

27 October 2025

Eyeopener

Increased inflow of foreigners

Today German Ifo index

Accelerated rise of the number of foreigners in the social security system registers

Flash PMIs for October showed better sentiment in Germany and the Eurozone

A week of strong PLN performance ended with some weakening, minor FI market changes

Today, the October Ifo indices, summarising business climate and expectations among German companies, will be published. In September, the main index recorded a weak result and the market expects a slight rebound in today's reading.

According to data from the Polish Social Insurance Institution (ZUS), the number of foreigners covered by pension and disability insurance has been growing increasingly rapidly in recent months. In September, the total number of insured foreigners reached 1.267m, translating into a growth rate of 7.6% y/y, compared to 7.2% y/y in August. Among all foreigners, 839k (i.e. 66.2%) were Ukrainians, whose number increased by 7.7% y/y after 6.9% y/y in August. The observed acceleration in the inflow of people from Ukraine may be linked to the liberalisation of local law, which at the end of August allowed men aged 18 to 22 to travel abroad.

According to information provided by Prime Minister Donald Tusk, the introduction of the new ETS2 emissions trading system in the EU is now significantly less likely than just a few days ago, due to agreements reached at Thursday's European Council summit. The ETS2 mechanism is regularly cited by NBP as a major risk factor that could push inflation higher in Poland from 2027 onwards.

Preliminary PMI data for German manufacturing turned out slightly better than expected, although the index remained below the neutral threshold of 50 pts. It came in at 49.6 pts, compared to expectations and the previous reading of 49.5 pts. However, the services sector improved, with the index reaching 54.5 pts (the highest reading since May 2023), compared to 51.5 pts in September and expected 51.0 pts. Indices for the entire Eurozone also improved compared to September: the manufacturing index rose by 0.2 pts to 50.0, and the services index by 1.3 pts to 52.6 (the highest since August last year).

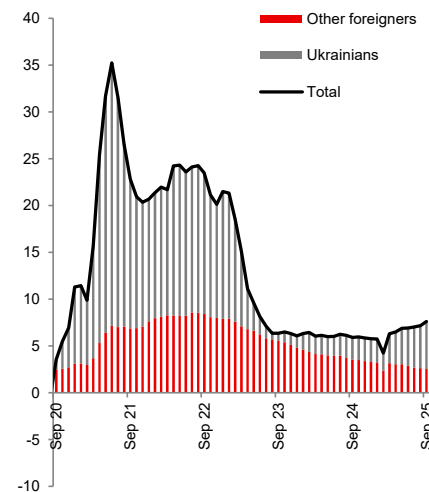
In the US, Friday brought the first major data release since the federal government shutdown. **US CPI inflation in September rose by 3.0% y/y and 0.3% m/m, both 0.1 pp below market expectations.** Compared to the previous month, petrol prices increased the most, rising by 4.1%. Additionally, energy prices rose by 1.5% over the month, and food prices by 0.2%. Core inflation rose by 0.2% m/m and 3.0% y/y, also 0.1 pp below consensus. The White House announced that October inflation data will not be published, as data collection is suspended during the shutdown. This will put the Fed in an uncomfortable position ahead of the December interest rate meeting. The decision to be made by the Fed this Wednesday will also be based on a limited set of economic data.

The University of Michigan Consumer Sentiment Index in the US fell from 55.1 pts in September to 53.6 pts in October, worse than expectations (54.5 pts) and preliminary data (55.0 pts). There was a slight improvement in the assessment of current personal finances, but expectations for future finances deteriorated. One-year inflation expectations fell from 4.7% last month to 4.6%, while long-term expectations rose from 3.7% to 3.9%, remaining below this year's peak from April.

Before the weekend, the zloty broke its winning streak and lost much of the position built mid-week. Already at Friday's opening, the euro was PLN0.01 more expensive than the day before, and by the end of the session EURPLN reached 4.24, weakening by around 0.3–0.4% overall. The Czech koruna was relatively stable on Friday, while the forint gained – EURHUF returned to the level from the beginning of last week (389), i.e. 0.2% lower than on Thursday. US inflation data weakened the dollar, which lost around 0.15% against the euro. We assume that the zloty will remain sensitive this week mainly to foreign developments, and if the expected Fed rate cut boosts optimism in global markets, EURPLN may hold at 4.24 or slightly below. Comments from the US side following the weekend China–US negotiations may bring a positive mood to markets ahead of the planned Thursday Trump–Xi meeting.

