

26 September 2025

# Weekly Economic Update

## Inflation to return above 3%?

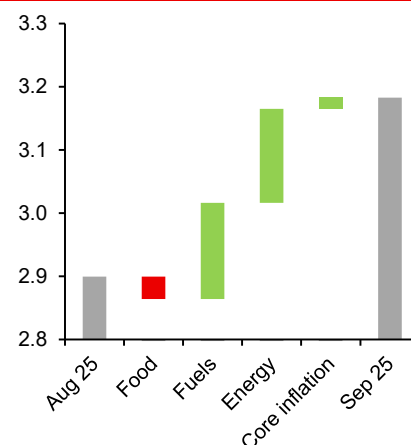
### Economy next week

- The turn of September and October will not be rich in domestic events. The local calendar includes only two data releases: preliminary inflation figures for September (Tuesday) and the manufacturing PMI index (Wednesday).
- **We expect CPI growth to accelerate to 3.2% y/y** (from 2.9% recorded in August), which is the highest forecast in the Bloomberg survey (where the median is 3.0%, and other analysts' estimates range from 2.8% to 3.1% y/y). In our view, this will be partly due to a marked increase in heating costs after the cap on heat price hikes expired in the summer. Our estimates suggest that heating fee hikes may add around 0.16 percentage points to CPI in September. If confirmed, this would reinforce our belief that the Monetary Policy Council will hold off on another interest rate cut until November, despite weaker-than-expected wage and economic activity data for August.
- **As for PMI, we expect the index to stabilise at 46.6 points** (market median is 47.0), which reflects a balance between a slight improvement in industrial sentiment indicated by the GUS business survey and a renewed decline in preliminary manufacturing PMIs in Western Europe.
- Tuesday marks the deadline for the government to submit the draft budget bill to the Sejm. This should not stir much emotion, as the shape of the bill is unlikely to differ significantly from the preliminary budget draft presented at the end of August. However, if the government included a reduction of the loan component of the National Recovery Plan (KPO) by PLN21.5bn, it would reduce the planned borrowing needs by around 0.5% of GDP.
- Abroad, a number of sentiment and confidence indices will be released, including final PMI readings for manufacturing and services, European ESI indices, US consumer sentiment data from the Conference Board, as well as inflation figures across European countries. The week will conclude with the monthly US labour market report. Previously surprisingly weak US employment data fuelled expectations of Fed rate cuts, and investors will be watching the next release in this context.
- **The US also faces the looming threat of a government shutdown from 1 October** if legislation ensuring continued funding is not passed in time. According to media reports, the White House has asked federal agencies to prepare mass layoff plans in case of a failure to extend the funding.

### Markets next week

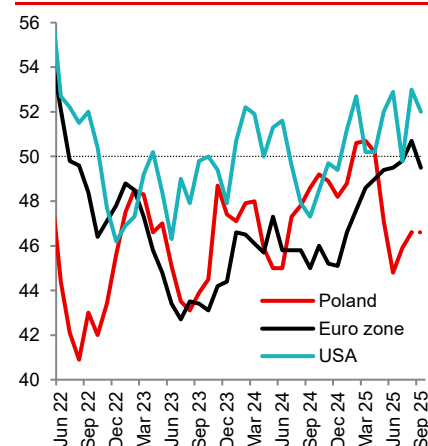
- On the foreign exchange market, we continue to move within a narrow volatility range, but recent days have brought a slight trend shift in the CEE region: EURPLN and EURCZK have risen by 0.23% since last Friday, and EURHUF by 0.35%. This seems linked to concerns that recurring "border incidents" involving Russia could escalate into a more serious event. We assume that the upper limit for EURPLN will remain at 4.28. **If our CPI forecast proves correct, the zloty could theoretically strengthen from mid-week** as expectations for further rate cuts by the MPC are revised – unless this is offset by a general increase in risk aversion triggered by the US government shutdown.
- The inflation reading should also be significant for the interest rate market, and we expect an upward move at the short end of the yield curve following Tuesday's inflation data release.

