

5 September 2025

Eyeopener

The MPC is going to remain cautious

Today, August data from the US labour market
Press conference of A. Glapiński slightly hawkish, inflation not yet tamed
Further strong growth of services production in Poland
Stronger-than-expected slowdown in euro area's retail sales growth
EURPLN stable, bond yields slightly down

Today, there will be no new data from Poland. Globally, the most important publication will be US data on non-farm employment and the unemployment rate in August. In addition, we will see data on industrial orders in Germany, industrial production in Hungary and detailed data on GDP in the euro area in 2Q.

The tone of yesterday's conference by the President of the National Bank of Poland was in our opinion more hawkish than in previous months, although this was more evident in the first part than at the end. A. Glapiński emphasised several times that inflation had not been tamed for good, but was merely 'lurking', and that the Monetary Policy Council would certainly not allow it to become entrenched. Glapiński welcomed the decline in CPI to 2.8% y/y in August, but also pointed out that core inflation is still above CPI, partly due to service prices, adding that if core inflation stabilises near 3% y/y in the coming quarters (which is our baseline scenario), the risk of CPI deviating from its target will be higher. We are not changing our interest rate scenario: we expect one more 25 bp rate cut in November, when the new NBP projection will confirm the scenario of a moderate decline in inflation in the coming quarters, followed by two more cuts in early 2026, after CPI indeed falls below 3% again. Read more in our [Economic Comment](#).

According to Eurostat, domestic service production increased by 6.8% y/y in June, compared to 7.1% y/y in May, which translates into growth of 5.9% y/y for the entire second quarter, compared to 2.9% y/y in the previous quarter. Further acceleration in growth was recorded only in professional services (to 11.5% y/y from 9.0% y/y). Growth remained at a comparable, albeit slightly lower level in information and communication (10.5% y/y compared to 11.2% y/y in May), and accommodation and catering (6.1% y/y compared to 6.2% y/y). The overall decline in growth resulted in a greater part from a slowdown in administration and support activities (5.2% y/y compared to 6.9% y/y), the second consecutive slowdown in transport services (3.5% y/y compared to 4.1% y/y in May), and a decline in real estate-related activities (-2.7% y/y compared to +0.2% y/y). The higher growth rate of services production in 2Q was not reflected in the growth structure of gross value added for this period (which, according to our calculations, increased by 3.0% y/y for market services, compared to 3.1% y/y in 1Q), although we expect this category to accelerate in the coming quarters.

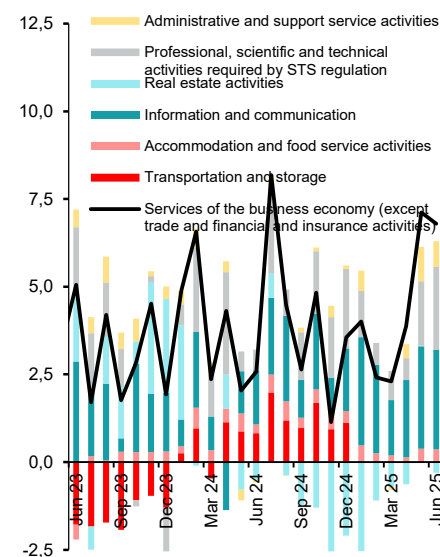
Retail sales in the euro area increased by 2.2% y/y in July, slower than the previous month, when they rose by 3.5% y/y. Retail sales of food, beverages, and tobacco increased by 0.9% y/y (compared to 2.4% y/y in June), non-food products by 3.1% y/y (compared to 4.4%), and automotive fuels by 2.3% y/y (compared to 4.0% y/y). Sales in Poland, calculated using the same methodology (in particular excluding automotive sales and adjusted for the number of working days), increased by 2.9% y/y in July, compared to 3.1% in June.