The local bond market was relatively calm on Friday. Yields on Polish bonds showed negligible changes, while IRS and FRA rates rose by 1–2 bp. Movements were slightly larger in core markets: German bond yields rose by 4–5 bp, while US yields fell by 2 bp. The market also saw a BGK bond auction for the COVID-19 Counteraction Fund. Bonds worth PLN1.26bn were sold (PLN0.23bn in the additional auction) with demand reaching PLN2.24bn.

Foreigners registered in ZUS, % y/y



Source: ZUS, Santander

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FX market

Today's opening

EURPLN	4.2460	CZKPLN	0.1744
USDPLN	3.6537	HUFPLN*	1.0784
EURUSD	1.1619	RONPLN	0.8359
CHFPLN	4.5833	NOKPLN	0.3647
GBPPLN	4.8632	DKKPLN	0.5684
USDCNY	7.1119	SEKPLN	0.3890

*for 100HUF

Last session in the FX market

24.10.2025

	min	max	open	close	fixing
EURPLN	4.2241	4.2463	4.2295	4.2461	4.2353
USDPLN	3.6340	3.6571	3.6440	3.6528	3.6481
EURUSD	1.1599	1.1647	1.1606	1.1624	

Interest rate market

24.10.2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
DS0727 (2L)	4.08	0
PS0730 (5L)	4.78	2
DS1035 (10L)	5.39	-1

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.08	0	3.75	-1	2.11	2
2L	3.94	1	3.53	0	2.12	3
3L	3.94	2	3.49	-1	2.19	4
4L	3.98	2	3.51	0	2.26	4
5L	4.03	3	3.55	0	2.32	3
8L	4.24	2	3.73	0	2.52	3
10L	4.40	2	3.83	1	2.63	3

WIBOR rates

Term	%	Change (bps)
O/N	4.50	3
T/N	4.56	1
SW	4.57	0
1M	4.56	-2
3M	4.47	-2
6M	4.32	0
1Y	4.24	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4.33	1
3x6	4.13	0
6x9	3.80	0
9x12	3.70	1
3x9	4.02	0
6x12	3.76	0

CDS rates and 10Y yield spread vs. German Bund

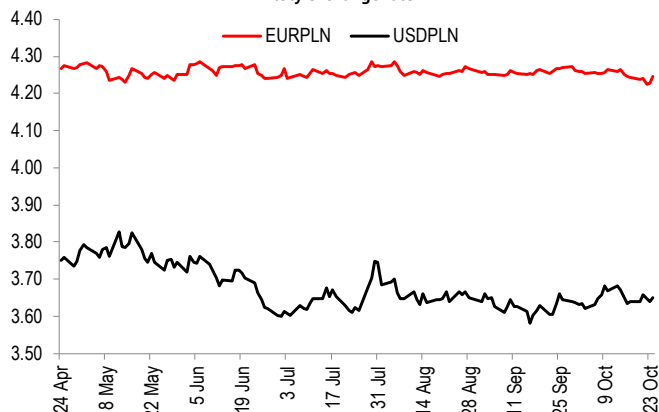
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	62	0	277	-5
France	18	0	81	1
Hungary	110	0	423	-6
Spain	24	0	54	0
Italy	16	0	79	0
Portugal	12	0	39	0
Ireland	10	0	25	1
Germany	6	0	-	-

* 10Y treasury bonds over 10Y Bunds

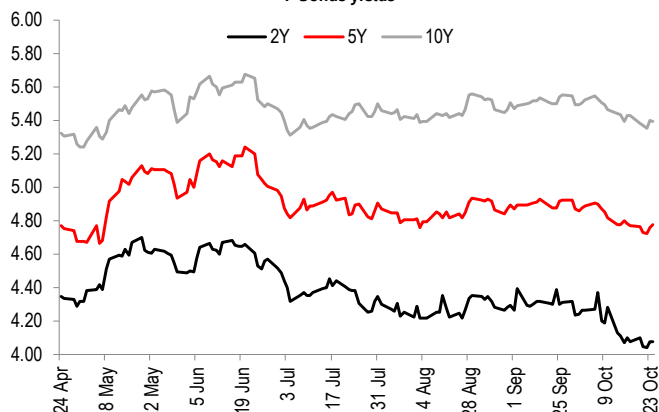
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