Polish annual CPI inflation change from August to September, the breakdown of Santander forecast



Source: GUS, Santander

Manufacturing PMIs, pts

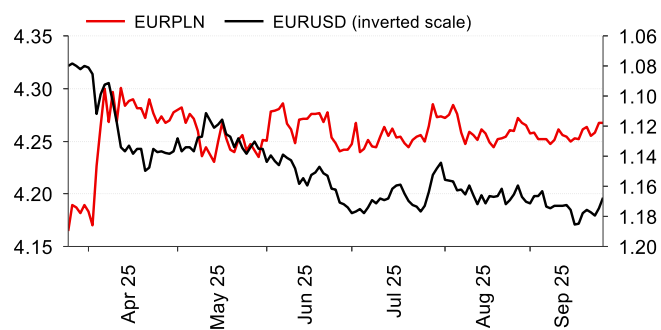


The September 2025 value for Polish PMI is Santander forecast  
Source: S&P Global, Santander

### Economic Analysis Department:

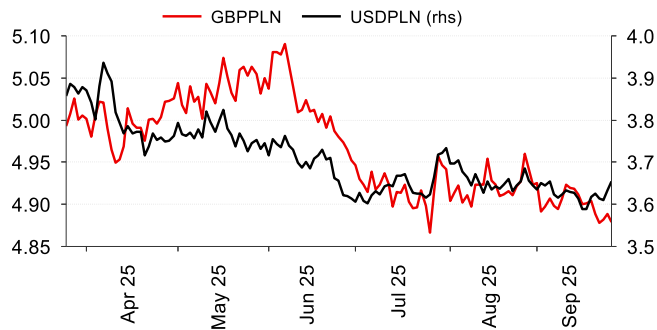
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### EURPLN and EURUSD



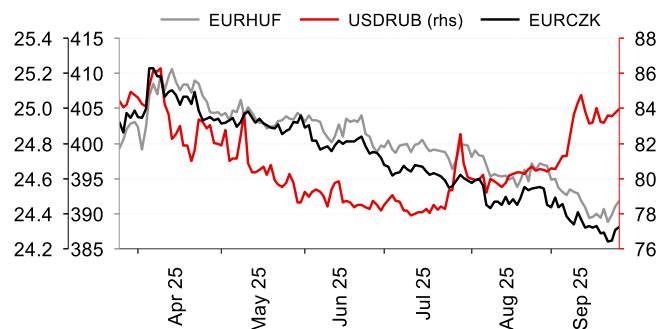
Source: LSEG Datastream, Santander

### GBPPLN and USDPLN



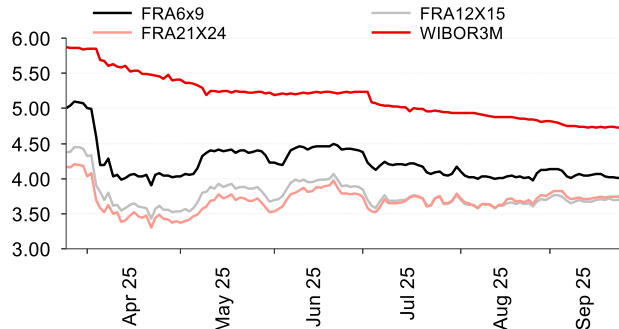
Source: LSEG Datastream, Santander Bank Polska

### EURCZK, EURHUF and USDRUB



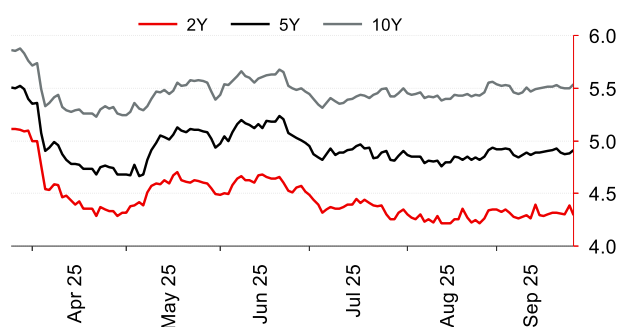
Source: LSEG Datastream, Santander Bank Polska

