4 December 2025

Eyeopener

The reference rate cut to 4.0%

- Today in the afternoon, NBP Governor Glapiński holds a press conference
- The MPC cut interest rates by 25bp, in line with expectations
- Weak data from the US labour market
- The rate cut did not affect the zloty; bond yields declined

Today at 15:00, NBP Governor Adam Glapiński will hold the last press conference this year by, commenting on yesterday's decision of the Monetary Policy Council. In Governor Glapiński's remarks, we will look for clues regarding the shape of monetary policy next year, particularly any indications of the likelihood of bringing the reference rate below 4%. When it comes to economic releases, we will see data on November inflation in Czechia, October retail sales in the euro area, and the number of initial jobless claims in the US last week.

As expected, the MPC cut key interest rates by 25bp, bringing the reference rate to 4.0%. The official statement does not provide many new hints about the outlook for monetary policy. The rate cut was again described as an "adjustment", justified by inflation behaviour and its outlook. It is worth noting that last month the central bank mentioned an "improvement" in inflation prospects, whereas this time no such improvement was noted. Further decisions will depend on data, and risk factors remain the same as before: fiscal policy, demand recovery, wage growth, energy prices, and foreign inflation. Markets will await more guidance at today's NBP press conference. If nothing new emerges, it can be assumed that the MPC may now pause monetary easing until March (when the new NBP projection will be available) and then possibly adjust rates twice, reaching 3.5%.

The meeting between US and Russian diplomats brought no breakthrough. Despite the declared "constructiveness" of the talks, Russia's stance does not allow for compromise on territorial settlements, blocking progress in negotiations.

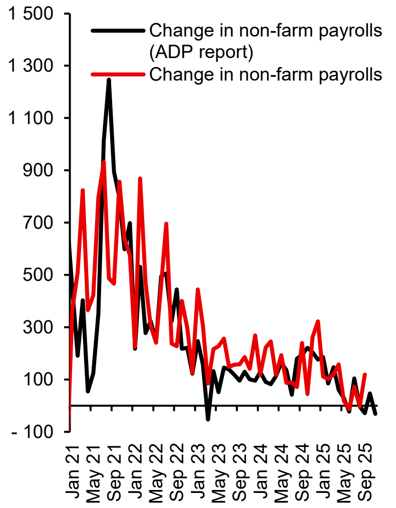
The services PMI in Germany stood at 53.1pts in November versus 54.6pts a month earlier, marking an upward revision of the preliminary reading from a week ago (52.7pts). Across the euro area, the corresponding PMI was 53.6pts (preliminary: 53.1pts), compared with 53.0pts in October. Both indices confirm a solid situation in the services sector of European economies, which the industrial sector still fails to match.

The ADP report delivered disappointing US labour market data. According to the report, non-farm employment fell by 32k in November after rising by 47k a month earlier. Meanwhile, **US industrial production in September edged up by 0.1% m/m**, in line with market expectations. **The ISM index for the US services sector** rose from 52.4 to 52.6pts in November, the highest level since February. Although this result beats market expectations (52.0pts), its components give mixed signals – production and the employment index improved slightly, while new orders declined.

The Polish zloty was 0.15% stronger against the euro yesterday compared with Tuesday, and the rate cut announcement did not change this. The EURPLN rate started Wednesday's session at 4.23, nearly 1 grosz lower than the previous day's close. EURPLN stayed around this level until the end of the day and even closed below it, at 4.225. The Hungarian forint saw a temporary weakening of 0.15% against the euro, but the EURHUF rate then returned to the previous day's level of 381. Meanwhile, the Czech koruna strengthened by 0.2% versus the euro, pushing EURCZK down to 24.11. Demand for the dollar eased slightly, and EURUSD climbed by 0.3% to 1.166.

As we expected, the lack of market surprise from the MPC decision translated into only minor moves in the debt market. Polish bond yields fell by 1–2bp, while IRS and FRA rates barely changed, confirming that previous rate pricing had already discounted yesterday's NBP move. On core markets, German yields saw no significant changes, while US Treasury yields fell by 2–3bp. Rate pricing may shift slightly after the NBP President's conference if it provides new information on the future shape of monetary policy.