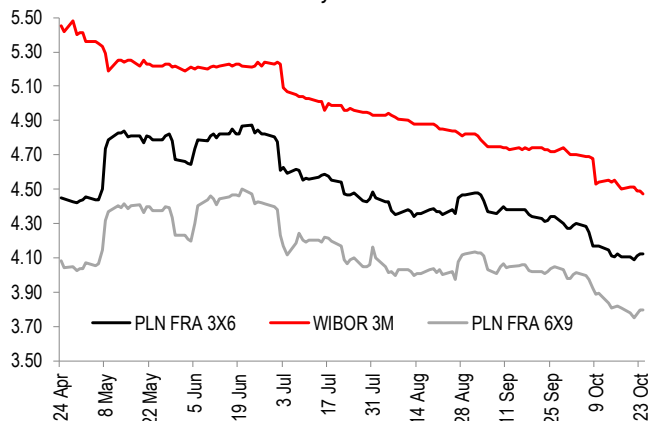
Zloty exchange rate



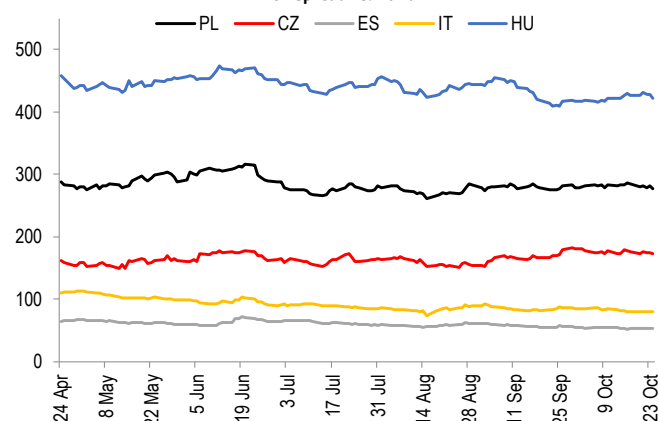
T-bonds yields



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 (24 October)								
09:30	DE	Germany Manufacturing PMI	Oct	pts	49.5		49.6	49.5
09:30	DE	Markit Germany Services PMI	Oct	pts	51.0		54.5	51.5
10:00	EZ	Eurozone Manufacturing PMI	Oct	pts	49.8		50.0	49.8
10:00	EZ	Eurozone Services PMI	Oct	pts	51.2		52.6	51.3
14:30	US	CPI	Sep	% m/m	0.4		0.3	0.4
16:00	US	Michigan index	Oct	pts	54.5		53.6	55.1
MONDAY (27 October)								
10:00	DE	IFO Business Climate	Oct	pts	88.0		-	87.7
13:30	US	Durable Goods Orders	Sep	% m/m	0.3		-	2.9
TUESDAY (28 October)								
15:00	US	Consumer Conference Board	Oct	pts	93.75		-	94.2
WEDNESDAY (29 October)								
15:00	US	Pending Home Sales	Sep	% m/m	-		-	4.04
19:00	US	FOMC decision	Oct.25		4.0		-	4.25
THURSDAY (30 October)								
08:30	HU	GDP	3Q	% y/y	1.0		-	0.1
09:00	CZ	GDP SA	3Q	% y/y	2.3		-	2.6
10:00	DE	GDP WDA	3Q	% y/y	0.3		-	0.2
11:00	EZ	GDP SA	3Q	% y/y	1.2		-	1.5
11:00	EZ	Unemployment Rate	Sep	%	6.3		-	6.3
11:00	EZ	ESI	Oct	pct.	95.8		-	95.5
13:30	US	GDP Annualized	3Q	% Q/Q	3.0		-	3.8
13:30	US	Initial Jobless Claims	Oct.25	k	-		-	219.0
14:00	DE	HICP	Oct	% m/m	0.1		-	0.2
14:15	EZ	ECB Main Refinancing Rate	Oct.25	%	2.15		-	2.15
FRIDAY (31 October)								
9:00	DE	Retail Sales	Sep	% m/m	0.2		-	-0.2
10:00	PL	CPI	Oct	% y/y	3.0	3.1	-	2.9
11:00	EZ	Flash HICP	Oct	% y/y	2.1		-	2.2
13:30	US	Personal Spending	Sep	% m/m	0.4		-	0.6
13:30	US	Personal Income	Sep	% m/m	0.4		-	0.4
13:30	US	PCE Deflator SA	Sep	% m/m	-		-	0.3

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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