10 October 2025

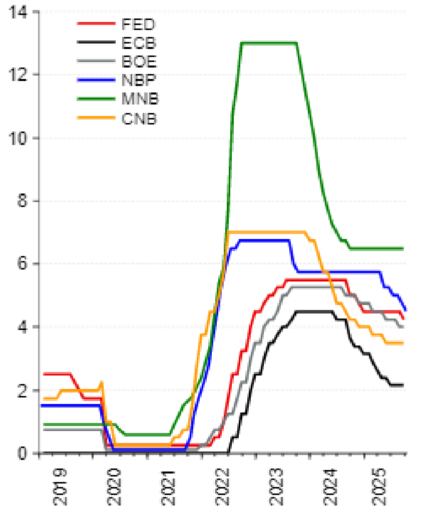
Weekly Economic Update

Week of inflation and balance of payments

Economy next week

- The economic publication calendar for the coming week includes, among others, data on the August balance of payments (Tuesday), September CPI inflation (Wednesday), and core inflation (Thursday), and possibly information on the budget performance after nine months of the year. Following the MPC decision, we traditionally await new interviews with MPC members.
- Our forecast indicates **a marked deterioration in the current account balance in August to -€2.4bn**, which is around €1bn worse than in July and much below the median forecast. A result clearly below consensus may leave a negative impression on the market, although in our view the deterioration in the current and trade balances will mainly be a seasonal effect (the rolling 12-month current account balance would remain at -0.9% of GDP), rather than a signal of a change in foreign trade trends.
- For inflation, we expect **confirmation of the preliminary CPI result at 2.9% y/y, consistent with core inflation at 3.2% y/y**, which aligns with market consensus.
- Abroad, the week will begin slowly – Monday is a public holiday in the US, Canada, and Japan. In the following days, inflation data will be published in many European countries and possibly in the US. The latter is uncertain due to the ongoing federal government shutdown, but according to US media, efforts are underway to ensure the CPI release still takes place (although it is unclear whether it will be on the originally scheduled date, i.e. Wednesday), due to its importance for social benefit payments. If Congress finally approves government funding, we would likely see a flood of delayed US data that has not been released since the shutdown began.
- In Washington, the **annual meetings of the International Monetary Fund and the World Bank** begin after the weekend. This will be an opportunity for the publication of the new IMF report with updated global economic forecasts and numerous speeches by policymakers, economists, including central bank representatives.

Central bank policy rates, %



Source: LSEG Datastream, Santander

Markets next week

- The złoty attempted to strengthen this week, temporarily falling below 4.25 against the euro, but both the rate cut by the MPC and the dollar appreciation against the euro did not support the continuation of this trend. Given the circumstances, the domestic currency still showed considerable resilience. For the coming week, however, **we lean towards an upward move in EURPLN from the current level of 4.257**, partly due to the balance of payments data, which may negatively surprise the market as early as Tuesday.
- On the interest rate market, the NBP rate cut shifted the bond yield and IRS curves downward. After the weekend, we expect **consolidation near current levels**, unless new statements from MPC members significantly alter market expectations regarding future decisions. According to LSEG, current market pricing reflects around a 90% probability that interest rates will remain unchanged in November.

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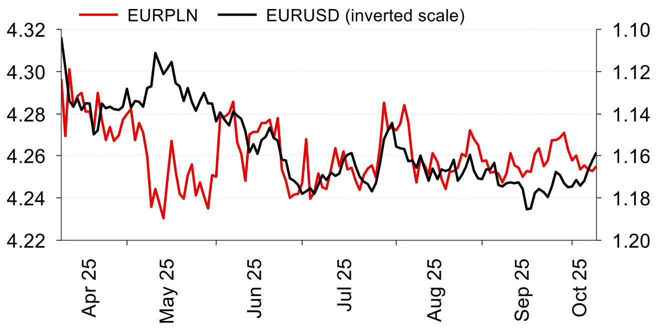
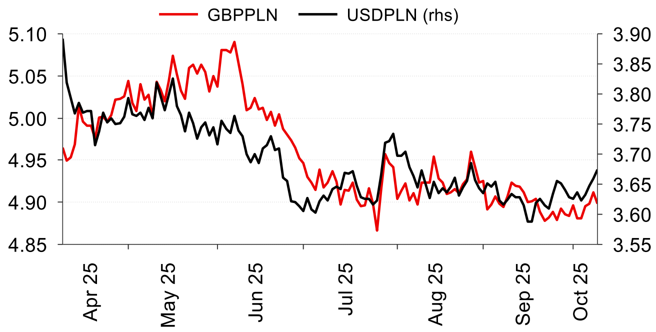
EURPLN and EURUSD



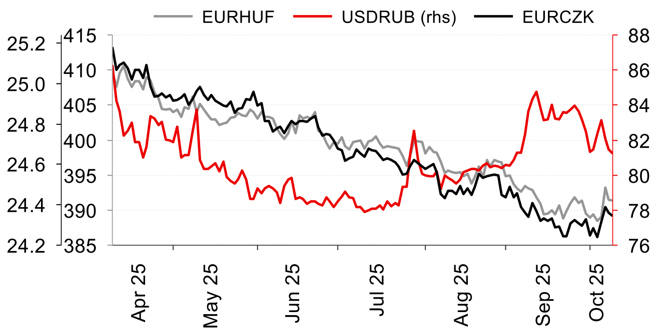
Source: LSEG Datastream, Santander

GBPPLN and USDPLN



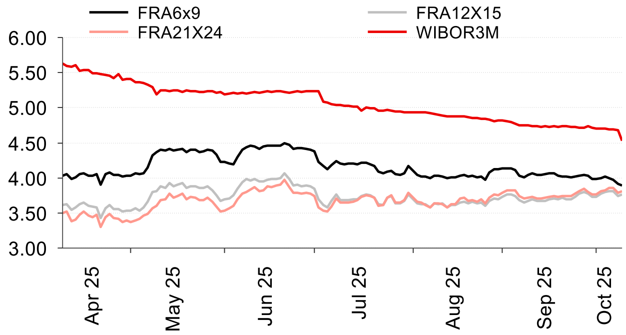
Source: LSEG Datastream, Santander Bank Polska

