

4 November 2025

Eyeopener

Poland's PMI rises again

Today, no key data releases; the MPC meeting begins
 Polish manufacturing PMI slightly up, above expectations
 Credit market report: strong and rising demand for loans
 Minor movements in the FX and interest rate markets

Today, there are no significant releases on the economic calendar. The prolonged government shutdown in the United States is limiting the flow of incoming data. At the NBP, a two-day MPC meeting begins today, with the decision to be announced tomorrow. Friday's CPI inflation data in Poland effectively shifted market expectations towards a rate cut, although the results of the latest NBP projection will most likely not account for this reading. Nevertheless, while it may not alter the inflation path, it will undoubtedly influence the Council members' stance.

Poland's PMI rose in October to 48.8 pts from 48.0 pts in September, exceeding our forecast (48.3 pts) and the market consensus (48.6 pts). As in the previous month, the PMI increase was reflected in four out of five sub-indices, except for the employment index. Production volume remained virtually unchanged m/m, with manufacturers reporting generally difficult economic conditions and limited demand. The new orders index, as well as export sales, improved despite persistently weak demand from Western Europe. Production costs, including raw material prices, declined for the third consecutive month, and finished goods prices also fell. Optimism regarding future production levels improved significantly, reaching the highest level since March this year. The ongoing domestic economic recovery and the positive surprise in the preliminary performance of the European economy in 3Q support expectations for further sentiment improvement in the domestic manufacturing sector.

Final PMI readings for Germany and the euro area confirmed last week's preliminary data: in Germany, the index stood at 49.6 pts, and in the euro area at 50.0 pts. Meanwhile, **industrial sentiment in the US, according to ISM**, deteriorated slightly, with the index at 48.7 pts compared to 49.1 pts a month earlier and expectations of a rise to 49.5 pts. All sub-indices reflecting demand improved, although they remain in contraction territory. However, production itself worsened, employment declined—albeit at a slower pace than previously—and price growth also slowed.

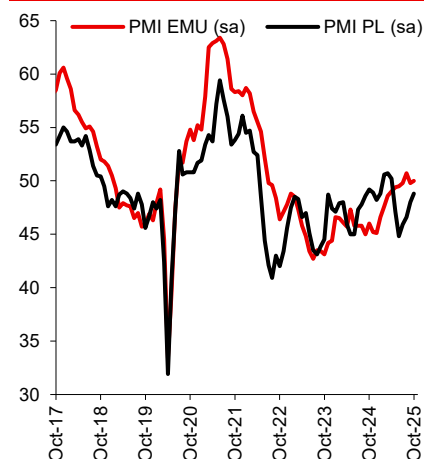
According to the NBP report on the credit market situation, banks expect further growth in demand for corporate loans in 4Q, particularly among large firms, which were less active in 3Q. For housing loans, demand growth is expected to be clearly lower than in 3Q—although previous cautious bank forecasts significantly underestimated it, and a similar outcome may occur again. Overall, 3Q saw continued growth in demand for most types of loans, both for businesses and individuals. The report noted that due to lower interest rates, competition among financial institutions intensified, leading banks to ease some lending conditions and reduce margins—which in turn further boosted demand. The tone of the survey results supports our expectations for continued credit market expansion and the associated acceleration in investment and private consumption in the coming quarters.

On Monday, we heard several statements from FOMC members. San Francisco Fed President Mary Daly said she supported the recent rate cut and believes the Fed should remain open to a potential cut in December, balancing risks to inflation and the labour market. Governor Lisa Cook stated that the risk of further labour market deterioration is greater than inflation risks but did not indicate whether she would support a December rate cut, instead noting that Fed decisions are made meeting by meeting. Chicago Fed President Austan Goolsbee said he is more concerned about inflation than the labour market and would prefer rate cuts to occur alongside falling inflation, although he has not yet decided how he will vote in December. Governor Stephen Miran continued to argue for deep rate cuts.

On Monday, there were no major changes in the FX market—EURPLN traded in the range of 4.25–4.26. The Czech koruna remained near 24.3 against the euro, and the Hungarian forint, after a temporary strengthening with EURHUF below 387, returned by the end of the day to a level only slightly lower than on Friday (387.5). The dollar strengthened against the euro by 0.1%, with EURUSD trading just above 1.15. This week, dollar exchange rate fluctuations may be influenced by FOMC members' comments on last week's Fed rate cut.

