

7 October 2025

Eyeopener

Unemployment rises a bit once again

Today 2024 GDP revision, German, Hungary and Czech industry data
Registered unemployment rate rose to 5.6% in September
PLN and other CEE FX weaker after the morning appreciation, interest rate market stable

Today, GUS is expected to publish a revised estimate of GDP for 2024. In previous years, these publications have brought adjustments to the annual growth rate of a few tenths of a percentage point. The revision of quarterly GDP data, including those for the first two quarters of this year, is scheduled for 16 October. The Sejm begins a sitting today, during which it is to work on the draft budget bill for 2026. In the Czech Republic and Hungary, data on industrial production for August will be released today, while in the morning, information on industrial orders in Germany was already published. The orders fell for the fourth consecutive month on a m/m basis in August and disappointed the market for the fourth time in a row.

The registered unemployment rate rose in September to 5.6% from 5.5% a month earlier, according to estimates from the Ministry of Family, Labour and Social Policy. The number of unemployed persons registered at labour offices at the end of September amounted to 867.6k, an increase of 11.35k m/m. These figures are slightly worse than our expectations – we had assumed the unemployment rate would remain unchanged. The increase in the number of unemployed since June is clearly higher than seasonal patterns would suggest, which we largely attribute to a methodological change that has resulted in slower verification of unemployed status and, consequently, fewer deregistrations. Nevertheless, the deviation from the seasonal pattern is decreasing month by month, and we assume it will soon disappear entirely, although the unemployment rate itself will remain permanently higher than before the methodological change.

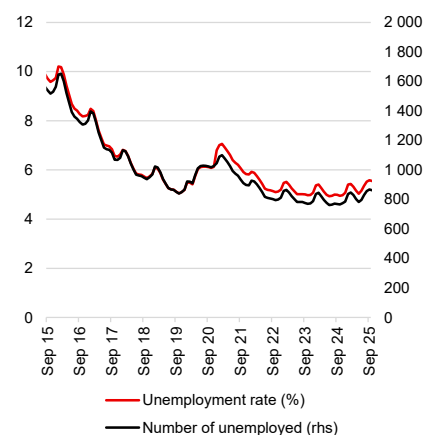
Inflation in the Czech Republic fell in September to 2.3% y/y, against market expectations of a slight increase to 2.6% y/y from 2.5% in August. The surprise was mainly due to food and fuel prices, while service price inflation remained elevated (4.7% y/y, the same as in August).

Retail sales in the euro area rose by 0.1% m/m and 1.0% y/y in August, compared to analysts' expectations of 0.1% m/m and 1.3% y/y. The weaker-than-forecast annual growth was partly due to downward revisions of the previous month's data. According to Eurostat, retail sales in Poland rose by 1.9% y/y. These retail trade figures differ from those published by GUS (which showed a 3.3% y/y increase in August). For example, they include the smallest firms employing fewer than 10 people, but do not include car sales.

CEE currencies started the week by strengthening in the initial reaction to the parliamentary elections in the Czech Republic, which – as expected – ended with a victory for Andrej Babiš's populist ANO party. Later in the day, however, a correction followed. The EURPLN rate, which briefly dipped below 4.25 in the early morning hours, ended the day near 4.255, almost unchanged from Friday's close. The Czech koruna, which in the morning reached its strongest level against the euro since September 2023, weakened by 0.25%; the Hungarian forint depreciated at a similar rate, despite an equally strong start to the day, partly due to Prime Minister Viktor Orbán's call for interest rate cuts. We assume that in the second half of this week, EURPLN may again test 4.25, if – as we expect – the Polish MPC keeps interest rates unchanged on Wednesday, and the tone of the statement and the NBP President's press conference indicate caution in further actions, which would reduce market expectations regarding the pace and scale of future rate cuts.

The domestic interest rate market was relatively stable, ahead of the Wednesday's MPC decision and Thursday's speech by the NBP President. The bond and IRS curves moved up by 1–2pp, slightly more at the long end. Changes on the FRA market were minimal. FRA1x4 fell by 2pp, but it is worth noting that this instrument now covers the next, November MPC meeting, so it is difficult to interpret this as an increase in the pricing of a rate cut already in October. We assume that with the MPC decision to keep rates unchanged at the upcoming meeting, FRA rates, IRS and bond yields may move slightly higher, more at the short end of the curves.

Registered unemployment rate and the number of registered unemployed



Source: GUS, Labour Ministry, Santander

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FX market

Today's opening

EURPLN	4.2528	CZKPLN	0.1749
USDPLN	3.6391	HUFPLN*	1.0840
EURUSD	1.1687	RONPLN	0.8360
CHFPLN	4.5440	NOKPLN	0.3624
GBPPLN	4.8760	DKKPLN	0.5683
USDCNY	7.1190	SEKPLN	0.3857

*for 100HUF

Last session in the FX market

06.10.2025

	min	max	open	close	fixing
EURPLN	4.2477	4.2560	4.2537	4.2543	4.2521
USDPLN	3.6270	3.6509	3.6292	3.6342	3.6446
EURUSD	1.1649	1.1725	1.1719	1.1706	

Interest rate market

06.10.2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
DS0727 (2L)	4.27	1
PS0730 (5L)	4.90	2
DS1035 (10L)	5.55	3

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.27	-1	3.87	1	2.12	0
2L	4.11	1	3.63	1	2.15	0
3L	4.10	2	3.60	1	2.23	0
4L	4.13	2	3.61	2	2.32	1
5L	4.19	2	3.65	2	2.39	0
8L	4.41	2	3.82	3	2.59	2
10L	4.56	2	3.93	3	2.71	3

