

10 September 2025

Eyeopener

Unemployment rate further up

Today Czech inflation in August, Russian drones violated Polish airspace
MPC's Dąbrowski: no more than one rate cut this year
Stronger RRP subsidy disbursement in July
Registered unemployment rate up to 5.5% in August due to procedural changes
Złoty below 4.25 per euro, slight rise in Polish bond yields

Today, the economic calendar includes only the final data on CPI inflation in Czechia, which according to the flash estimate fell to 2.5% in August compared from 2.7% in July (the inflation target there is 2.0% y/y). In addition, the Ministry of Finance will hold a tender for the sale of five series of treasury bonds with a total supply of PLN6-10bn. Overnight, data on Chinese inflation in August was released: CPI remained close to zero y/y, and PPI recorded its first rebound since February, but remains deeply negative. A regulation setting the minimum wage in Poland in 2026 should also be published in the coming days (formally, it must be issued by 15 September). In our view, the government will stick to its proposal for a 3% increase, which was not accepted by its partners in the Social Dialogue Council (the trade unions demanded 7.5%).

During the night, Polish airspace was violated by Russian drones. They were shot down by the Polish military. This event could potentially have a negative impact on demand for Polish assets. In addition, yesterday **Israel carried out an attack on Hamas headquarters in Qatar**, which may also negatively affect investor sentiment towards risk assets.

MPC's Ireneusz Dąbrowski, has spoken on the future shape of monetary policy. In his opinion, there will be at most one small interest rate cut this year. According to Dąbrowski, the current pace of wage growth and the government's expansionary fiscal policy pose significant risks to inflation, and therefore the Council will take very cautious decisions. He also pointed out that the prospect of a sustained decline in wage growth to around 6-7% would be in his eyes be argument for easing policy.

The government has prepared a draft law that partially offsets the effects of the veto on the amendment to the law on aid to Ukrainian citizens. The draft extends the period during which Ukrainians may legally stay in Poland to 4 March 2026 and limits the eligibility to access social benefits and the healthcare system only the foreigners that are economically active. The proposed criterion for economic activity is earning 50% of the national minimum wage, excluding remuneration from specific-task contracts.

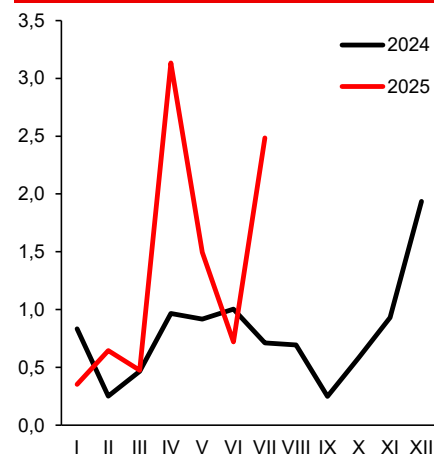
According to preliminary data from the Ministry of Family, Labour and Social Policy, the registered unemployment rate in August printed 5.5% (compared to 5.4% in July), and the number of unemployed increased by 26.5k to 857.3k. This result is consistent with our forecast and market consensus. We maintain that the observed increase in unemployment is not economic in nature, but rather the result of procedural changes at labour offices, which have significantly reduced the number of people deregistered. Very few job offers are still being reported (-52.0% y/y), which in our opinion reflects significant formal difficulties introduced by the reform rather than a sharp decline in labour demand. This thesis is supported by recently published data from the GUS labour demand survey, which shows that the number of vacancies at the end of the second quarter of this year was 95.7k. While this represents a 13.6% y/y decline, it is not as sharp a decline as the registration data suggests. The seasonally adjusted job vacancy rate – measuring the number of vacancies relative to the number of jobs – also decreased compared to the previous quarter (from 0.81 to 0.78, i.e. by less than 4%).

