25 November 2025

Eyeopener

Production beat expectations, today retail sales data

- Today data on October retail sales and M3 money supply
- Industrial and construction output for October above expectations, wages and PPI below
- Rebound after Friday weakness of CEE currencies, decline in bond yields and market rates

Today, set of October data for the Polish economy will be completed by retail sales and money supply. While September retail figures were partly boosted by calendar effects, there is no such support in October. Therefore, we expect slower growth than a month earlier, around 3.1% y/y. Market consensus is more optimistic, expecting an increase of 3.8% y/y. Money supply M3 is likely to slow slightly, in our view to 10.7% y/y (market median 10.6% y/y). In the US, data on retail sales, consumer sentiment and pending home sales will also be released today. In the morning, Germany's statistical office confirmed 3Q GDP growth at 0.3% q/q.

Industrial output rose in October by 3.2% y/y, beating forecasts for the fourth consecutive time (our estimate: 1.4% y/y, market: 1.8% y/y). The slowdown versus September (7.6% y/y after revision from 7.4% y/y) was widely expected due to working-day effects. **Growth in construction and assembly output accelerated from 0.2% y/y in September to 4.1% y/y in October**, exceeding both market consensus (0.9% y/y) and our estimate (0.7% y/y). The better-than-expected result may reflect increasing use of EU funds, especially given the rebound in civil engineering and faster investment works. **Average enterprise wages slowed to 6.6% y/y in October from 7.5% y/y in September**, clearly below market consensus (7.2% y/y) and our forecast (7.3% y/y). Adjusted for inflation, real wages rose 3.7% y/y after 4.4% y/y a month earlier and compared to 4.3% on average over the past 12 months. **Employment in the enterprise sector fell 0.8% y/y**, in line with expectations. **Producer Price Index (PPI) dropped to -2.2% y/y** in October from -1.4% y/y (after revision from -1.2% y/y) in September. The market, like us, expected a decline only to -1.8% y/y. This is the lowest reading this year. **October also saw a fall in agricultural procurement prices** (down 1.6% m/m), the sharpest monthly drop since January. Regarding the December MPC decision, the data are mixed – weaker wages and PPI suggest lower inflationary pressure, while strong industry and construction point to faster GDP growth. Although we assume the next rate cut will come in January, the data increase the likelihood of a December move. More on yesterday's data in our Economic Comment.

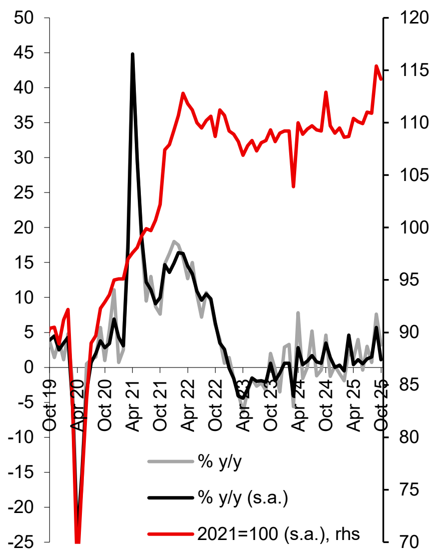
According to IMF recommendations, Poland's central bank should consider ending or slowing further monetary easing. The Fund highlighted significant disinflation and declining wage pressure, but also strong economic growth and a large fiscal deficit. IMF advises NBP to adopt a "wait and see" approach. For the government, the Fund recommended more intensive fiscal consolidation of around 4% of GDP by 2030.

Germany's Ifo business climate index edged down from 88.4 pts to 88.1 pts, below market expectations (88.5 pts). Ifo has remained fairly stable for about half a year. In the November survey, the expectations component worsened, while the current assessment improved slightly.

After Friday's sharp weakening, CEE currencies rebounded by 0.2–0.3% on Monday. EURPLN was PLN0.01 below Friday's close at 4.235 in the morning. During the day, the zloty strengthened but did not break resistance at 4.23. Correction on the Hungarian forint brought EURHUF to 382.5, while the Czech koruna moved to EURCZK 24.16. The dollar weakened against the euro by 0.2%, with EURUSD at 1.152. Further reports on peace plan negotiations for Ukraine and renewed expectations of a Fed rate cut in December have supported CEE currencies.

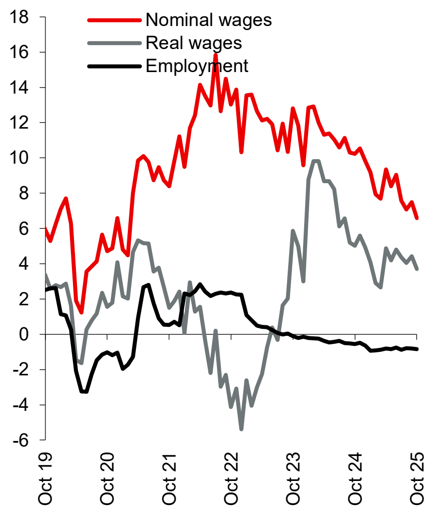
On the Polish debt market, we saw a clear rally yesterday, driven by rising expectations of an NBP rate cut in December. Bond yields fell 8–10 bp, and market rates moved similarly: IRS down 8 bp, FRA down 8–10 bp. Despite strong industrial and construction data, investor sentiment was influenced by weak wage and PPI readings. The reaction pointed not only to faster pricing of the next cut but also to a larger scale of further monetary easing in Poland. In our view, Friday's November inflation reading will be key for assessing the likelihood of a December cut.