WIBOR rates

Term	%	Change (bps)
O/N	4.69	-4
T/N	4.82	1
SW	4.81	0
1M	4.81	-1
3M	4.69	-1
6M	4.55	0
1Y	4.44	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4.45	-4
3x6	4.28	-2
6x9	4.00	-2
9x12	3.85	1
3x9	4.19	-1
6x12	3.94	-2

CDS rates and 10Y yield spread vs. German Bund

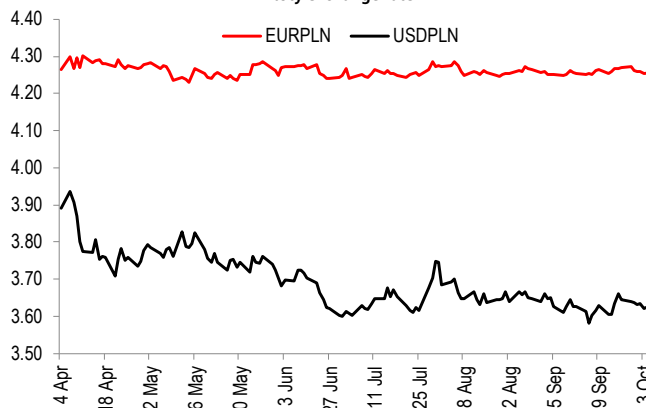
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	64	0	283	1
France	18	0	85	4
Hungary	110	0	417	-1
Spain	26	-1	54	1
Italy	17	0	85	1
Portugal	13	0	40	0
Ireland	10	0	27	2
Germany	5	0	-	-

* 10Y treasury bonds over 10Y Bunds

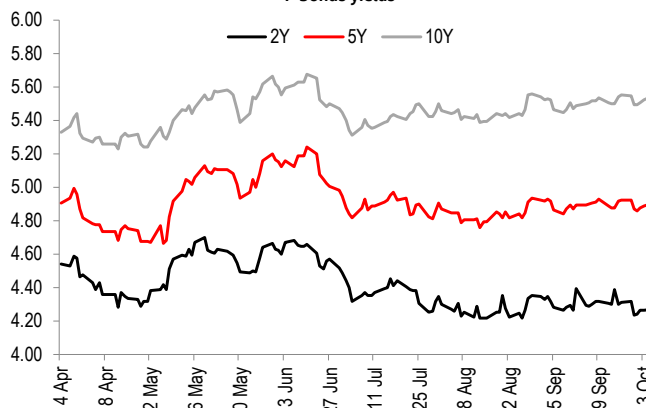
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

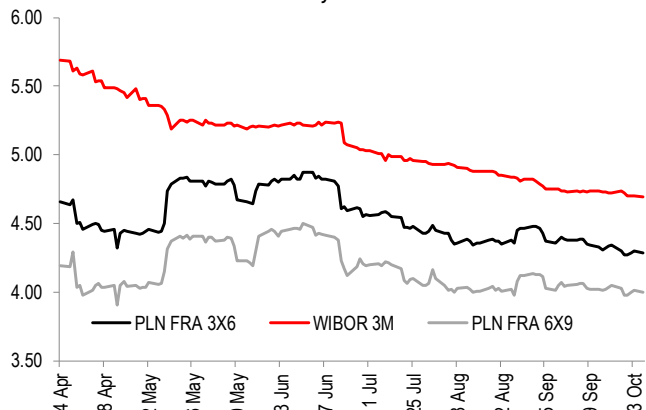
Zloty exchange rate



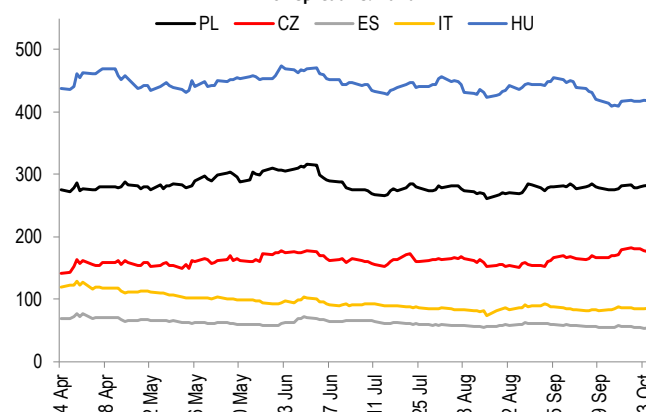
T-bonds yields



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 (3 October)								
14:30	US	Change in Nonfarm Payrolls	Sep	k	53.0		-	22.0
14:30	US	Unemployment Rate	Sep	%	4.3		-	4.3
16:00	US	ISM services	Sep	pts	51.7		50.0	52.0
MONDAY (6 October)								
09:00	CZ	CPI	Sep	% y/y	2.6		2.3	2.5
11:00	EZ	Retail Sales	Aug	% m/m	0.2		1.0	-0.5
TUESDAY (7 October)								
08:00	DE	Factory Orders	Aug	% m/m	1.2		-0.8	-2.7
08:30	HU	Industrial Production SA	Aug	% y/y	-2.8		-	-1.0
09:00	CZ	Industrial Production	Aug	% y/y	0.6		-	4.9
10:00	PL	Annual GDP data revision for 2024						
WEDNESDAY (8 October)								
	PL	MPC decision		%	4.75	4.75	-	4.75
08:00	DE	Industrial Production SA	Aug	% m/m	-1.0		-	1.3
08:30	HU	CPI	Sep	% y/y	4.4		-	4.3
20:00	US	FOMC Meeting Minutes	Sep.25					
THURSDAY (9 October)								
08:00	DE	Exports SA	Aug	% m/m	0.3		-	-0.5
14:30	US	Initial Jobless Claims	Oct.25	k	225		-	218
FRIDAY (10 October)								
16:00	US	Michigan index	Oct	pts	54.3		-	55.1

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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