According to monthly budget execution report of the Ministry of Finance, expenditure under the National Recovery Plan (KPO) subsidies amounted to c. PLN2.5bn in July. Against the backdrop of the weak previous two months, this is quite a decent result, although the pace of EU funds' spending is still slower than we expected. In year-to-date terms, KPO subsidy expenditure amounted to PLN9.3bn. At the same time, Minister Szyszko announced that in November the European Commission will transfer PLN26bn in grants.

The Polish złoty started Tuesday relatively strong, with EURPLN below 4.25. It weakened during the day, but at the end of the session it was even slightly below the opening level. Other currencies in the CEE region also did not see any major changes. The dollar was weakening in recent days, but yesterday it gained about 0.5% against the euro.

There were no clear stimuli for change on the debt market, and the collapse of the French government did not trigger a market reaction. Polish bond yields rose slightly, by 1-2 bp at the long end of the curve, as did German bond yields. US Treasury yields rose by 4-5 bp. PLN IRS rates remained unchanged, while FRA rates rose by 2-4 bp, possibly in response to the more hawkish tone of some MPC members..

Subsidy expenditure from the RRP by month (PLNbn)



Source: FinMin, Santander

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FX market

Today's opening

EURPLN	4.2520	CZKPLN	0.1745
USDPLN	3.6291	HUFPLN*	1.0713
EURUSD	1.1716	RONPLN	0.8387
CHFPLN	4.5550	NOKPLN	0.3643
GBPPLN	4.9141	DKKPLN	0.5695
USDCNY	7.1192	SEKPLN	0.3873

*for 100HUF

Last session in the FX market

09/09/2025

	min	max	open	close	fixing
EURPLN	4.2430	4.2544	4.2499	4.2497	4.254
USDPLN	3.6125	3.6437	3.6423	3.6142	3.6173
EURUSD	1.1664	1.1759	1.1666	1.1758	

Interest rate market

09/09/2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4.28	1
PS0730 (5L)	4.87	3
DS1034 (10L)	5.46	2

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.30	3	3.92	7	2.09	1
2L	4.06	1	3.58	6	2.09	2
3L	4.01	1	3.49	7	2.15	2
4L	4.03	1	3.49	6	2.22	1
5L	4.08	0	3.53	7	2.30	1
8L	4.29	0	3.71	6	2.50	1
10L	4.45	-1	3.83	6	2.62	1

WIBOR rates

Term	%	Change (bps)
O/N	4.84	4
T/N	4.82	1
SW	4.82	0
1M	4.84	-1
3M	4.75	0
6M	4.61	-2
1Y	4.47	-1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4.60	-1
3x6	4.38	2
6x9	4.05	4
9x12	3.76	4
3x9	4.27	2
6x12	3.96	0

CDS rates and 10Y yield spread vs. German Bund

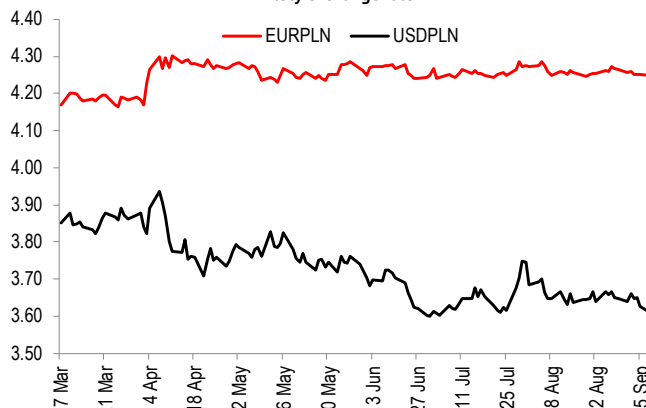
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	60	-1	280	-1
France	17	-2	81	4
Hungary	110	0	448	-4
Spain	25	-1	59	0
Italy	16	-1	85	-1
Portugal	14	0	43	1
Ireland	11	0	23	-1
Germany	5	0	-	-

