

05 December 2025

Weekly Economic Update

Focus on FOMC meeting

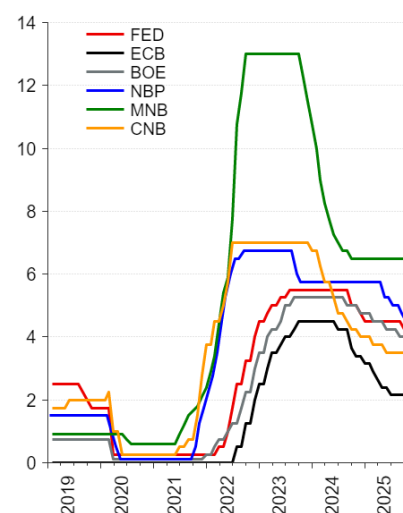
Economy next week

- The coming week will be very quiet in terms of new data releases. The domestic calendar is virtually empty, while abroad we'll see, among others, Germany's foreign trade data, industrial production in selected European countries, as well as Czech, Hungarian and German inflation for November.
- The atmosphere should be enlivened by the publication of our **MACROscope report with updated forecasts for 2026**, which we plan to release at the start of the week.
- Global markets' attention will focus on **the last FOMC meeting of the year** – the decision is due on Wednesday evening, followed by Chair Powell's press conference and the release of new Fed economic projections. Market-implied odds of a rate cut, which fell below 30% in mid-November, are now hovering above 90%. A 25bp cut is therefore already priced in, and investors will mainly look for clues on the likelihood of further easing in 2026, bearing in mind that from mid-next year Jerome Powell will be replaced by a new chair, likely much more inclined towards rate cuts. Donald Trump recently said he will announce Powell's successor shortly after New Year. Kevin Hassett is considered the favourite, with odds according to Polymarket priced at over 70%.
- Apart from the Fed, central banks in Canada, Turkey and Switzerland will also decide on rates in the coming week.
- In Poland, we expect **new interviews with MPC members** revealing their views on possible decisions in the months ahead.

Markets next week

- EURPLN remained in a sideways trend, ending the week slightly lower than the previous Friday. The MPC rate cut and Governor Glapiński's comments had no significant impact on the currency; minor fluctuations during the week were rather a result of shifts in global equity sentiment (weakness on Tuesday, rebound on Wednesday). The coming week will likely be similar, given the lack of major domestic data. As long as the Fed does not derail the global risk appetite, the moderately positive trend in equities should allow the zloty to strengthen slightly towards year-end, in line with its seasonal pattern – **EURPLN tends to fall in December more often than it rises**.
- In the rates market, after declines in FRA, IRS and yields last week in reaction to "dovish" wage and inflation data, recent days brought stabilisation and even some rebound at the short end of the curves. In the coming weeks, we expect stability. If Governor Glapiński's suggestion of the MPC moving into "wait-and-see" mode is confirmed by other members' statements, the correction at the short end should persist. For the long end, global sentiment will be key – yields on core markets have started rising again, limiting the scope for domestic debt strengthening.

Central banks' main interest rates, %

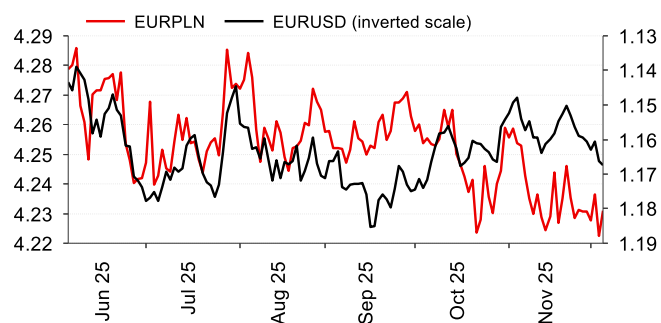


Source: LSEG Datastream, Santander

Economic Analysis Department:

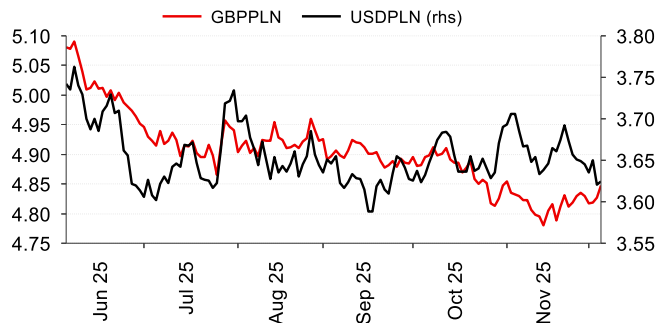
al. Jana Pawła II 17, 00-854 Warszawa
 email: ekonomia@santander.pl
 website: santander.pl/en/economic-analysis
Piotr Bielski +48 691 393 119
Bartosz Białas +48 517 881 807
Adrian Domitrz +48 571 664 004
Marcin Luźniński +48 510 027 662
Grzegorz Ogonek +48 609 224 857