Non-farm employment in the US, thous. m/m



Source: ADP, BLS, Santander

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

FX market

Today's opening

EURPLN	4,2258	CZKPLN	0,1750
USDPLN	3,6250	HUFPLN*	1,1108
EURUSD	1,1657	RONPLN	0,8304
CHFPLN	4,5245	NOKPLN	0,3601
GBPPLN	4,8347	DKKPLN	0,5657
USDCNY	7,0678	SEKPLN	0,3860

*for 100HUF

Last session in the FX market 03.12.2025

	min	max	open	close	fixing
EURPLN	4,2219	4,2336	4,2297	4,2239	4,2312
USDPLN	3,6200	3,6358	3,6334	3,6230	3,6333
EURUSD	1,1634	1,1675	1,1642	1,1659	

Interest rate market 03.12.2025

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
DS0727 (2L)	3,97	-2
PS0730 (5L)	4,54	-1
DS1035 (10L)	5,20	-1

IRS on the interbank market**

Term	PL %	PL Change (bps)	US %	US Change (bps)	EZ %	EZ Change (bps)
1L	3,77	-2	3,75	-2	2,14	-1
2L	3,71	-1	3,55	-2	2,18	-1
3L	3,73	-1	3,53	-1	2,27	0
4L	3,78	-1	3,53	-2	2,36	-1
5L	3,85	-1	3,58	-3	2,44	-1
8L	4,09	-1	3,77	-3	2,66	-1
10L	4,25	-1	3,89	-3	2,78	-1

WIBOR rates

Term	%	Change (bps)
O/N	4,07	-15
T/N	4,20	-10
SW	4,22	-5
1M	4,19	-7
3M	4,15	-4
6M	4,01	-2
1Y	3,99	-1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3,98	-1
3x6	3,69	-1
6x9	3,54	-1
9x12	3,50	-1
3x9	3,65	0
6x12	3,54	0

CDS rates and 10Y yield spread vs. German Bund

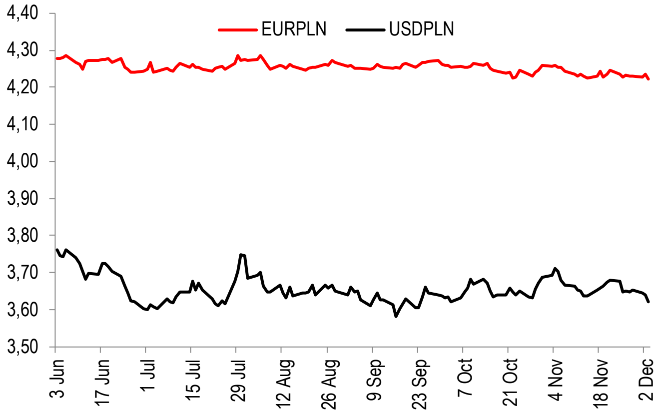
Country	CDS 5Y USD Level	CDS 5Y USD Change (bps)	10Y spread* Level	10Y spread* Change (bps)
Poland	60	0	245	-1
France	15	0	74	0
Hungary	107	0	426	-2
Spain	20	0	47	0
Italy	13	0	70	-2
Portugal	9	0	33	1
Ireland	9	0	21	0
Germany	6	0	-	-

* 10Y treasury bonds over 10Y Bunds

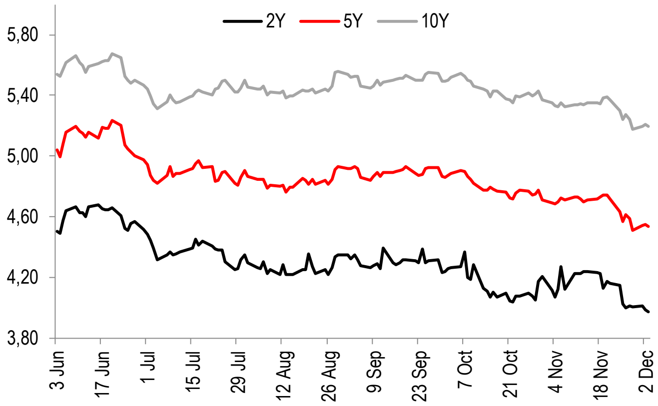
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