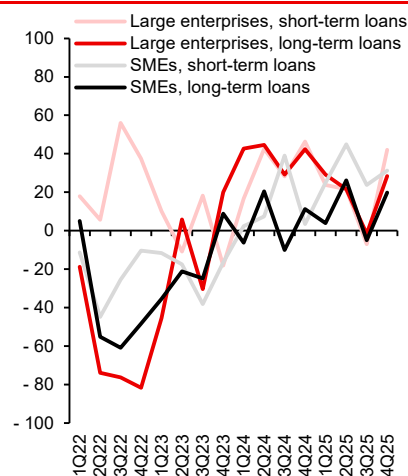
After Friday's more pronounced declines in yields and market interest rates, Monday saw very minor changes in the debt market. A slight upward correction occurred—with yields rising by 1–4 bp, more so for shorter-tenor papers. IRS and FRA rates showed minimal fluctuations of 0–1 bp. There were also no major moves in core markets, with German bond yields rising by 1 bp and US yields by 2 bp.

Manufacturing PMI in Poland and eurozone



Source: S&P Global, Santander

Declared and expected changes in demand for loans according to the NBP's survey, net percentage*



* Difference between responses indicating an increase in demand and responses indicating a decrease in demand
 Source: NBP, Santander

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FX market

Today's opening

EURPLN	4,2575	CZKPLN	0,1740
USDPLN	3,6926	HUFPLN*	1,0871
EURUSD	1,1529	RONPLN	0,8378
CHFPLN	4,5732	NOKPLN	0,3629
GBPPLN	4,8398	DKKPLN	0,5680
USDCNY	7,1244	SEKPLN	0,3873

*for 100HUF

Last session in the FX market

03.11.2025

	min	max	open	close	fixing
EURPLN	4,2502	4,2571	4,2560	4,2544	4,2527
USDPLN	3,6847	3,6994	3,6898	3,6897	3,6933
EURUSD	1,1504	1,1541	1,1534	1,1530	

Interest rate market

03.11.2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
DS0727 (2L)	4,11	-9
PS0730 (5L)	4,70	-2
DS1035 (10L)	5,35	-2

IRS on the interbank market**

Term	PL	US	EZ
	%	%	%
	Change (bps)	Change (bps)	Change (bps)
1L	4,03	3,88	2,14
2L	3,92	3,66	2,16
3L	3,92	3,62	2,23
4L	3,95	3,62	2,30
5L	4,01	3,65	2,37
8L	4,22	3,82	2,56
10L	4,37	3,92	2,66

WIBOR rates

Term	%	Change (bps)
O/N	4,46	22
T/N	4,55	0
SW	4,52	-3
1M	4,45	-7
3M	4,41	-5
6M	4,28	-2
1Y	4,21	-1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4,25	-1
3x6	4,04	0
6x9	3,76	1
9x12	3,67	1
3x9	3,96	0
6x12	3,74	2

CDS rates and 10Y yield spread vs. German Bund

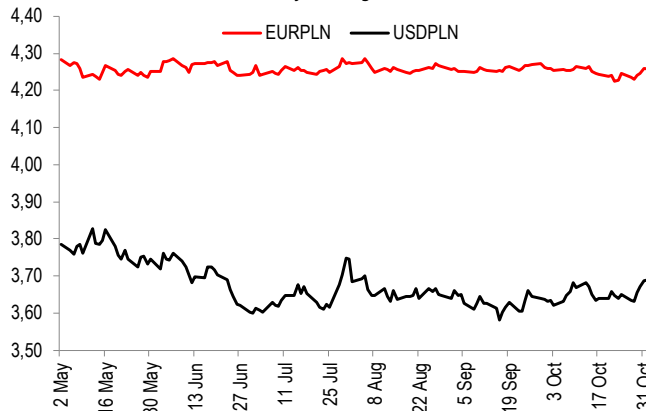
Country	CDS 5Y USD	10Y spread*
	Level	Level
	Change (bps)	Change (bps)
Poland	62	269
France	17	78
Hungary	108	423
Spain	23	50
Italy	15	74
Portugal	12	36
Ireland	10	24
Germany	6	-

* 10Y treasury bonds over 10Y Bunds

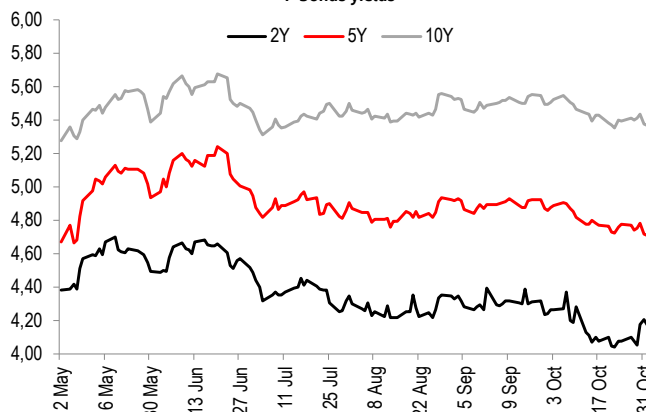
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