### PLN FRA and WIBOR3M



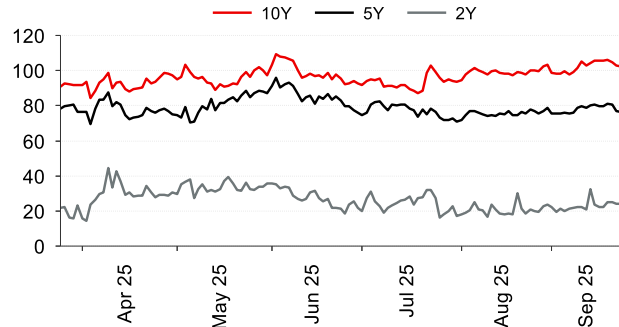
Source: LSEG Datastream, Santander Bank Polska

### Polish bond yields



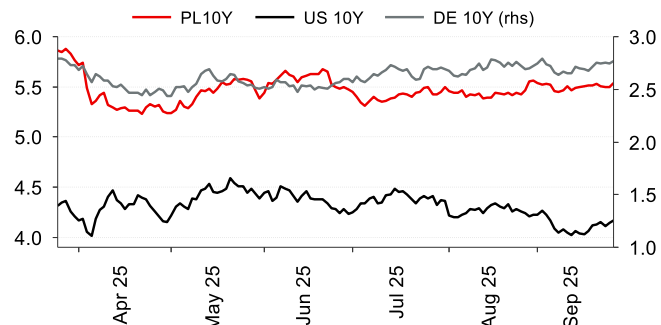
Source: LSEG Datastream, Santander Bank Polska

### Asset swap spreads



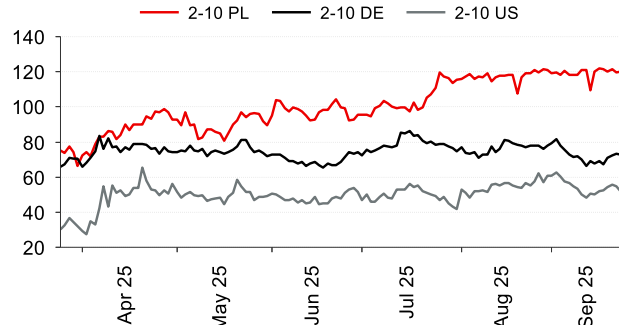
Source: LSEG Datastream, Santander Bank Polska

### 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 (29 September)							
11:00	EZ	ESI	Sep	pct.	95.2	-	95.7
16:00	US	Pending Home Sales	Aug	% m/m	0.1	-	-0.4
TUESDAY (30 September)							
03:45	CN	Caixin China PMI Services	Sep	pts	52.3	-	53.0
08:00	DE	Retail Sales	Aug	% m/m	0.5	-	-0.9
09:00	CZ	GDP SA	2Q	% y/y	2.6	-	2.4
10:00	PL	CPI	Sep	% y/y	3.0	3.2	2.9
14:00	DE	HICP	Sep	% m/m	0.1	-	0.1
16:00	US	Consumer Conference Board	Sep	pts	95.8	-	97.4
WEDNESDAY (1 October)							
09:00	PL	Poland Manufacturing PMI	Sep	pts	47.0	46.6	46.6
09:55	DE	Germany Manufacturing PMI	Sep	pts	48.5	-	49.8
10:00	EZ	Eurozone Manufacturing PMI	Sep	pts	49.5	-	50.7
11:00	EZ	Flash HICP	Sep	% y/y	2.3	-	2.1
14:15	US	ADP report	Sep	k	50.0	-	54.0
16:00	US	ISM manufacturing	Sep	pts	49.2	-	48.7
THURSDAY (2 October)							
11:00	EZ	Unemployment Rate	Aug	%	6.2	-	6.2
14:30	US	Initial Jobless Claims	weekly	k	233	-	218
16:00	US	Durable Goods Orders	Aug	% m/m	-0.3	-	2.9
16:00	US	Factory Orders	Aug	% m/m	0.1	-	-1.3
FRIDAY (3 October)							
09:55	DE	Markit Germany Services PMI	Sep	pts	52.5	-	49.3
10:00	EZ	Eurozone Services PMI	Sep	pts	51.4	-	50.5
14:30	US	Change in Nonfarm Payrolls	Sep	k	50	-	22
14:30	US	Unemployment Rate	Sep	%	4.3	-	4.3
16:00	US	ISM services	Sep	pts	52.0	-	52.0

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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