

24 October 2025

Eyeopener

Income and savings increased

Today preliminary PMI in European economies, US inflation data
Clear increase in disposable income and household savings in 2Q25
Registered unemployment rate confirmed at 5.6%
The zloty once again ended the day stronger, debt yields rebounded slightly

Today, we have a break from Polish macro data. The economic calendar includes only foreign publications, including preliminary PMI indices in Europe and the long-delayed reading of September inflation in the USA. The White House spokesperson said the Xi-Trump meeting will take place on 30 October.

Data on non-financial accounts showed that in 2Q25, household disposable income rose nominally by 12.2% y/y, which is stronger than our assumptions (7% y/y). Labour income contributed 7.3pp to the increase, and income from property added as much as 3pp, resulting from a clear spike in investment income (likely a one-off). Since household consumption rose nominally by 8.7% y/y in 2Q25, such a strong income increase translates into a further rise in the savings rate, which in the four-quarter average rose to 8.9% from 8.1% in 1Q25 – the highest since 2021 and over 2pp above the long-term average. In our view, households are likely to reduce the savings rate in the coming quarters, supported by high consumer optimism indicators and falling interest rates. This would mean an additional support for the private consumption growth rate.

The registered unemployment rate in September stood at 5.6%, in line with the estimate from the Ministry of Family, Labour and Social Policy. Compared to August, the unemployment rate rose by 0.1pp. The number of unemployed reached 866.1k, an increase of 96.5k y/y, mainly due to procedural changes in labour offices introduced in June. Although the unemployment rate rose for another consecutive month, detailed data show signs of a return to the pre-reform situation. While in August the number of deregistered unemployed was down 23.7% y/y, in September the decline was only 6.1%. However, the number of newly registered unemployed rose slightly (by 4.6% y/y), which determined the deterioration of the overall indicator. Job offer numbers in labour offices remain very weak: 41.1k in September is half the amount from the previous year, also linked to the mentioned reform. We expect the unemployment rate will not exceed 5.7% this year.

In 3Q25, the nominal value of construction output rose by 2.0% y/y compared to 1.9% y/y in 2Q25, with positive contributions from residential, railway, pipeline, telecommunications, sports and recreational, and water construction. Negative results were recorded in industrial and road construction. Infrastructure investment in roads has traditionally contributed positively to overall construction dynamics, so the weakness of this sector in recent quarters can be linked to stagnation in road spending. Despite stable overall construction dynamics, engineering construction accelerated to +4.3% y/y from -2.1% y/y, which in our view suggests better investment dynamics in the public finance sector, which in 2Q25 was responsible for the decline in overall investment (especially the central sector).

The value of new industrial orders rose by 9.8% y/y in September compared to 2.9% y/y recorded in August. Export orders increased even more strongly, by 12.1% y/y. As with industrial production data, the September result may appear overly optimistic due to statistical effects behind the recorded dynamics. The volume index of orders in constant prices has been oscillating around a similar level for two years, and if nothing changes, the next month will likely bring a downward revision.

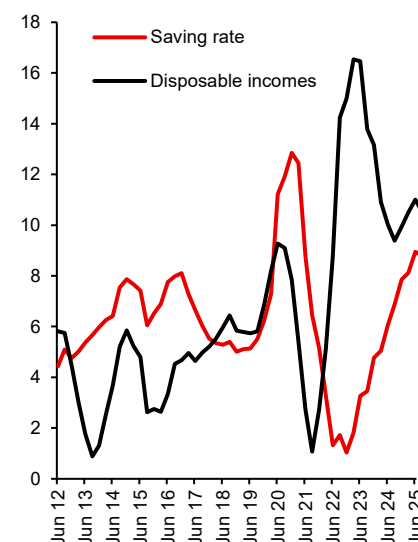
The International Grains Council (IGC) raised its **estimate of global grain production** for the 2025/26 season by 13m tonnes to 2,425m tonnes (+0.5%). This is the third consecutive forecast increase, mainly due to expectations of higher wheat and barley production. On a y/y basis, the IGC expects production to rise by 98m tonnes (4.2%). Realisation of this forecast would imply downward pressure on grain prices.

Home sales in the US rose by 1.5% y/y in September, in line with analysts' expectations. **The Central Bank of Turkey cut interest rates by 100bp** to 39.5% – also in line with forecasts.

