17 October 2025

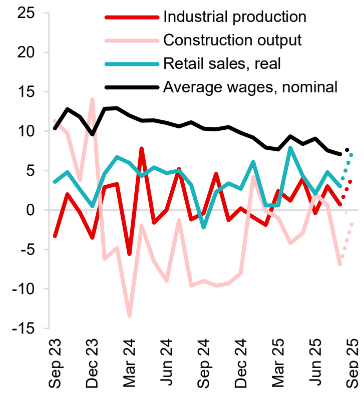
Weekly Economic Update

Waiting for strong September data

Economy next week

- After the weekend, we are in for a large batch of new domestic economic data that will help summarise the performance of the economy in 3Q. On Monday, we will get figures on September wages, employment, industrial production and PPI inflation; on Tuesday, construction and assembly output; on Wednesday, retail sales, money supply, and October's consumer and business sentiment; and on Thursday, the Statistical Bulletin will be out with a set of detailed indicators and official data on registered unemployment.
- We expect **most of the September releases to show a clear improvement in y/y growth rates** compared to previous months (e.g. industrial production growth above 4% y/y, retail sales above 7% y/y, wage growth moving back above 8% y/y). While part of this surge will be due to calendar effects (more working days) and a particularly weak statistical base (a year ago the Polish economy was dealing with the aftermath of flooding), the overall tone of the data should, in our view, be optimistic enough to positively influence the valuation of domestic assets and reduce the probability a rate cut by the MPC at its upcoming November meeting.
- Additionally, on Tuesday we will see data on the **General Government balance and debt after two quarters of this year**, along with a revision of the corresponding 2024 figures.
- Abroad, we will get 3Q GDP data from China, US consumer sentiment indices prepared by the Conference Board and University of Michigan, the delayed US CPI inflation release, and at the end of the week, preliminary October PMI indices from many countries.
- Central bank rate decisions are expected from China, Hungary, and Turkey.

Real activity indicators, % y/y



Source: GUS, Santander

Markets next week

- The zloty started the passing week with a slight weakening, but the reaction to the surprisingly deep August current account deficit was minor and short-lived – by Wednesday, EURPLN had returned to a downward trend, temporarily dipping below 4.25. In our view, this was partly due to renewed dollar weakness and reports about a possible transfer of US Tomahawk missiles to Ukraine, followed by news of another planned Trump-Putin meeting, reportedly to be held in Budapest. Although Friday is again marked by a correction in EURPLN towards 4.26, **the strong data releases we expect in the coming days should support another successful test of the 4.25 barrier**.
- Bond yield curves, IRS and FRA rates moved lower over the past week, despite comments from MPC members (Kotecki, Kochalski, Dąbrowski, Wnorowski, Masłowska) suggesting little appetite for a rate cut before year-end. The strong macro data set we expect to see may realign these expectations, contributing to a **moderate correction in the money and debt markets in the coming week** (mainly in the short end of curves).

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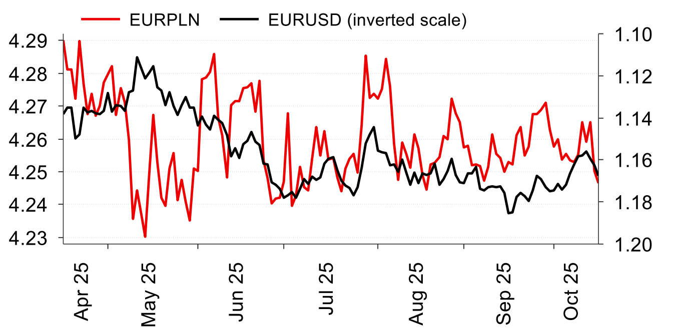
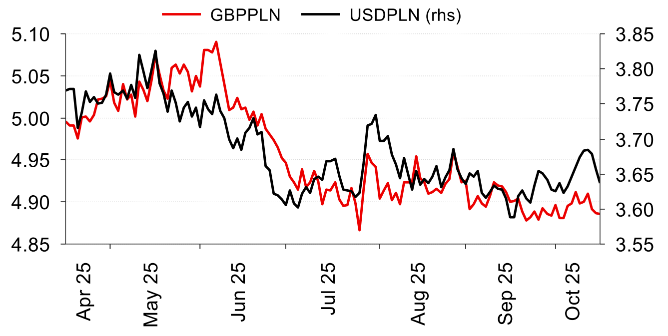
EURPLN and EURUSD



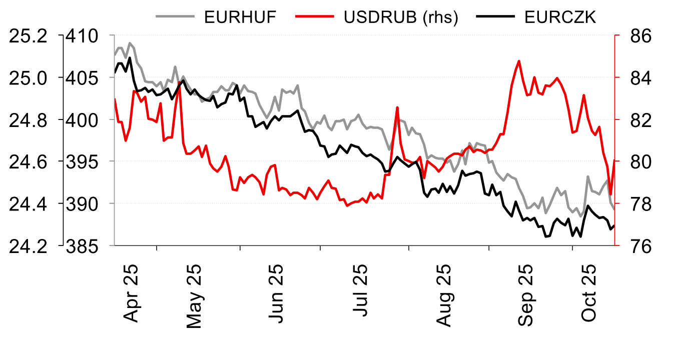
Source: LSEG Datastream, Santander

GBPPLN and USDPLN



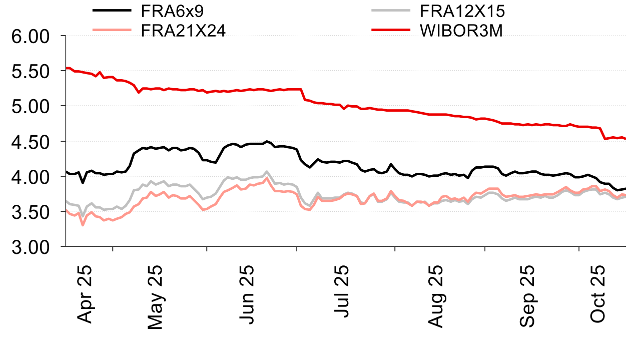
Source: LSEG Datastream, Santander Bank Polska

