, sugar tax, and gambling tax, but also the announced significant increase in corporate income tax (CIT) for banks. The agenda for today's Council of Ministers meeting does not include the draft 2026 budget, but the document is expected to be published soon.

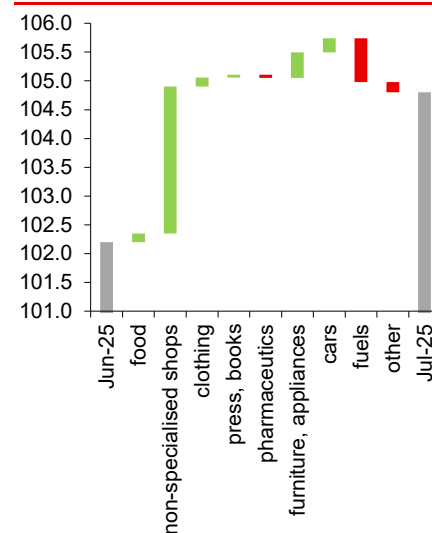
The volume of global trade, as measured by the World Trade Monitor index, continued to decline in June (by 0.3% m/m), albeit at a slower pace than in May and April (0.4% and 0.9%, respectively). The decline in the index was due, among other things, to a 4.5% m/m decrease in US imports and a 1.2% m/m decline in US exports. The decline in US imports is most likely a consequence of the changes in trade policy, as well as the earlier surge in imports to fill warehouses before new tariffs came into force.

The Ifo index, measuring economic conditions in Germany, rose to 89.0 points in August from 88.6 points in July, 0.2 points above market expectations. The increase in the index was due to improved outlook, reflected in the rise of the expectations index from 90.8 points to 91.6 points, and occurred amid a slight weakening of the current situation (-0.1 points m/m to 86.4 points). The Ifo expectations index has been rising steadily since the beginning of the year, but so far this has been accompanied by only a slight increase in the current situation index.

The EURPLN exchange rate recorded only minimal changes on Monday, spending the entire European session slightly above 4.260. Similarly, the EURCZK exchange rate fluctuated only slightly, while the EURHUF exchange rate recorded larger changes, rising by approximately 0.5%. The EURUSD exchange rate remained close to 1.170 throughout the session.

Better-than-expected retail sales data did not trigger any reaction in domestic money market rates or bond yields on Monday. IRS rates and FRA rates did not change significantly, while bond yields rose by around 1 bp. The limited volatility may have been due, among other things, to the public holiday in the UK. More significant changes were observed in core debt markets. In Germany, yields rose by 4-6 bps, and in the US by around 4 bps across the entire curve.

Retail sales, breakdown of change in annual growth rate, corresponding month of the previous year = 100



Source: GUS, Santander

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FX market

Today's opening

EURPLN	4.2610	CZKPLN	0.1733
USDPLN	3.6643	HUFPLN*	1.0622
EURUSD	1.1628	RONPLN	0.8434
CHFPLN	4.5466	NOKPLN	0.3613
GBPPLN	4.9305	DKKPLN	0.5708
USDCNY	7.1555	SEKPLN	0.3823

*for 100HUF

Last session in the FX market

25.08.2025

	min	max	open	close	fixing
EURPLN	4.2561	4.2662	4.2613	4.2608	4.2627
USDPLN	3.6339	3.6533	3.6412	3.6513	3.6421
EURUSD	1.1664	1.1720	1.1705	1.1669	

Interest rate market

25.08.2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4.25	2
PS0730 (5L)	4.86	4
DS1034 (10L)	5.44	2

IRS on the interbank market**

Term	PL	US	EZ
	%	%	%
	Change (bps)	Change (bps)	Change (bps)
1L	4.29	4.09	2.07
2L	4.04	3.75	2.10
3L	3.99	3.65	2.19
4L	4.01	3.65	2.29
5L	4.06	3.69	2.36
8L	4.28	3.90	2.58
10L	4.44	4.01	2.70

WIBOR rates

Term	%	Change (bps)
O/N	5.09	-2
T/N	5.08	0
SW	5.08	-1
1M	4.94	-3
3M	4.84	-1
6M	4.70	0
1Y	4.54	-1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4.64	0
3x6	4.38	3
6x9	4.02	2
9x12	3.71	2
3x9	4.24	3
6x12	3.92	2

CDS rates and 10Y yield spread vs. German Bund

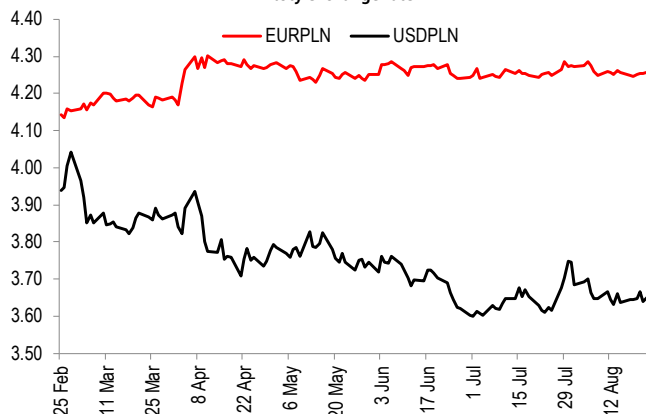
Country	CDS 5Y USD	10Y spread*
	Level	Level
	Change (bps)	Change (bps)
Poland	60	268
France	17	73
Hungary	108	0
Spain	26	60
Italy	17	86
Portugal	15	43
Ireland	11	27
Germany	5	-