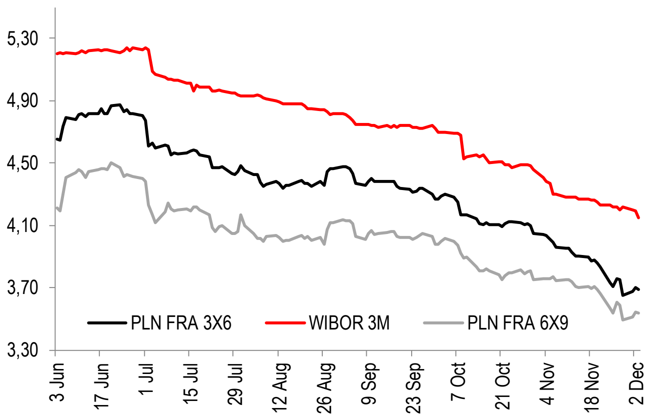
Zloty exchange rate



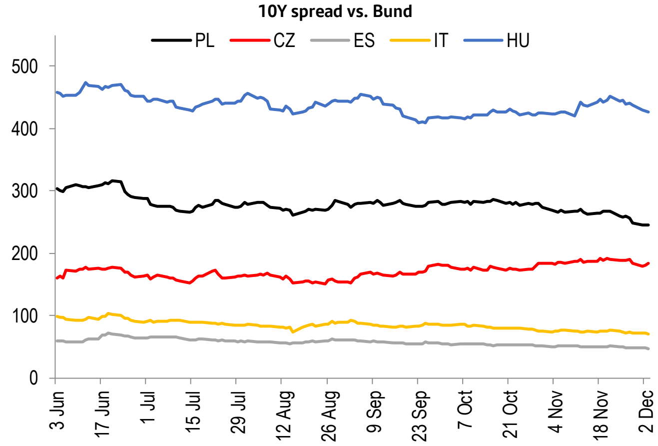
T-bonds yields



3M money market rates



10Y spread vs. Bund



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST MARKET	FORECAST SANTANDER	ACTUAL VALUE	LAST VALUE*
		FRIDAY (28 November)						
08:00	DE	Retail Sales	Oct	% m/m	0.2	-	-0.3	0.3
09:00	CZ	GDP SA	3Q	% y/y	2.7	-	2,8	2.6
10:00	**PL**	**CPI**	**Nov**	**% y/y**	**2.6**	**2.6**	**2.4**	**2.8**
14:00	DE	HICP	Nov	% m/m	-0.5	-	-0.5	0.3
		MONDAY (1 December)						
	US	Durable Goods Orders	Sep	% m/m	0.5	-		0.5
	US	Housing Starts	Sep	% m/m	1.7	-		-8.5
	US	New Home Sales	Sep	% m/m	-8.1	-		20.5
	US	Factory Orders	Sep	% m/m	-	-		1.4
09:00	**PL**	**Poland Manufacturing PMI**	**Nov**	**pts**	**49.0**	**49.3**	**49.1**	**48.8**
09:55	DE	Germany Manufacturing PMI	Nov	pts	48.4	-	48.2	49.6
10:00	EZ	Eurozone Manufacturing PMI	Nov	pts	49.7	-	49.6	50.0
10:00	**PL**	**GDP**	**3Q**	**% y/y**	**3.7**	**3.7**	**3.8**	**3.3**
16:00	US	ISM manufacturing	Nov	pts	49.0	-	48.2	48.7
		TUESDAY (2 December)						
08:30	HU	GDP	3Q	% y/y	0.6	-	0.6	0.1
11:00	EZ	Flash HICP	Nov	% y/y	2.1	-	2.2	2.1
11:00	**PL**	**Services Production**	**Sep**	**% y/y**	**-**	**6.0**	**8.0**	**4.9**
11:00	EZ	Unemployment Rate	Oct	%	6.3	-	6.4	6.4
		WEDNESDAY (3 December)						
	PL	**MPC decision**	**Dec**	**%**	**4.00**	**4.00**	**4.00**	**4.25**
02:45	CN	Caixin China PMI Services	Nov	pts	52.1	-	52.1	52.6
09:55	DE	Markit Germany Services PMI	Nov	pts	52.7	-	53.1	54.6
10:00	EZ	Eurozone Services PMI	Nov	pts	53.1	-	53.6	53.0
14:15	US	ADP report	Nov	k	10	-	-32	47
15:15	US	Industrial Production	Sep	% m/m	0.1	-	0.1	-0.1
16:00	US	ISM services	Nov	pts	52.0	-	52.6	52.4
		THURSDAY (4 December)						
09:00	CZ	CPI	Nov	% y/y	2.5	-		2.3
11:00	EZ	Retail Sales	Oct	% m/m	0.2	-		-0.1
14:30	US	Initial Jobless Claims	weekly	k	225	-		216
		FRIDAY (5 December)						
08:00	DE	Factory Orders	Oct	% m/m	-0.5	-		1.1
08:30	HU	Industrial Production SA	Oct	% y/y	-4.2	-		-1.5
11:00	EZ	GDP SA	3Q	% y/y	1.4	-		1.4
16:00	US	Michigan index	Dec	pts	52.0	-		51.0
16:00	US	Personal Spending	Sep	% m/m	0.3	-		0.6
16:00	US	Personal Income	Sep	% m/m	0.3	-		0.4
16:00	US	PCE Deflator SA	Sep	% m/m	0.3	-		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.