4 September 2025

Eyeopener

Interest rates down

The NBP has cut interest rates by 25 bp, as expected
Today, Adam Glapiński holds a press conference on yesterday's MPC decision
Today's economic data include: August CPI in Czechia, July retail trade in the EU
Worsening of sentiment in services in Germany, slight decline in industrial orders in the US
Minor changes in FX/FI market after the as-expected MPC decision

Today, NBP Governor Adam Glapiński holds a press conference following yesterday's MPC decision. Abroad, there will be data on August inflation in Czechia, as well as July retail sales in the EU, including Poland. We will also see data from the US labour market and the ISM index for the US services sector.

NBP cut interest rates by 25bp, as expected – the main reference rate to 4.75%. The official statement, as usually, does not include a clear policy guidance. The Council explained that a rate cut was motivated by the behaviour of inflation, which is in line with our assumption – a clear CPI drop in the last two months was the most important decision trigger. A subtle change at the end of the statement was that the MPC named the shape of the fiscal policy, consumption revival and elevated wage growth as "risk factors" for inflation. Earlier those factors (except consumption revival, which is a new thing) were described as "sources of uncertainty". Now, sources of uncertainty include administered energy prices and inflation abroad. It can be interpreted as a slight hawkish tilt in the communique. More guidance should be provided by the NBP president Glapiński at press conference starting today 3pm CET.

According to the Credit Information Bureau (BIK), 35.3k mortgage loan applications were submitted in August, with an average value of PLN467,910. This suggests that the total value of mortgage loan applications in August was approximately PLN16.5bn, which is slightly lower than in the previous three months, when it amounted to PLN18-19bn. Based on BIK data, it can be expected that mortgage sales in August declined slightly compared to previous months, but still remained at a high level.

The economic situation in the German service sector in August, as measured by the PMI, deteriorated more than preliminary estimated. The services PMI fell from 50.6 pts in July to 49.3 pts in August, below the flash estimate of 50.1 pts. The companies surveyed pointed to fairly weak demand, reflected in a decline in new orders, especially from abroad. The corresponding index for the euro area was also lower than initially estimated, but remained above the neutral threshold of 50 pts: it stood at 50.5 pts, compared to the flash estimate of 50.7 pts and 51.0 pts a month earlier.

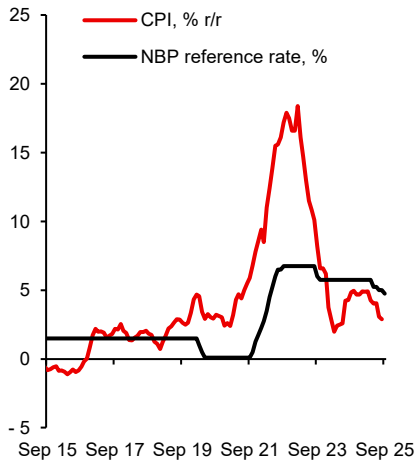
The European Commission has adopted a trade agreement with the South American bloc Mercosur. In order to ratify the agreement, unanimity among EU countries will probably not be required, but rather a qualified majority representing 65% of the EU population. In Poland, both the government and the president oppose the trade agreement, and according to statements by government representatives, attempts will be made to block this initiative.

Yesterday's US data on durable goods and industrial orders in July showed declines not very far from market expectations. The final reading for durable goods was -2.8% m/m, compared to 9.4% m/m a month earlier, and in line with expectations based on the preliminary estimate. In turn, industrial goods orders fell by 1.3% m/m, which is a significantly milder decline than in June (-4.8% m/m) and slightly less than market anticipated (-1.4% m/m).

The Polish zloty started Wednesday with the EURPLN exchange rate at around 4.26, i.e., at Tuesday's closing level. **During the day, the zloty strengthened slightly, bringing the EURPLN down to 4.25, and the news about the interest rate cut consistent with market expectations caused virtually no movement on the market.** CEE currencies strengthened slightly, with EURCZK down 0.1% and EURHUF down 0.4%.

The MPC's decision did not have a significant impact on the Polish debt market either. Yields on two-year bonds rose minimally by 1bp, while at the long end they fell by 1-2bp. FRA contracts and IRS rates remained virtually unchanged. There were slightly larger changes in the core markets. German bond yields fell by 2-3bp and US bond yields by 3-4bp.