EURCZK, EURHUF and USDRUB



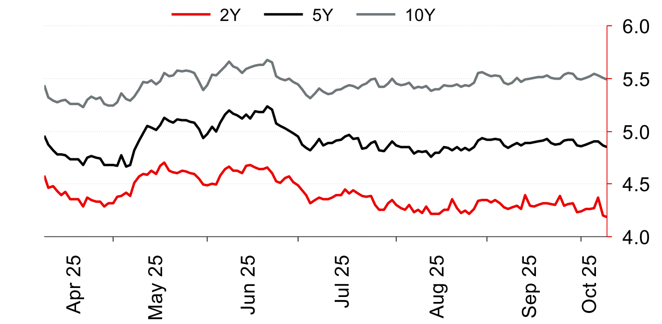
Source: LSEG Datastream, Santander Bank Polska

PLN FRA and WIBOR3M



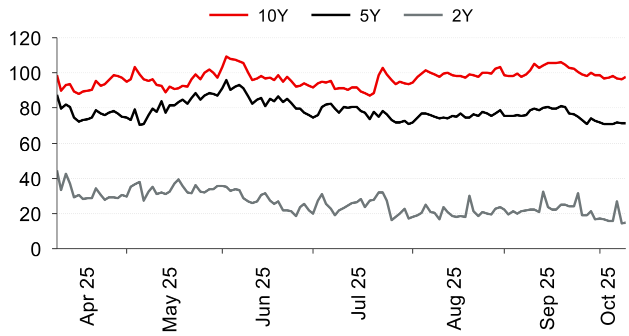
Source: LSEG Datastream, Santander Bank Polska

Polish bond yields



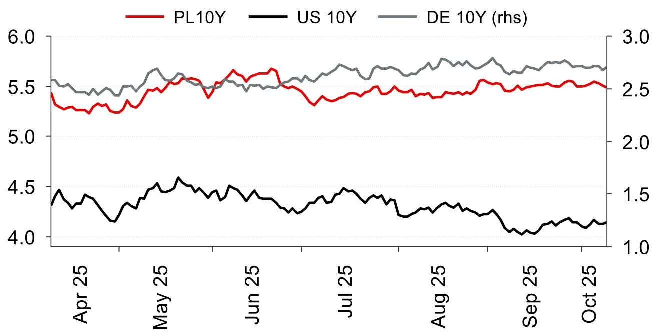
Source: LSEG Datastream, Santander Bank Polska

Asset swap spreads



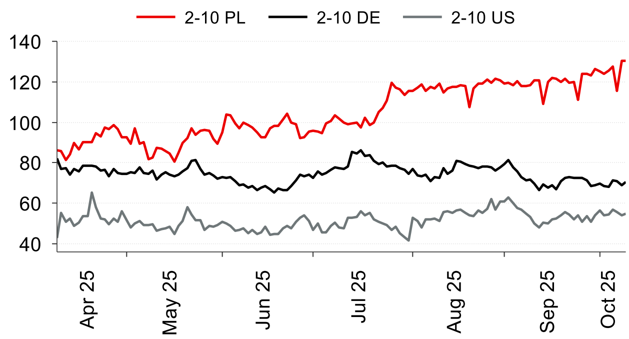
Source: LSEG Datastream, Santander Bank Polska

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 MARKET	FORECAST SANTANDER	LAST VALUE
			MONDAY (13 October)				
		No data releases					
			TUESDAY (14 October)				
08:00	DE	HICP	Sep	% m/m	0.2	-	0.1
11:00	DE	ZEW Survey Current Situation	Oct	pts	-73.8	-	-76.4
14:00	**PL**	**Current Account Balance**	**Aug**	**€mn**	**-1 097**	**-2 406**	**-1 335**
14:00	**PL**	**Trade Balance**	**Aug**	**€mn**	**-1 180**	**-2 145**	**-1 265**
14:00	**PL**	**Exports**	**Aug**	**€mn**	**26 032**	**25 655**	**28 187**
14:00	**PL**	**Imports**	**Aug**	**€mn**	**27 229**	**27 800**	**29 452**
			WEDNESDAY (15 October)				
10:00	**PL**	**CPI**	**Sep**	**% y/y**	**2.9**	**2.9**	**2.9**
11:00	EZ	Industrial Production SA	Aug	% m/m	-1.8	-	0.3
14:30	US	CPI	Sep	% m/m	0.4	-	0.4
			THURSDAY (16 October)				
14:00	**PL**	**CPI Core**	**Sep**	**% y/y**	**3.2**	**3.2**	**3.2**
14:30	US	Initial Jobless Claims	weekly	k	229	-	218
14:30	US	Retail Sales Advance	Sep	% m/m	0.4	-	0.6
			FRIDAY (17 October)				
11:00	EZ	HICP	Sep	% y/y	2.2	-	2.0
14:30	US	Housing Starts	Sep	% m/m	0.6	-	-8.5
15:15	US	Industrial Production	Sep	% m/m	0.0	-	0.1

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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