Industrial output



Source: GUS, Santander

Wages and employment in corporate sector, % y/y



Source: GUS, Santander

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FX market

Today's opening

EURPLN	4.2330	CZKPLN	0.1750
USDPLN	3.6750	HUFPLN*	1.1070
EURUSD	1.1518	RONPLN	0.8324
CHFPLN	4.5448	NOKPLN	0.3585
GBPPLN	4.8168	DKKPLN	0.5670
USDCNY	7.0955	SEKPLN	0.3845

*for 100HUF

Last session in the FX market **24.11.2025**

	min	max	open	close	fixing
EURPLN	4.2290	4.2388	4.2359	4.2374	4.2345
USDPLN	3.6622	3.6810	3.6761	3.6794	3.6726
EURUSD	1.1509	1.1550	1.1522	1.1517	

Interest rate market **24.11.2025**

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
DS0727 (2L)	4.14	-2
PS0730 (5L)	4.63	-9
DS1035 (10L)	5.30	-8

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	3.82	-7	3.79	-1	2.14	0
2L	3.76	-8	3.55	0	2.16	0
3L	3.79	-7	3.51	-1	2.24	0
4L	3.85	-8	3.51	-1	2.33	-1
5L	3.91	-8	3.55	-2	2.41	-1
8L	4.12	-9	3.74	-3	2.62	-1
10L	4.29	-8	3.86	-3	2.74	0

WIBOR rates

Term	%	Change (bps)
O/N	4.33	-3
T/N	4.35	2
SW	4.32	0
1M	4.32	2
3M	4.23	0
6M	4.13	-1
1Y	4.09	-1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	4.02	-6
3x6	3.73	-10
6x9	3.57	-9
9x12	3.53	-9
3x9	3.68	-11
6x12	3.57	-8

CDS rates and 10Y yield spread vs. German Bund

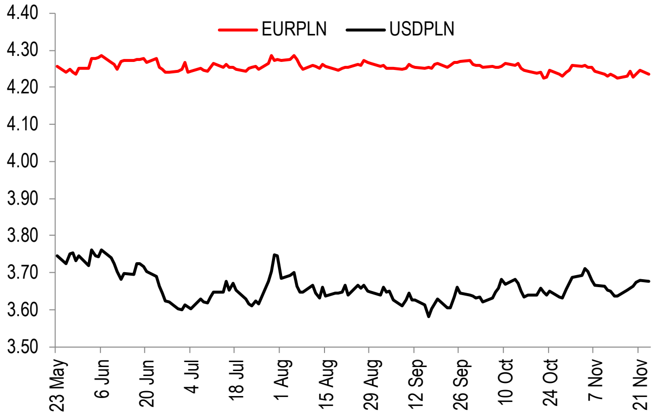
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	61	0	260	-7
France	15	0	75	-2
Hungary	107	0	444	-8
Spain	21	0	50	-1
Italy	14	0	75	-2
Portugal	10	0	35	0
Ireland	10	0	21	-2
Germany	6	0	-	-

* 10Y treasury bonds over 10Y Bunds

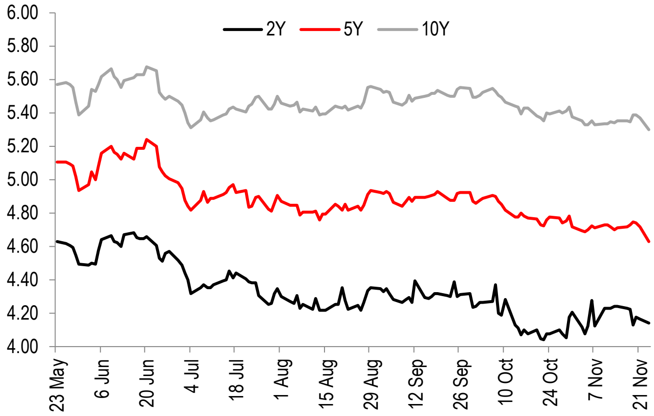
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