* 10Y treasury bonds over 10Y Bunds

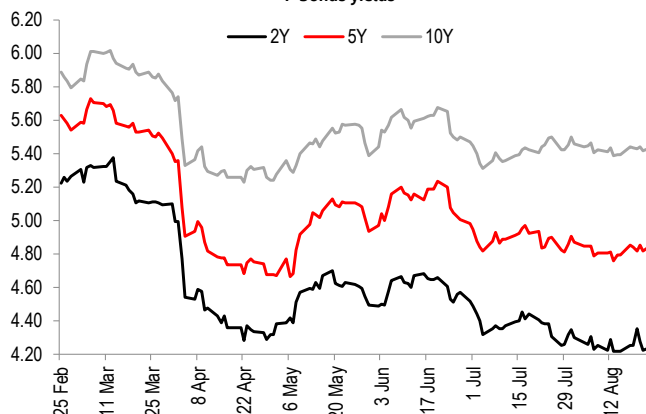
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

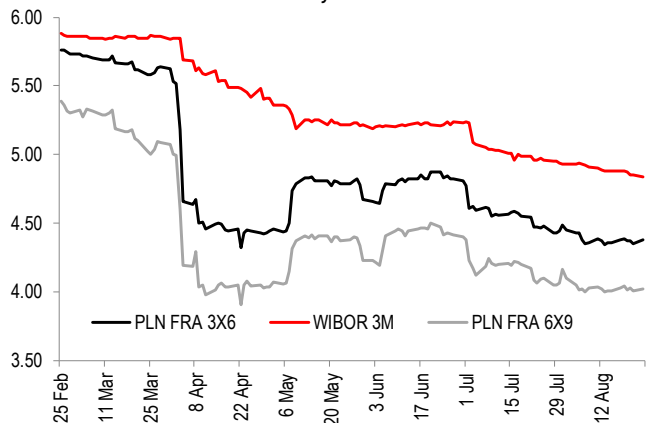
Zloty exchange rate



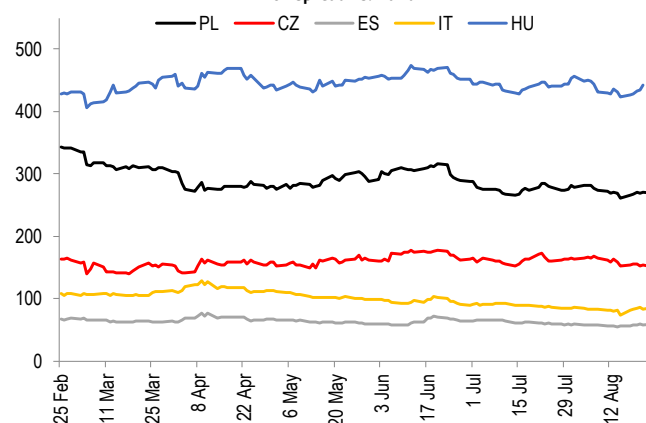
T-bonds yields



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 (22 August)								
08:00	DE	GDP WDA	2Q	% y/y	0.4	-	0.2	0.4
MONDAY (25 August)								
10:00	DE	IFO Business Climate	Aug	pts	88.8	-	89.0	88.6
10:00	PL	Retail Sales Real	Jul	% y/y	3.5	3.5	4.8	2.2
14:00	PL	Money Supply M3	Jul	% y/y	10.5	10.8	10.8	10.5
16:00	US	New Home Sales	Jul	% m/m	0.5	-	-0.6	4.1
TUESDAY (26 August)								
10:00	PL	Unemployment Rate	Jul	%	5.4	5.4	-	5.2
14:00	HU	Central Bank Rate Decision	Aug.25	%	6.50	-	-	6.50
14:30	US	Durable Goods Orders	Jul	% m/m	-4.0	-	-	-9.4
16:00	US	Consumer Conference Board	Aug	pts	96.4	-	-	97.2
WEDNESDAY (27 August)								
No key data releases or events								
THURSDAY (28 August)								
11:00	EZ	ESI	Aug	pct.	96.0		-	95.8
14:30	US	GDP Annualized	2Q	% q/q	3.1		-	3.0
14:30	US	Initial Jobless Claims	Aug.25	k	225.3		-	235.0
16:00	US	Pending Home Sales	Jul	% m/m	0.15		-	-0.83
FRIDAY (29 August)								
08:00	DE	Retail Sales	Jul	% m/m	-0.3		-	1.0
09:00	CZ	GDP SA	2Q	% y/y	2.4		-	2.4
10:00	PL	CPI	Aug	% y/y	2.9	2.9	-	3.1
14:00	DE	HICP	Aug	% m/m	0.0		-	0.4
14:30	US	Personal Spending	Jul	% m/m	0.5		-	0.3
14:30	US	Personal Income	Jul	% m/m	0.5		-	0.3
14:30	US	PCE Deflator SA	Jul	% m/m	0.2		-	0.3
16:00	US	Michigan index	Aug	pts	58.6		-	58.6

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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