

05 September 2025

Weekly Economic Update

Uncertain Poland's rating outlook

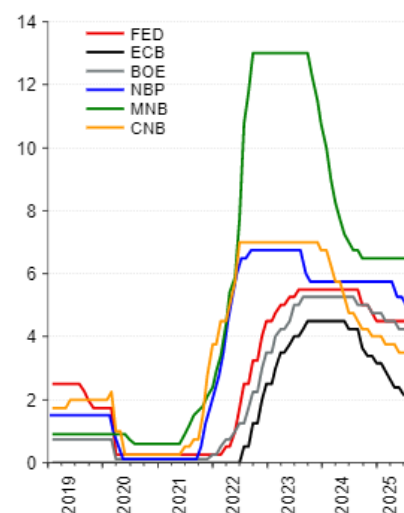
Economy next week

- The calendar for the coming week is fairly modest. The only data release in Poland is Friday's **balance of payments for July**. Our forecast points to a current account deficit of around €900 million, while the market consensus is around -€600 million. We expect better industrial performance to translate into faster exports, with the cumulative 12-month current account balance widening to 1% of GDP.
- Abroad, attention will focus on inflation data, including in Czechia, Hungary, the US, and selected eurozone countries, as well as German industrial production and exports.
- As always, in the days following the MPC meeting, **new interviews with Council members can be expected**.
- On Tuesday, **the government is expected to adopt a new bill extending the energy price freeze** and introducing a heating voucher, and to submit it to the Sejm, which also begins its first session after the summer recess on Tuesday. In addition to energy prices, MPs are also expected to start working on bills concerning tax increases proposed by the government.
- On Thursday, **the ECB decides on interest rates** (no change expected) as well as Bank of Turkey (expected 200bp cut).
- Later today, **Fitch Ratings is expected to review Poland's rating**. The current rating is A- with a neutral outlook. In our opinion, the recently published draft budget for 2026, which once again puts Poland on a worse fiscal trajectory than previously expected, increases the risk of a rating outlook deterioration, although we are not entirely convinced that this will be reflected already in today's decision by Fitch. In its previous update, the agency indicated that one of the negative factors for the rating could be the lack of consolidation of public finances and a decline in confidence "in the government's ability to stabilize public debt in the medium term at a level similar to that of other countries."

Markets next week

- Today's decision by Fitch will be an important indicator of sentiment on the domestic financial market after the weekend. For now, the market is not taking the negative scenario seriously – EURPLN fell below 4.25 at the end of the week, despite the fact that the end of President Glapiński's conference increased market expectations for interest rate cuts. The end of the week was also positive for the bond and interest rate markets. Zloty and bonds were supported by the initial reaction to today's much weaker-than-expected US labor market data, but in our view, a recessionary scenario in the US is not a good news for Polish assets in the longer run.
- We assume that after the weekend, an **upward correction of EURPLN is more likely than further appreciation of the zloty**, which, among other factors, will also be contributed to by recent statements by US and Russian leaders, indicating a low probability of an imminent agreement to end the war in Ukraine.
- On the debt market, a deterioration in the rating outlook would lead to a jump in yields, probably more on the long end than on the short end. In the absence of such a decision, we assume stabilization close to current levels.

Central banks' main interest rates, %

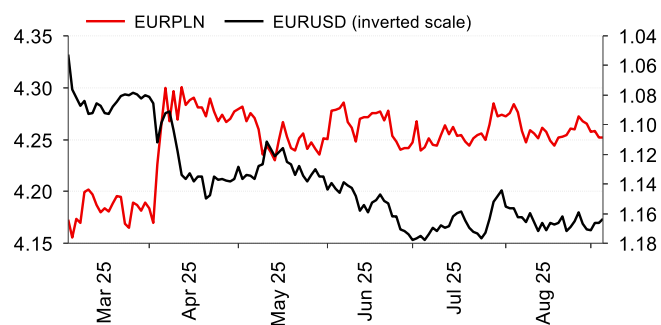


Source: LSEG Datastream, Santander

Economic Analysis Department:

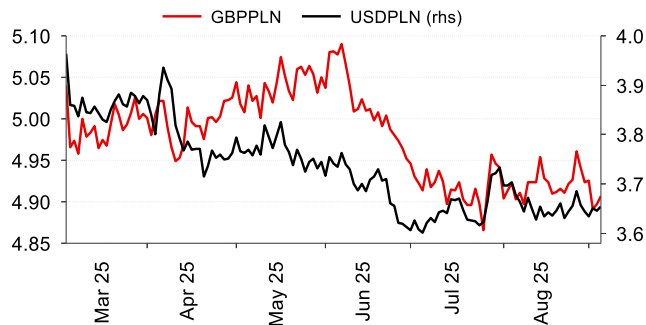
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EURPLN and EURUSD