CPI inflation and NBP reference rate



Source: GUS, NBP, Santander

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FX market

Today's opening

EURPLN	4,2533	CZKPLN	0,1738
USDPLN	3,6503	HUFPLN*	1,0660
EURUSD	1,1651	RONPLN	0,8383
CHFPLN	4,5367	NOKPLN	0,3629
GBPPLN	4,9011	DKKPLN	0,5697
USDCNY	7,1424	SEKPLN	0,3869

*for 100HUF

Last session in the FX market **03.09.2025**

	min	max	open	close	fixing
EURPLN	4,2495	4,2636	4,2627	4,2516	4,2589
USDPLN	3,6388	3,6712	3,6652	3,6419	3,6538
EURUSD	1,1606	1,1682	1,1630	1,1675	

Interest rate market **03.09.2025**

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4,34	1
PS0730 (5L)	4,96	4
DS1034 (10L)	5,53	1

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4,37	-1	4,00	-3	2,08	0
2L	4,13	0	3,66	-3	2,09	-1
3L	4,09	1	3,57	-2	2,17	-2
4L	4,11	1	3,56	-2	2,25	-2
5L	4,17	1	3,60	-3	2,33	-3
8L	4,39	1	3,81	-3	2,55	-4
10L	4,55	1	3,95	-4	2,68	-4

WIBOR rates

Term	%	Change (bps)
O/N	4,78	-11
T/N	4,89	-13
SW	4,89	-8
1M	4,90	1
3M	4,79	-2
6M	4,66	0
1Y	4,51	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4,68	1
3x6	4,47	-1
6x9	4,13	0
9x12	3,84	0
3x9	4,36	1
6x12	4,04	0

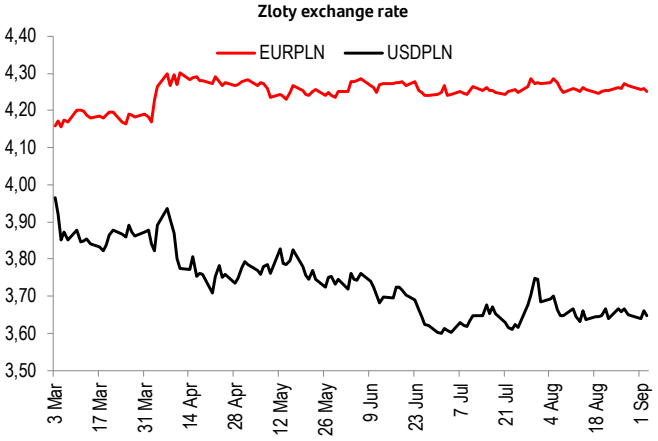
CDS rates and 10Y yield spread vs. German Bund

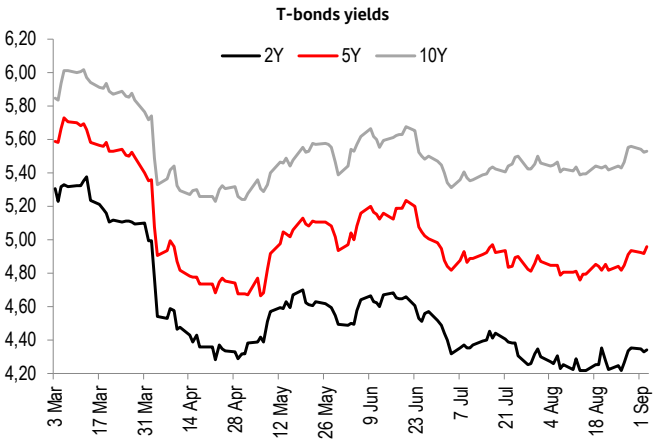
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	60	0	279	6
France	19	0	80	0
Hungary	110	0	448	5
Spain	28	0	61	-1
Italy	19	0	90	-2
Portugal	14	0	45	-1
Ireland	11	0	25	0
Germany	5	0	-	-