In the US, according to the ADP report, private sector employment increased by 54k in August, compared to expectations of 68k and following an increase of 106k in July. The number of unemployment benefit claims reached 237k, slightly above expectations and the previous reading (230k and 229k, respectively). Meanwhile, sentiment in the services sector, as measured by the ISM index, improved with a reading of 52.0 pts, compared to the expected 51.0 pts and the previous reading of 50.1 pts.

The EURPLN exchange rate started Thursday at 4.255, i.e. at Wednesday's closing level. **During the day, the zloty fluctuated slightly, including during the conference of the President of the National Bank of Poland, but ultimately strengthened only slightly.** Among the CEE currencies of the region, the Czech koruna weakened by 0.15% against the euro, while the Hungarian forint strengthened by 0.1%. The EURUSD exchange rate gradually declined during the day and ended the European session at 1.163.

In turn, the debt market interpreted A. Glapiński's words as a slightly greater chance of interest rate cuts in the coming months. Polish bond yields fell by 2bp at the short end of the curve, FRA rates by 3-4bp and IRS rates by 2bp. There were minor changes in the core markets, with yields falling by 1-2bp. According to a statement by the Ministry of Finance, 42-week bills worth PLN 2-4 billion will be offered for sale at today's auction.

Production of services in Poland, % y/y



Source: Eurostat, Santander

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FX market

Today's opening

EURPLN	4,2495	CZKPLN	0,1735
USDPLN	3,6421	HUFPLN*	1,0706
EURUSD	1,1668	RONPLN	0,8375
CHFPLN	4,5247	NOKPLN	0,3617
GBPPLN	4,8982	DKKPLN	0,5692
USDCNY	7,1348	SEKPLN	0,3854

*for 100HUF

Last session in the FX market

04.09.2025

	min	max	open	close	fixing
EURPLN	4,2458	4,2586	4,2527	4,2504	#N/A Stale
USDPLN	3,6432	3,6569	3,6495	3,6488	#N/A Stale
EURUSD	1,1628	1,1661	1,1650	1,1647	

Interest rate market

04.09.2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4,32	-3
PS0730 (5L)	4,92	-1
DS1034 (10L)	5,52	0

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4,35	-2	3,97	-3	2,09	1
2L	4,12	-1	3,62	-3	2,09	1
3L	4,07	-2	3,53	-4	2,17	0
4L	4,10	-2	3,51	-5	2,25	0
5L	4,16	-2	3,55	-5	2,33	0
8L	4,37	-2	3,75	-6	2,54	-1
10L	4,53	-2	3,89	-6	2,67	-1

WIBOR rates

Term	%	Change (bps)
O/N	4,59	-19
T/N	4,83	-6
SW	4,84	-5
1M	4,84	-6
3M	4,77	-2
6M	4,65	-1
1Y	4,51	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4,66	-2
3x6	4,43	-4
6x9	4,11	-2
9x12	3,83	-1
3x9	4,32	-4
6x12	4,02	-2

CDS rates and 10Y yield spread vs. German Bund

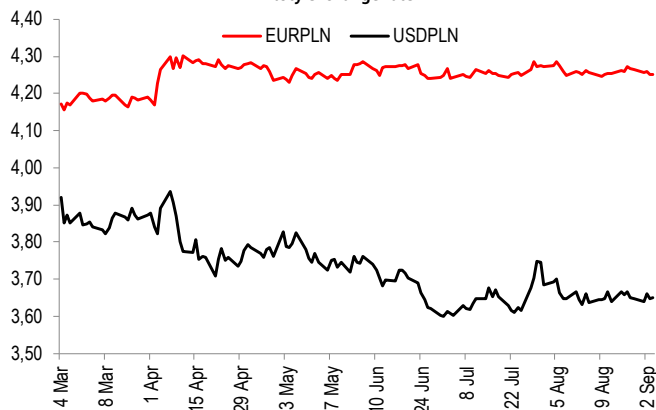
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	60	0	280	1
France	19	0	77	-3
Hungary	110	0	449	1
Spain	27	0	59	-2
Italy	19	0	88	-2
Portugal	15	0	43	-2
Ireland	11	0	24	-1
Germany	5	0	-	-

* 10Y treasury bonds over 10Y Bunds

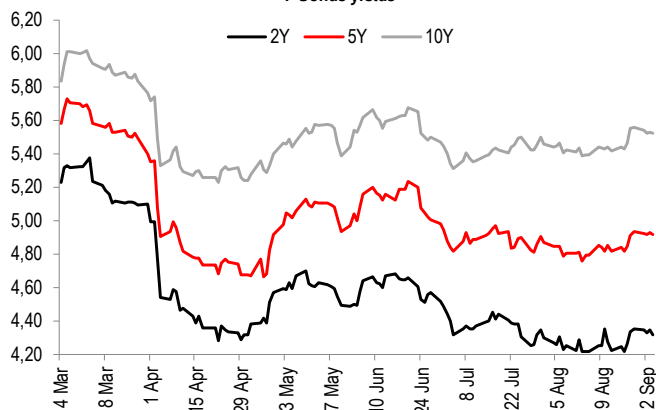
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

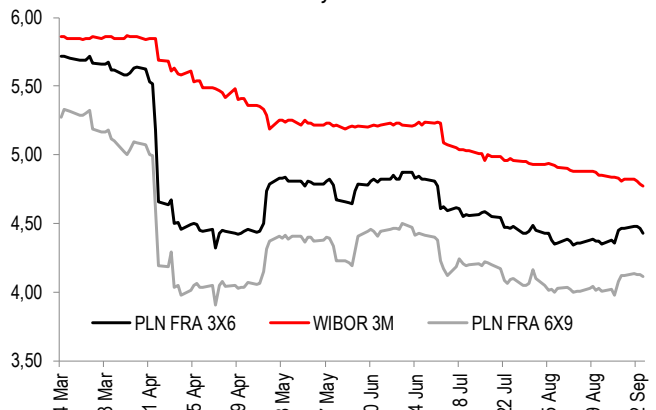
Zloty exchange rate



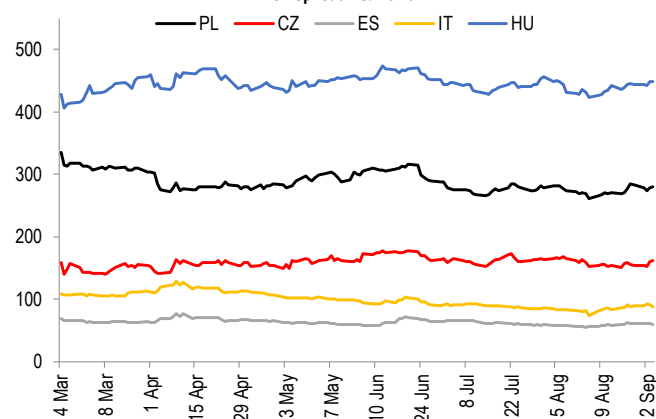
T-bonds yields



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 (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)								
	PL	Services Production	Jun	% y/y	-	-	6.8	7.1
09:00	CZ	CPI	Aug	% y/y	2.5	-	2.5	2.7
11:00	EZ	Retail Sales	Jul	% m/m	-0.3	-	-0.5	0.6
14:15	US	ADP report	Aug	k	68	-	54	106
14:30	US	Initial Jobless Claims	weekly	k	230	-	237	229
16:00	US	ISM services	Aug	pts	51.0	-	52.0	50.1
FRIDAY (5 September)								
08:00	DE	Factory Orders	Jul	% m/m	0.5	-	-	-1.0
08:30	HU	Industrial Production SA	Jul	% y/y	-3.2	-	-	-4.9
11:00	EZ	GDP SA	2Q	% y/y	0.1	-	-	1.4
14:30	US	Change in Nonfarm Payrolls	Aug	k	75	-	-	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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