14 November 2025

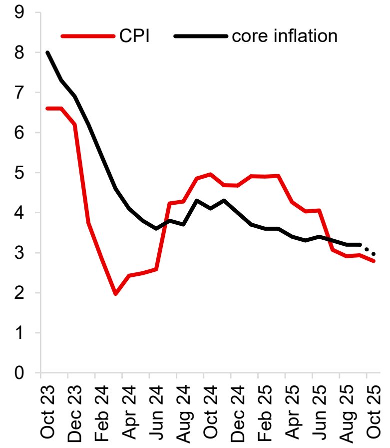
Weekly Economic Update

Core inflation, sentiment and EC forecasts

Economy next week

- The coming week will be fairly calm in terms of domestic events. The local publication calendar includes only **core inflation on Monday** (which, according to our current estimates, fell to 2.9% y/y, the lowest since November 2019), **consumer sentiment on Thursday, and business sentiment on Friday** (the former may record a seasonal deterioration, the latter rather a slight improvement). **Data on budget performance** after nine months of the year may also be released. Only the following week will bring a cluster of key indicators regarding the economic situation in October.
- **The European Commission will publish its autumn update of economic forecasts on Monday**, including the trajectory of EU countries' fiscal deficits and debt. These forecasts will underpin a series of documents published as part of the "autumn package", which is part of the so-called European Semester – including, among others, opinions on preliminary budget plans along with recommendations for individual EU countries. These publications should appear within the next two weeks.
- Abroad, the calendar also contains few releases, including euro area inflation and preliminary November PMIs. After the US government funding was unlocked, new data from the US economy should start to appear, including from the housing market and industry. However, some October data (including CPI and unemployment) may never be published, as the necessary information was not collected during the administration shutdown.
- On Tuesday, the Hungarian central bank will decide on interest rates (no change expected). A lot of **public speeches by representatives of major central banks** are scheduled during the week. Those from the Fed will be particularly watched, given the recent growing doubts among investors about an FOMC rate cut in December, in the absence of sufficient data on the state of the economy.

Inflation rate, % y/y



Source: GUS, NBP, Santander

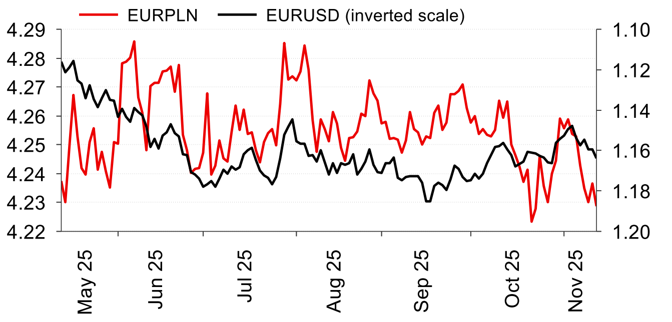
Markets next week

- The zloty strengthened this week, supported by S&P's decision to confirm Poland's A- rating with a stable outlook, improved market sentiment after the end of the US government shutdown, and a weaker dollar. The attempt to push EURPLN below 4.23 did not end in lasting success, as global sentiment began to deteriorate towards the end of the week.
- Triggers for the sell-off on global stock and bond markets on Friday included renewed concerns about tech giants' valuations, rising doubts about an FOMC rate cut in December, plus investors' nervous reaction to the UK government abandoning its tax hike plan.
- In the absence of obvious local drivers, the fate of the zloty and bonds after the weekend will likely depend mainly on sentiment abroad. We see a risk that the correction currently visible in global markets may deepen, which would probably mean EURPLN moving back towards 4.25.
- The consequences of rising risk aversion for the Polish debt market are less obvious, but equity declines should generally act in favour of bonds while steepening the curve.

Economic Analysis Department:

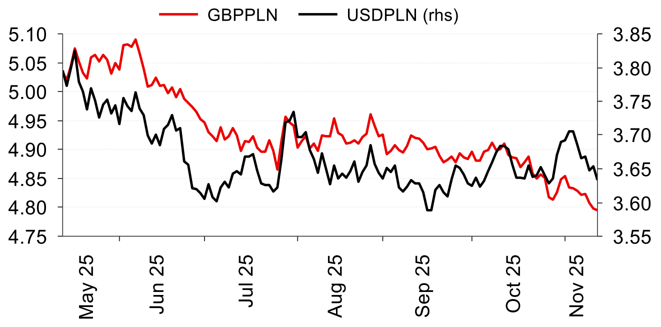
al. Jana Pawła II 17, 00-854 Warszawa
email: ekonomia@santander.pl
website: santander.pl/en/economic-analysis
Piotr Bielski +48 691 393 119
Bartosz Białas +48 517 881 807
Adrian Domitrz +48 571 664 004
Marcin Luziński +48 510 027 662
Grzegorz Ogonek +48 609 224 857