Thursday brought a slight correction in CEE exchange rates. After a record-breaking Wednesday, the zloty was slightly weaker for most of the day, with EURPLN at 4.235. However, before the session ended – alongside a sudden weakening of the dollar – it fell back below 4.23, ending the day with a 0.14% appreciation. EURCZK and EURHUF rose by 0.15%.

There was also a slight correction in the debt market. Polish bond yields rose by 5bp across the entire yield curve. IRS rates increased by 3–5bp, and FRA rates by 1–4bp, more so at the longer end of the curve. Core markets also saw small yield increases in the range of 1–3bp. Yesterday's debt market was influenced on the one hand by deteriorating global sentiment, including reactions to US sanctions on Russia. Locally, the fall in Polish government bond prices may have been driven by the MF auction, where bonds worth PLN12bn were sold, with demand at PLN13.74bn. An additional auction sold bonds worth PLN363m.

Saving rate vs disposable incomes acc. to national accounts, 4-quarter rolling sum, % y/y



Source: GUS, Santander

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FX market

Today's opening

EURPLN	4.2288	CZKPLN	0.1737
USDPLN	3.6431	HUFPLN*	1.0834
EURUSD	1.1607	RONPLN	0.8324
CHFPLN	4.5764	NOKPLN	0.3645
GBPPLN	4.8543	DKKPLN	0.5661
USDCNY	7.1232	SEKPLN	0.3877

*for 100HUF

Last session in the FX market

23/10/2025

	min	max	open	close	fixing
EURPLN	4.2232	4.2362	4.2338	4.2286	4.2347
USDPLN	3.6363	3.6552	3.6508	3.6416	3.6519
EURUSD	1.1584	1.1620	1.1598	1.1611	

Interest rate market

23/10/2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
DS0727 (2L)	4.08	4
PS0730 (5L)	4.76	4
DS1035 (10L)	5.40	5

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.08	2	3.76	3	2.09	1
2L	3.93	2	3.53	4	2.08	2
3L	3.92	3	3.50	6	2.14	1
4L	3.95	2	3.51	6	2.22	2
5L	4.01	3	3.55	6	2.29	2
8L	4.22	4	3.72	6	2.48	2
10L	4.37	3	3.83	6	2.60	2

WIBOR rates

Term	%	Change (bps)
O/N	4.47	-4
T/N	4.55	-1
SW	4.57	0
1M	4.58	0
3M	4.49	0
6M	4.32	-1
1Y	4.24	1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4.33	0
3x6	4.12	1
6x9	3.80	2
9x12	3.69	3
3x9	4.02	2
6x12	3.76	2

CDS rates and 10Y yield spread vs. German Bund

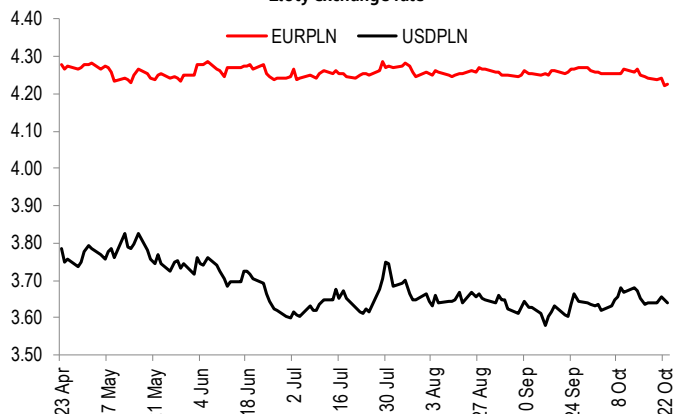
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	62	0	282	3
France	18	0	80	1
Hungary	110	0	427	-2
Spain	24	0	54	1
Italy	16	0	79	0
Portugal	12	0	39	0
Ireland	10	0	25	0
Germany	6	0	-	-

* 10Y treasury bonds over 10Y Bunds

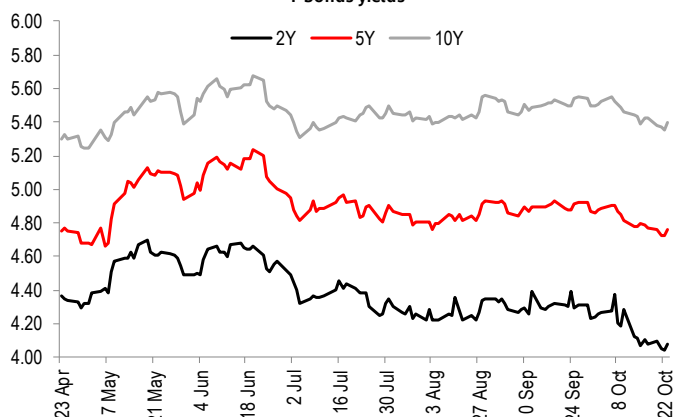
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