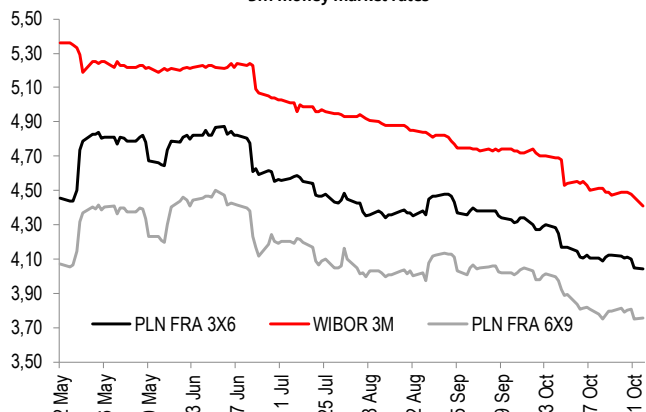
Zloty exchange rate



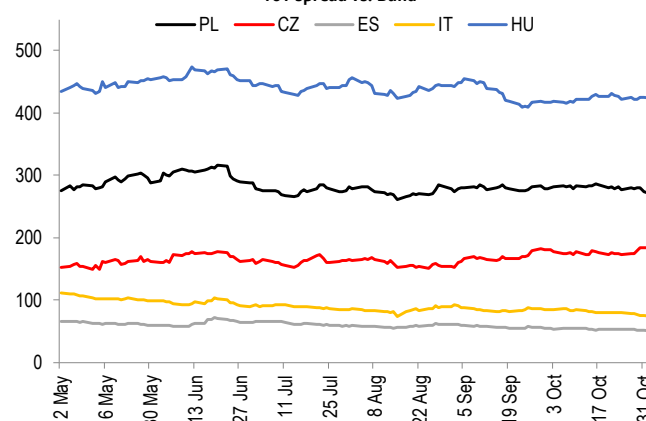
T-bonds yields



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 (31 October)							
08:00	DE	Retail Sales	Sep	% m/m	0.2	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	2.1	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	-	0.3
MONDAY (3 November)							
09:00	PL	Poland Manufacturing PMI	Oct	pts	48.6	48.3	48.8
09:55	DE	Germany Manufacturing PMI	Oct	pts	49.6	49.6	49.5
10:00	EZ	Eurozone Manufacturing PMI	Oct	pts	50.0	50.0	49.8
16:00	US	ISM manufacturing	Oct	pts	49.2	48.7	49.1
TUESDAY (4 November)							
16:00	US	Durable Goods Orders	Sep	% m/m	0.2	-	2.9
16:00	US	Factory Orders	Sep	% m/m	-	-	-1.3
WEDNESDAY (5 November)							
	PL	MPC decision	Nov	%	4.25	4.25	-
02:45	CN	Caixin China PMI Services	Oct	pts	52.7	-	52.9
08:00	DE	Factory Orders	Sep	% m/m	1.0	-	-0.8
09:00	CZ	CPI	Oct	% y/y	2.3	-	2.3
09:55	DE	Markit Germany Services PMI	Oct	pts	54.5	-	51.5
10:00	EZ	Eurozone Services PMI	Oct	pts	52.6	-	51.3
14:15	US	ADP report	Oct	k	25.0	-	-32.0
16:00	US	ISM services	Oct	pts	51.0	-	50.0
THURSDAY (6 November)							
08:00	DE	Industrial Production SA	Sep	% m/m	3.0	-	-4.3
08:30	HU	Industrial Production SA	Sep	% y/y	-2.7	-	-4.6
09:00	CZ	Industrial Production	Sep	% y/y	0.5	-	-4.2
11:00	EZ	Retail Sales	Sep	% m/m	0.3	-	0.1
14:30	US	Initial Jobless Claims	Weekly	k	228	-	219
14:30	CZ	Central Bank Rate Decision	Nov	%	3.5	-	3.5
FRIDAY (7 November)							
08:00	DE	Exports SA	Sep	% m/m	0.5	-	-0.7
14:30	US	Change in Nonfarm Payrolls	Oct	k	-	-	22.0
14:30	US	Unemployment Rate	Oct	%	-	-	4.3
16:00	US	Michigan index	Nov	pts	54.0	-	53.6

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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