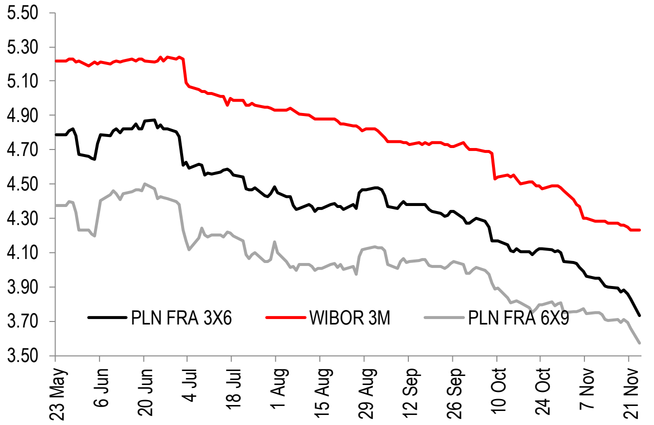
Zloty exchange rate



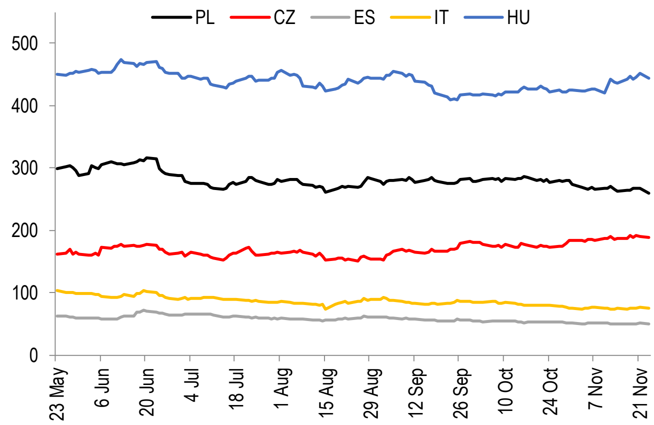
T-bonds yields



3M money market rates



10Y spread vs. Bund



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST MARKET	FORECAST SANTANDER	ACTUAL VALUE	LAST VALUE*
		FRIDAY (21 November)						
09:30	DE	Germany Manufacturing PMI	Nov	pts	49.8		48.4	49.6
09:30	DE	Markit Germany Services PMI	Nov	pts	54.0		52.7	54.6
10:00	EZ	Eurozone Manufacturing PMI	Nov	pts	50.1		49.7	50.0
10:00	EZ	Eurozone Services PMI	Nov	pts	52.8		53.1	53.0
16:00	US	Michigan index	Nov	pts	50.6		51.0	53.6
		MONDAY (24 November)						
10:00	DE	IFO Business Climate	Nov	pts	88.5		88.1	88.4
10:00	**PL**	**Average Gross Wages**	**Oct**	**% y/y**	**7.2**	**7.3**	**-**	**7.5**
10:00	**PL**	**Employment in corporate sector**	**Oct**	**% y/y**	**-0.8**	**-0.8**	**-**	**-0.8**
10:00	**PL**	**Sold Industrial Output**	**Oct**	**% y/y**	**2.0**	**1.4**	**-**	**7.4**
10:00	**PL**	**Construction Output**	**Oct**	**% y/y**	**0.9**	**0.7**	**-**	**0.2**
10:00	**PL**	**PPI**	**Oct**	**% y/y**	**-1.8**	**-1.8**	**-**	**-1.2**
		TUESDAY (25 November)						
08:00	DE	GDP WDA	3Q	% y/y	0.3		0.3	0.2
10:00	**PL**	**Retail Sales Real**	**Oct**	**% y/y**	**3.8**	**3.1**	**-**	**6.4**
14:00	**PL**	**Money Supply M3**	**Oct**	**% y/y**	**10.6**	**10.7**	**-**	**11.1**
14:30	US	Retail Sales Advance	Sep	% m/m	0.4		-	0.6
16:00	US	Consumer Conference Board	Nov	pts	93.4		-	94.6
16:00	US	Pending Home Sales	Oct	% m/m	0.1		-	0.0
		WEDNESDAY (26 November)						
10:00	**PL**	**Unemployment Rate**	**Oct**	**%**	**5.6**	**5.6**	**-**	**5.6**
14:30	US	Durable Goods Orders	Sep	% m/m	2.9		-	2.9
14:30	US	GDP Annualized	3Q	% q/q	-		-	3.8
14:30	US	Initial Jobless Claims		k	227		-	219
16:00	US	Personal Spending	Oct	% m/m	-		-	0.6
16:00	US	Personal Income	Oct	% m/m	-		-	0.4
16:00	US	PCE Deflator SA	Oct	% m/m	-		-	0.3
		THURSDAY (27 November)						
11:00	EZ	ESI	Nov	pct.	-		-	96.8
		FRIDAY (28 November)						
09:00	CZ	GDP SA	3Q	% y/y	2.7		-	2.7
10:00	**PL**	**CPI**	**Nov**	**% y/y**	**2.6**	**2.6**	**-**	**2.8**
14:00	DE	HICP	Nov	% m/m	-		-	0.3

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg
** in the case of a revision the data is updated*

Additional information is available on request. Please contact Santander Bank Polska S.A., Financial Management Division, Economic Analysis Department. al. Jana Pawła II 17, 00-854 Warsaw, Poland. phone +48 22 534 18 87, email ekonomia@santander.pl, http://www.santander.pl.