EURPLN and EURUSD



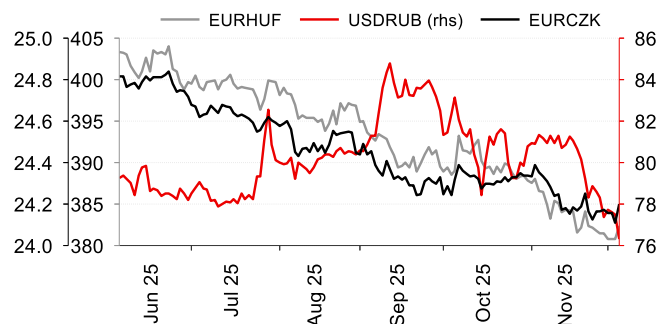
Source: LSEG Datastream, Santander

GBPPLN and USDPLN



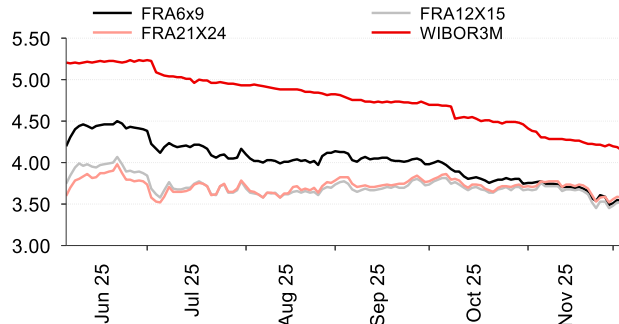
Source: LSEG Datastream, Santander Bank Polska

EURCZK, EURHUF and USDRUB



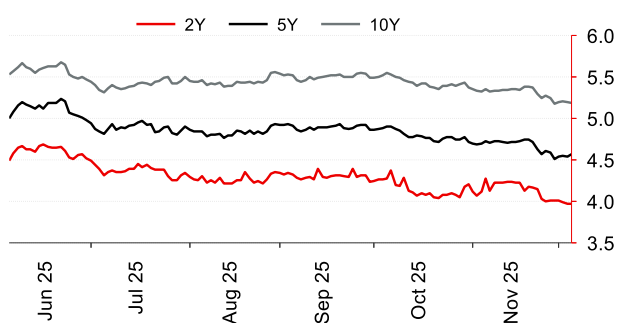
Source: LSEG Datastream, Santander Bank Polska

PLN FRA and WIBOR3M



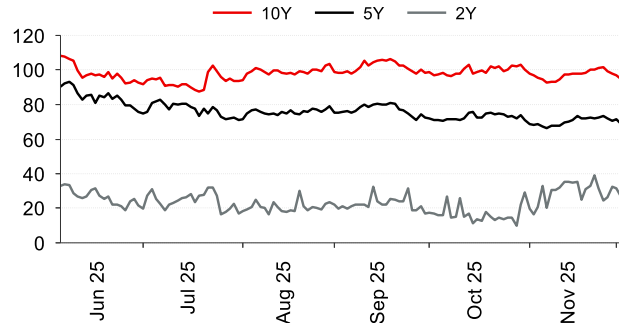
Source: LSEG Datastream, Santander Bank Polska

Polish bond yields



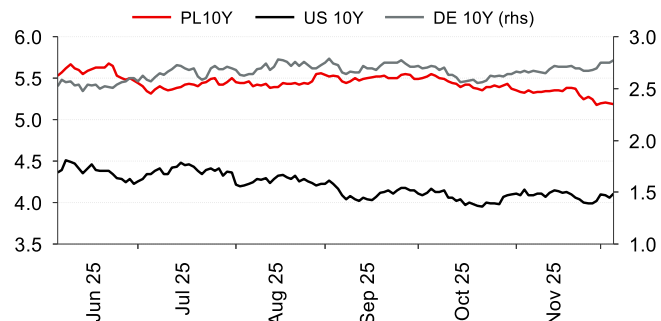
Source: LSEG Datastream, Santander Bank Polska

Asset swap spreads



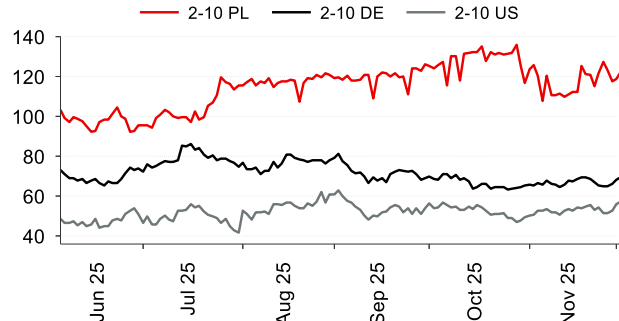
Source: LSEG Datastream, Santander Bank Polska

10Y bond yields



Source: LSEG Datastream, Santander

Steepness of yield curves



Source: LSEG Datastream, Santander Bank Polska

Economic Calendar

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		LAST VALUE	
				MARKET	SANTANDER		
MONDAY (8 December)							
	US	Housing Starts	Sep	% m/m	1.7	-	-8.5
	US	New Home Sales	Sep	% m/m	-10.3	-	20.5
08:00	DE	Industrial Production SA	Oct	% m/m	-0.5	-	1.3
09:00	CZ	Industrial Production	Oct	% y/y	0.1	-	3.6
TUESDAY (9 December)							
08:00	DE	Exports SA	Oct	% m/m	-	-	1.4
08:30	HU	CPI	Nov	% y/y	3.9	-	4.3
WEDNESDAY (10 December)							
09:00	CZ	CPI	Nov	% y/y	2.3	-	2.1
20:00	US	FOMC decision	Dec	%	3.75	-	4.00
THURSDAY (11 December)							
14:30	US	Initial Jobless Claims	week	k	220	-	191
FRIDAY (12 December)							
08:00	DE	HICP	Nov	% m/m	-0.5	-	0.3

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

This publication has been prepared by Santander Bank Polska S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Santander Bank Polska S.A. its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Santander Bank Polska S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Santander Bank Polska S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication.

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>.