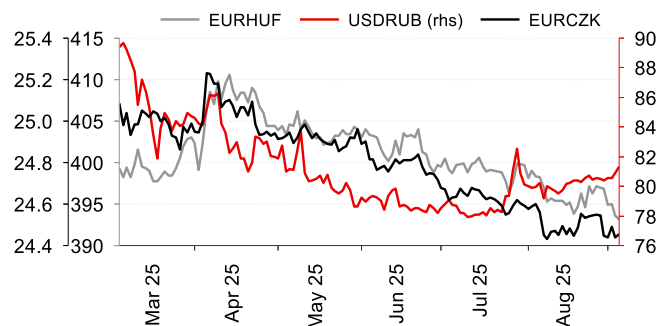
Source: LSEG Datastream, Santander

GBPPLN and USDPLN



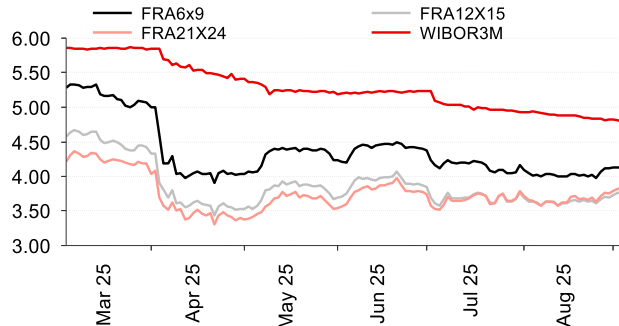
Source: LSEG Datastream, Santander Bank Polska

EURCZK, EURHUF and USDRUB



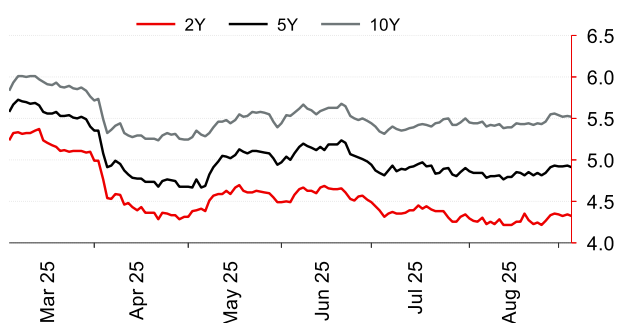
Source: LSEG Datastream, Santander Bank Polska

PLN FRA and WIBOR3M



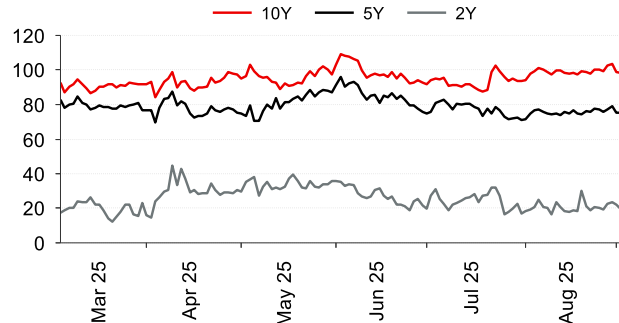
Source: LSEG Datastream, Santander Bank Polska

Polish bond yields



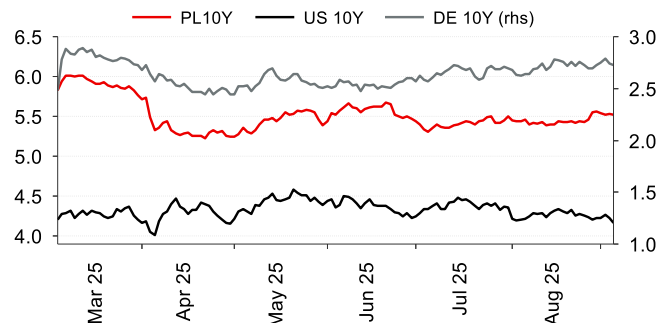
Source: LSEG Datastream, Santander Bank Polska

Asset swap spreads



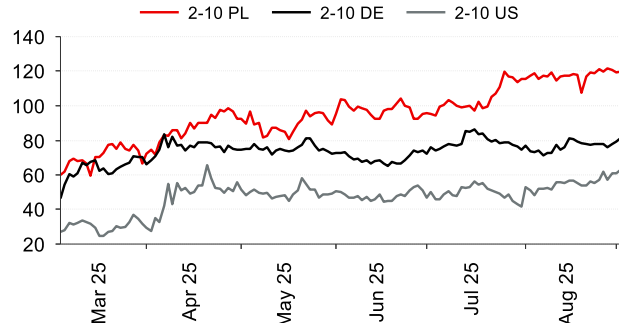
Source: LSEG Datastream, Santander Bank Polska

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 (8 September)							
08:00	DE	Exports SA	Jul	% m/m	0.1	-	0.8
08:00	DE	Industrial Production SA	Jul	% m/m	1.0	-	-1.9
09:00	CZ	Industrial Production	Jul	% y/y	3.1	-	3.3
TUESDAY (9 September)							
08:30	HU	CPI	Aug	% y/y	4.3	-	4.3
WEDNESDAY (10 September)							
09:00	CZ	CPI		% y/y	2.5	-	2.7
THURSDAY (11 September)							
14:15	EZ	ECB Main Refinancing Rate	Sep	%	2.15	-	2.15
14:30	US	CPI	Aug	% m/m	0.3	-	0.2
14:30	US	Initial Jobless Claims	week	k	230	-	237
FRIDAY (12 September)							
08:00	DE	HICP	Aug	% m/m	0.1	-	0.4
14:00	PL	Current Account Balance	Jul	€mn	-628	-941	651
14:00	PL	Trade Balance	Jul	€mn	-822	-1113	59
14:00	PL	Exports	Jul	€mn	28103	28176	28006
14:00	PL	Imports	Jul	€mn	28702	29289	27947
16:00	US	Michigan index	Sep	pts	59.3	-	58.2

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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