EURCZK, EURHUF and USDRUB



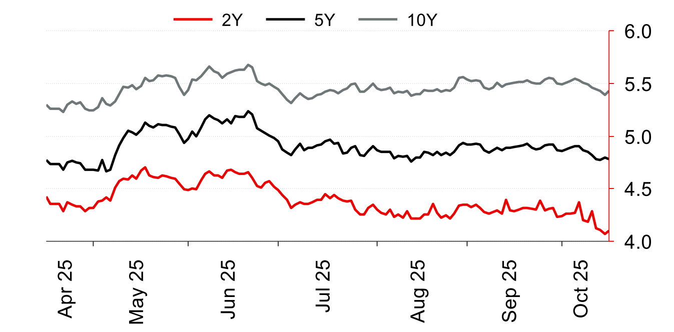
Source: LSEG Datastream, Santander Bank Polska

PLN FRA and WIBOR3M



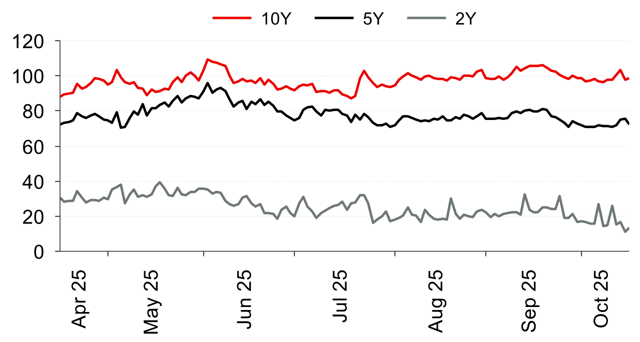
Source: LSEG Datastream, Santander Bank Polska

Polish bond yields



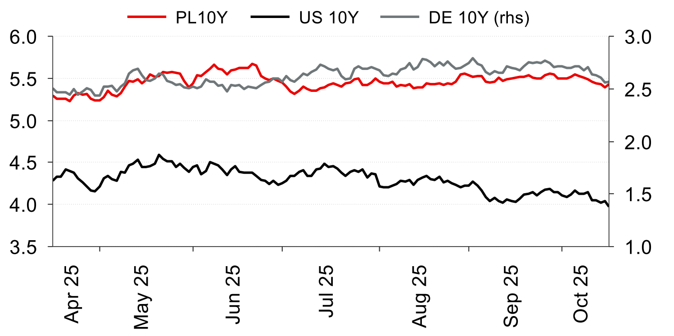
Source: LSEG Datastream, Santander Bank Polska

Asset swap spreads



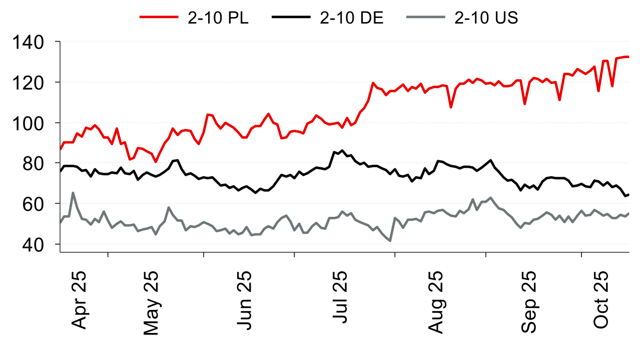
Source: LSEG Datastream, Santander Bank Polska

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 (20 October)				
10:00	**PL**	**Employment in corporate sector**	**Sep**	**% y/y**	**-0.8**	**-0.8**	**-0.8**
10:00	**PL**	**Average Gross Wages**	**Sep**	**% y/y**	**7.5**	**8.1**	**7.1**
10:00	**PL**	**Sold Industrial Output**	**Sep**	**% y/y**	**5.3**	**4.3**	**0.7**
10:00	**PL**	**PPI**	**Sep**	**% y/y**	**-1.0**	**-1.1**	**-1.2**
			TUESDAY (21 October)				
10:00	**PL**	**Construction Output**	**Sep**	**% y/y**	**-2.3**	**-1.5**	**-6.9**
14:00	HU	Central Bank Rate Decision	Oct.25	%	6.5		6.5
			WEDNESDAY (22 October)				
10:00	**PL**	**Retail Sales Real**	**Sep**	**% y/y**	**7.2**	**7.3**	**3.1**
14:00	**PL**	**Money Supply M3**	**Sep**	**% y/y**	**11.2**	**11.1**	**11.1**
			THURSDAY (23 October)				
10:00	**PL**	**Unemployment Rate**	**Sep**	**%**	**5.6**	**5.6**	**5.5**
14:30	US	Initial Jobless Claims	Oct.25	k	230.0		219.0
16:00	US	Existing Home Sales	Sep	% m/m	1.5		-0.25
			FRIDAY (24 October)				
09:30	DE	Germany Manufacturing PMI	Oct	pts	49.5		49.5
09:30	DE	Markit Germany Services PMI	Oct	pts	51.1		51.5
10:00	EZ	Eurozone Manufacturing PMI	Oct	pts	50.0		49.8
10:00	EZ	Eurozone Services PMI	Oct	pts	51.2		51.3
14:30	US	CPI	Sep	% m/m	0.4		0.4
16:00	US	Michigan index	Oct	pts	55.0		55.0
16:00	US	New Home Sales	Sep	% m/m	-11.3		20.5

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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