* 10Y treasury bonds over 10Y Bunds

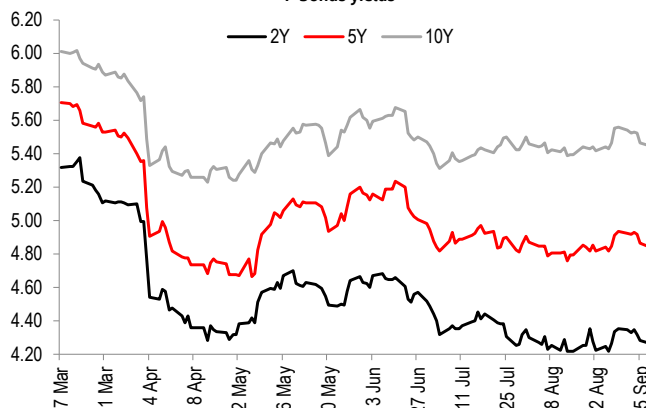
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

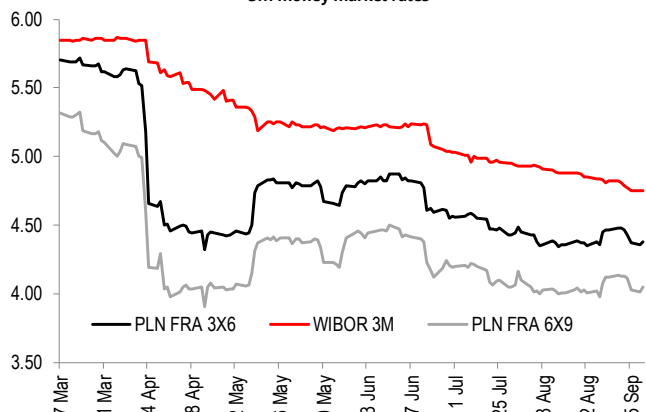
Zloty exchange rate



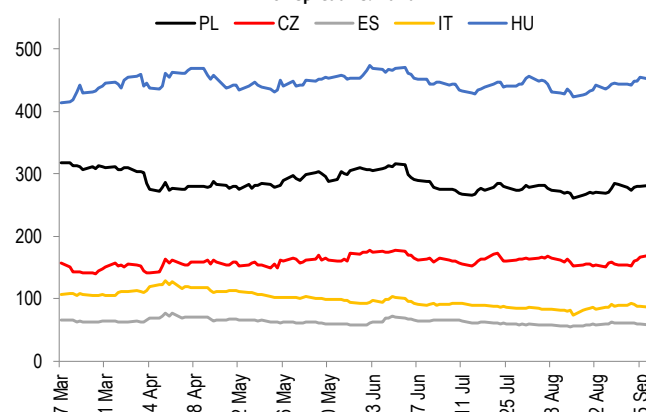
T-bonds yields



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 (5 September)								
14:30	US	Change in Nonfarm Payrolls	Aug	k	75	-	22	79
14:30	US	Unemployment Rate	Aug	%	4.3	-	4,3	4.2
MONDAY (8 September)								
08:00	DE	Exports SA	Jul	% m/m	0.1	-	-0.6	0.8
08:00	DE	Industrial Production SA	Jul	% m/m	1.0	-	1.3	-1.9
09:00	CZ	Industrial Production	Jul	% y/y	3.1	-	4.9	3.2
TUESDAY (9 September)								
08:30	HU	CPI	Aug	% y/y	4.3	-	4.3	4.3
WEDNESDAY (10 September)								
09:00	CZ	CPI	Aug	% y/y	2.5	-		2.7
THURSDAY (11 September)								
14:15	EZ	ECB Main Refinancing Rate	Sep.25	%	2.15	-		2.15
14:30	US	CPI	Aug	% m/m	0.3	-		0.2
14:30	US	Initial Jobless Claims		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

* in the case of a revision the data is updated

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