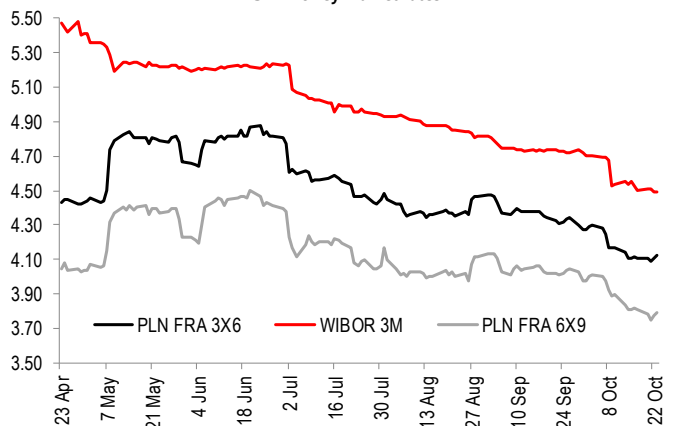
Zloty exchange rate



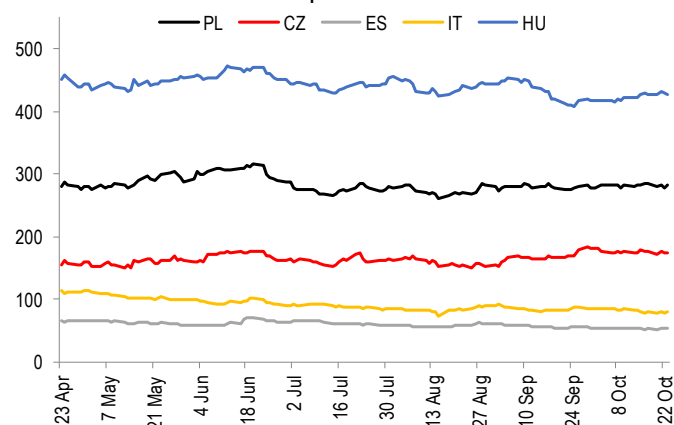
T-bonds yields



3M money market rates



10Y spread vs. Bund



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST		ACTUAL VALUE	LAST VALUE*
					MARKET	SANTANDER		
FRIDAY (17 October)								
11:00	EZ	HICP	Sep	% y/y	2.2	-	2.2	2.0
14:30	US	Housing Starts	Sep	% m/m	1.0	-	-	-8.5
MONDAY (20 October)								
10:00	PL	Employment in corporate sector	Sep	% y/y	-0.8	-0.8	-0.8	-0.8
10:00	PL	Sold Industrial Output	Sep	% y/y	5.3	4.3	7.4	0.7
10:00	PL	PPI	Sep	% y/y	-1.0	-1.1	-1.2	-1.3
10:00	PL	Average Gross Wages	Sep	% y/y	7.6	8.1	7.5	7.1
TUESDAY (21 October)								
10:00	PL	Construction Output	Sep	% y/y	-2.3	-1.5	0.2	-6.9
14:00	HU	Central Bank Rate Decision	Oct.25	%	6.5	-	6.5	6.5
WEDNESDAY (22 October)								
10:00	PL	Retail Sales Real	Sep	% y/y	7.1	7.3	6.4	3.1
14:00	PL	Money Supply M3	Sep	% y/y	11.2	11.1	11.1	11.1
THURSDAY (23 October)								
10:00	PL	Unemployment Rate	Sep	%	5.6	5.6	5.6	5.5
14:30	US	Initial Jobless Claims	Oct.25	k	230	-		219
16:00	US	Existing Home Sales	Sep	% m/m	1.5	-	1.5	-0.3
FRIDAY (24 October)								
09:30	DE	Germany Manufacturing PMI	Oct	pts	49.5	-		49.5
09:30	DE	Markit Germany Services PMI	Oct	pts	51.0	-		51.5
10:00	EZ	Eurozone Manufacturing PMI	Oct	pts	49.8	-		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	54.6	-		55.0
16:00	US	New Home Sales	Sep	% m/m	-11.5	-		20.5

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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