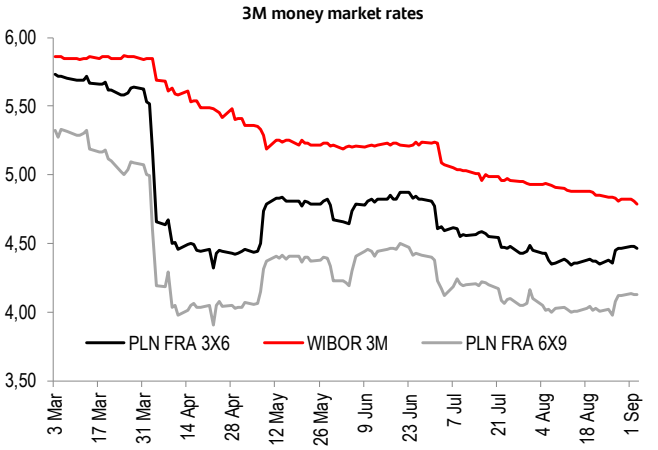
* 10Y treasury bonds over 10Y Bunds

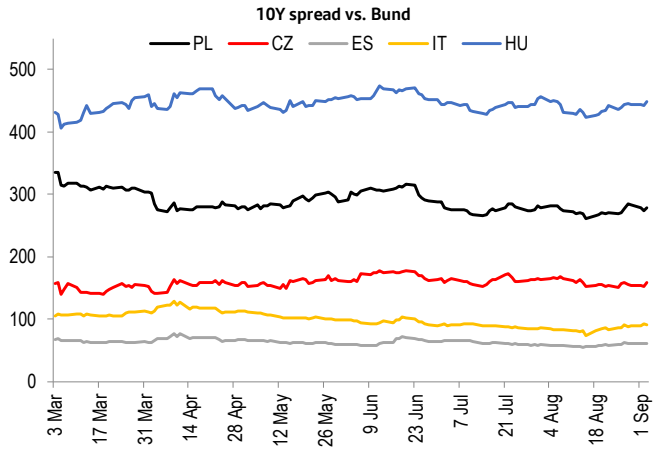
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream









Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST MARKET	FORECAST SANTANDER	ACTUAL VALUE	LAST VALUE*
			FRIDAY (29 August)					
08:00	DE	Retail Sales	Jul	% m/m	0.0	-	-	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**	**2.8**	**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	0.4	-	-	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
			MONDAY (1 September)					
09:00	**PL**	**Poland Manufacturing PMI**	**Aug**	**pts**	**46.8**	**46.5**	**46.6**	**45.9**
09:55	DE	Germany Manufacturing PMI	Aug	pts	49.9	-	49.8	49.9
10:00	EZ	Eurozone Manufacturing PMI	Aug	pts	50.5	-	50.7	50.5
10:00	**PL**	**GDP**	**2Q**	**% y/y**	**3.4**	**3.4**	**3.4**	**3.2**
11:00	EZ	Unemployment Rate	Jul	%	6.2	-	6.2	6.3
			TUESDAY (2 September)					
08:30	HU	GDP	2Q	% y/y	0.1	-	0.1	0.1
11:00	EZ	Flash HICP	Aug	% y/y	2.1	-	2.1	2.0
16:00	US	ISM manufacturing	Aug	pts	49.0	-	48.7	48.0
			WEDNESDAY (3 September)					
	PL	**MPC decision**		**%**	**4.75**	**4.75**	**4.75**	**5.00**
03:45	CN	Caixin China PMI Services	Aug	pts	52.5	-	53.0	52.6
09:55	DE	Markit Germany Services PMI	Aug	pts	50.1	-	49.3	50.6
10:00	EZ	Eurozone Services PMI	Aug	pts	50.7	-	50.5	51.0
16:00	US	Durable Goods Orders	Jul	% m/m	-2.8	-	-2.8	-9.4
16:00	US	Factory Orders	Jul	% m/m	-1.4	-	-1.3	-4.8
			THURSDAY (4 September)					
09:00	CZ	CPI	Aug	% y/y	2.6	-	-	2.7
11:00	EZ	Retail Sales	Jul	% m/m	-	-	-	0.3
14:15	US	ADP report	Aug	k	60	-	-	104
14:30	US	Initial Jobless Claims	weekly	k	230	-	-	229
16:00	US	ISM services	Aug	pts	50.5	-	-	50.1
			FRIDAY (5 September)					
08:00	DE	Factory Orders	Jul	% m/m	-	-	-	-1.0
08:30	HU	Industrial Production SA	Jul	% y/y	-	-	-	-4.9
11:00	EZ	GDP SA	2Q	% y/y	-	-	-	1.4
11:00	**PL**	**Services Production**	**Jun**	**% y/y**	**-**	**-**	**-**	**6.0**
14:30	US	Change in Nonfarm Payrolls	Aug	k	78	-	-	73
14:30	US	Unemployment Rate	Aug	%	4.3	-	-	4.2

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

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