EURPLN and EURUSD



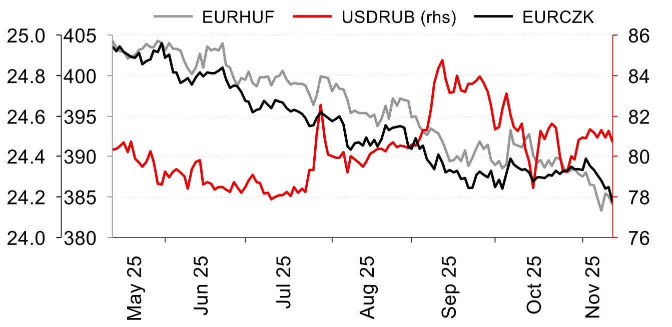
Source: LSEG Datastream, Santander

GBPPLN and USDPLN



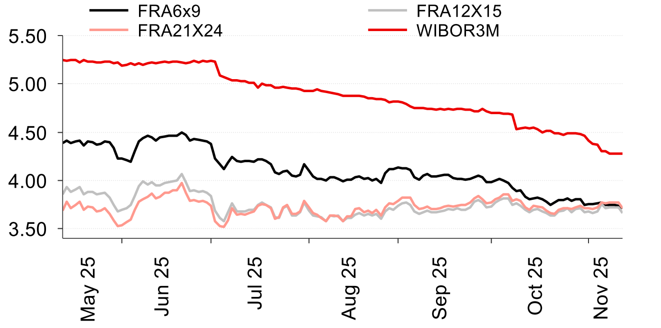
Source: LSEG Datastream, Santander Bank Polska

EURCZK, EURHUF and USDRUB



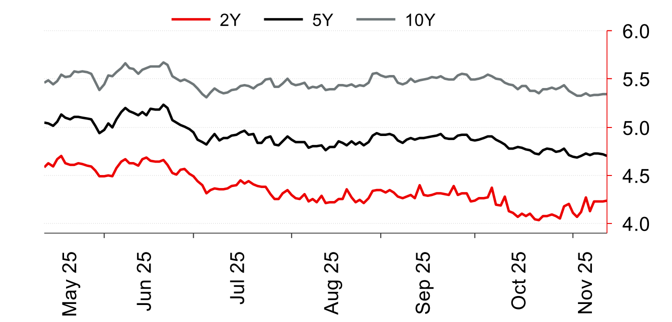
Source: LSEG Datastream, Santander Bank Polska

PLN FRA and WIBOR3M



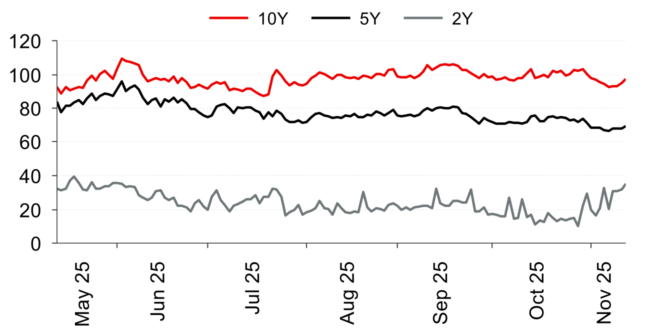
Source: LSEG Datastream, Santander Bank Polska

Polish bond yields



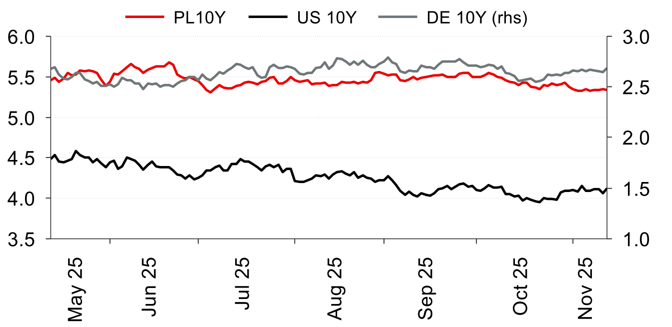
Source: LSEG Datastream, Santander Bank Polska

Asset swap spreads



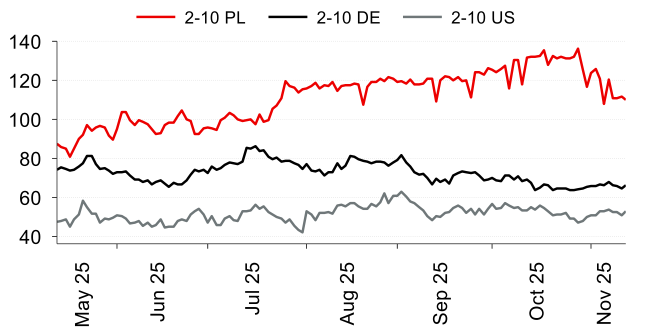
Source: LSEG Datastream, Santander Bank Polska

10Y bond yields



Source: LSEG Datastream, Santander

Steepness of yield curves



Source: LSEG Datastream, Santander Bank Polska

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Economic Calendar

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST MARKET	FORECAST SANTANDER	LAST VALUE
			MONDAY (17 November)				
14:00	**PL**	**CPI Core**	**Oct**	**% y/y**	**2.9**	**2.9**	**3.2**
			TUESDAY (18 November)				
14:00	HU	Central Bank Rate Decision	Nov	%	6.50	-	6.50
15:15	US	Industrial Production	Oct	% m/m	0.0	-	0.1
			WEDNESDAY (19 November)				
11:00	EZ	HICP	Oct	% y/y	2.1	-	2.1
14:30	US	Housing Starts	Oct	% m/m	-	-	-8.5
20:00	US	FOMC Meeting Minutes	Oct				
			THURSDAY (20 November)				
14:30	US	Initial Jobless Claims	week	k	225	-	219
16:00	US	Existing Home Sales	Oct	% m/m	0.7	-	1.5
			FRIDAY (21 November)				
09:30	DE	Germany Manufacturing PMI	Nov	pts	49.8	-	49.6
09:30	DE	Markit Germany Services PMI	Nov	pts	54.0	-	54.6
10:00	EZ	Eurozone Manufacturing PMI	Nov	pts	50.2	-	50.0
10:00	EZ	Eurozone Services PMI	Nov	pts	52.8	-	53.0
16:00	US	Michigan index	Nov	pts	-	-	50.3

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg