

19 December 2025

# Weekly Economic Update

## Merry Christmas and Happy New Year!

This is the last Weekly Economic Update report of the year. **We will resume publication on 9 January 2026.** We wish our readers a Merry Christmas and a Happy New Year!

We also encourage to look at page 2 for our Economic Christmas carol.

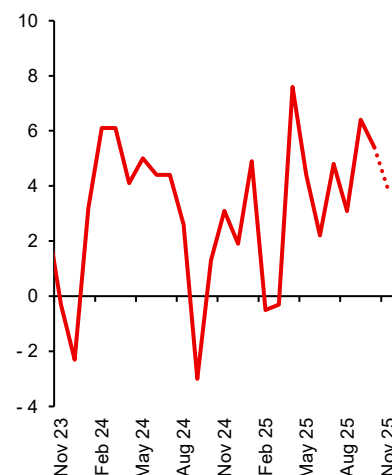
### Economy in the next three weeks

- The last days of this year and the beginning of the new one should be relatively calm for the economy and financial markets. The number of economic publications will be limited, although that does not mean that nothing interesting will show up: on Monday, 22 December, we will get data on business sentiment, retail sales and money supply, and on Tuesday, registered unemployment and the GUS Statistical Bulletin; on Tuesday, 30 December, quarterly balance of payments data will be released, on New Year's Eve preliminary CPI inflation data for December, and on Friday, 2 January, the manufacturing PMI for December.
- The most important from this set will be inflation, as the reading may determine whether the MPC cuts interest rates again in January. **We expect CPI growth in December to remain at 2.5% y/y**, which in our view will allow the Council to enter the wait-and-see mode and postpone rate cuts at least until March. In our opinion, the window for a January cut would only open with another clear drop in inflation (which we do not expect). **For retail sales, we forecast a slowdown in growth to 3.9% y/y** (from 5.4% in October), which would still be a decent result. If the data surprised with a clearly lower reading – as did November production – it would be probably necessary to start thinking about lowering the GDP forecast for 4Q.
- Abroad, before year-end, mainly second-tier indicators will appear, which should not significantly affect market sentiment, while at the beginning of January attention will turn to final PMI indices.
- **Tomorrow marks the end of the term of MPC member Cezary Kochalski.** His successor will be appointed by President Karol Nawrocki, possibly before Christmas. According to RMF FM, the favourite is Marcin Zarzecki, a sociologist and former president of the Polish National Foundation (PFN). His views on monetary policy are not yet known to us.

### Markets in the next three weeks

- Activity on financial markets traditionally fades during the Christmas and New Year period, while the Polish currency has a seasonal tendency to strengthen in December (in the last 20 years EURPLN rose in this month only 5 times). In recent days this pattern was further reinforced by the market increasingly pricing in chances of a Russia-Ukraine peace agreement, which – apart from PLN appreciation – also manifested in, among other things, a sell-off of European defence stocks. **Donald Trump had announced sealing the deal before Christmas**, so it cannot be ruled out that in the coming days we will get some new information on this topic.
- EURPLN successfully broke through 4.22 and tried to test the 4.20 floor – so far without success, but in the event of news about a ceasefire in Ukraine, it could easily go even lower. Recall that in March, when the market was also strongly betting on an end to hostilities, the rate fell to almost 4.12. However, this factor could work both ways. **We wish ourselves and you that we start the New Year with reduced geopolitical concerns**, but if it ends in disappointment again, a corrective upward move in EURPLN is possible.
- On the debt market, things are not so rosy – bond yields rose in the first two weeks of December and although recent days brought slight declines, ASW spreads are again high (10Y is approaching 100bp), which probably largely reflects trends in core markets and growing concerns about global long-term fiscal stability. We assess that news of a Russia-Ukraine ceasefire could at least temporarily support domestic bonds. **For the short end of the curve, the key will be the preliminary December CPI reading** – if it does not surprise with another drop, the pricing of the pace of MPC rate cuts should adjust slightly upwards.

### Real retail sales, %y/y (incl. forecast)



Source: GUS, Santander

### Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa  
 email: [ekonomia@santander.pl](mailto:ekonomia@santander.pl)  
 website: [santander.pl/en/economic-analysis](https://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

Every year before Christmas we are preparing the Economic Christmas Carol. This time, for the first time we have prepared not only the Polish but also the English version. We encourage you to sing along with us! 😊

The year has closed with quite a cheer,  
Consumers kept the ship in gear,  
When delays in growth were rife,  
They breathed new hope and sparked new life.

The economy near four did climb,  
Next year we'd love that same good time!  
Poland's isle still lush and green,  
In the Union we reign supreme!

Germany will speed a bit,  
Exporters surely welcome it.  
More defence cash will flow with grace,  
A blessing for the industrial space!

America strikes with tariff blows,  
Let them cope with all their woes!  
China sells us tech galore,  
The world's in love with AI's roar.

Now's the time for bold ambition,  
Keep alive this fine tradition,  
Spend the EU's funds with haste,  
Deadlines loom—there's no time to waste!

Consumers strong, in splendid form,  
Tempted by discounts in a storm,  
So many bargains, hearts delight,  
Joyful souls in festive light.

Labour market's quite a twist:  
Growth, but vacancies dismissed.  
How much wages rise? Who knows?  
Six to seven—slightly slows.

Disinflation holds its ground,  
Goldilocks in news is found.  
But remember, children dear,  
How that fairy tale ran clear!

When the bears came back from play,  
They chased her from the house away,  
Through the window she did flee,  
Happiness was brief, you see...

Room for rate cuts still remains,  
Though the space is rather strained.  
Time to watch and not go wild—  
Better cautious than beguiled!

The central bank was bold, aggressive,  
Moves so sharp, almost excessive.  
Bought up gold in towering piles,  
The governor beams with gleeful smiles!

Deficits now fill the chest,  
No surprise—you know the rest:  
Elections looming, cash will stream,  
Budgets flow like endless dream.

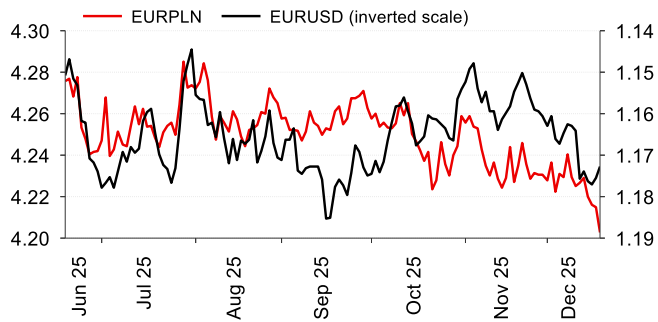
Debt is rising, yeast-like fast,  
But such a pace will never last.  
Ratings start to slip away,  
Bit by bit, they fade each day.

Be it Madrid or be it Vienna,  
Big changes come—what a dilemma!  
We'll track the trends, as is our duty,  
And wish our readers joy and beauty!

In the New Year, may you find,  
A snowy winter, calm and kind.  
Loads of laughter, peace and cheer,  
Live in joy throughout the year!

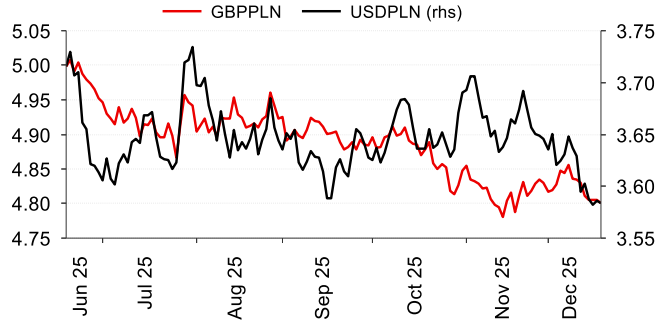


### EURPLN and EURUSD



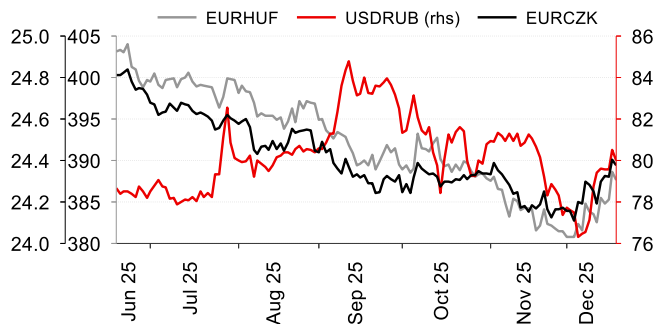
Source: LSEG Datastream, Santander

### GBPPLN and USDPLN



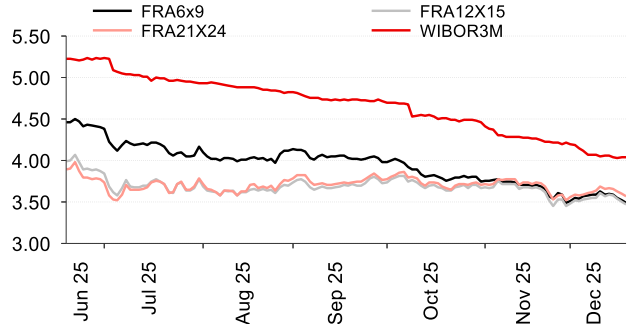
Source: LSEG Datastream, Santander Bank Polska

### EURCZK, EURHUF and USDRUB



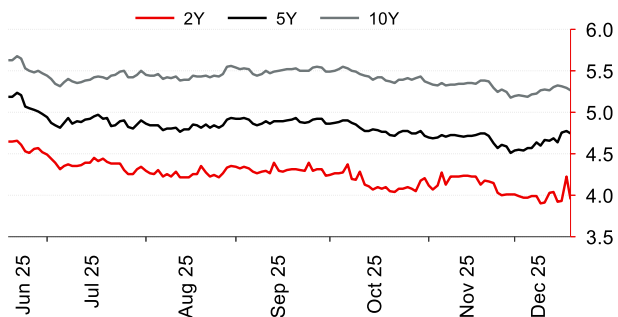
Source: LSEG Datastream, Santander Bank Polska

### PLN FRA and WIBOR3M



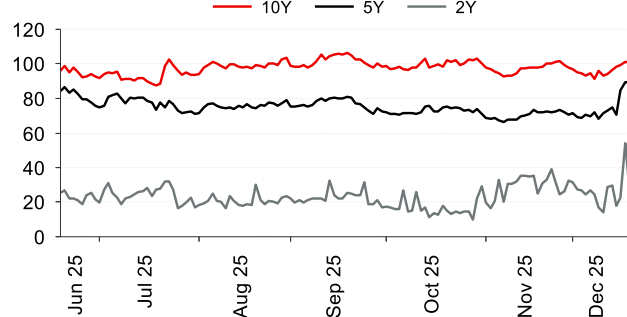
Source: LSEG Datastream, Santander Bank Polska

### Polish bond yields



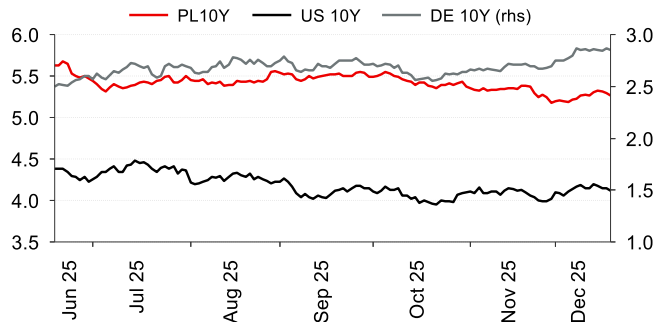
Source: LSEG Datastream, Santander Bank Polska

### Asset swap spreads



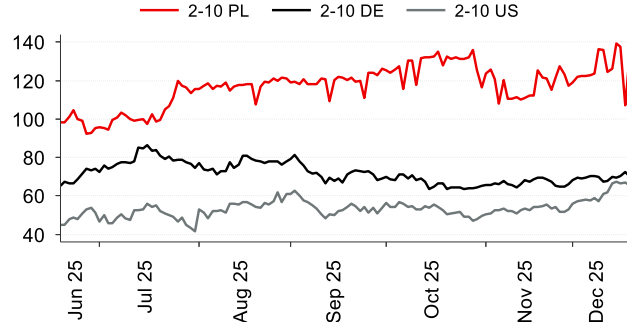
Source: LSEG Datastream, Santander Bank Polska

### 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 (22 December)						
10:00	PL	Retail Sales Real	Nov	% y/y	5.2	5.4
14:00	PL	Money Supply M3	Nov	% y/y	-	10.5
TUESDAY (23 December)						
10:00	PL	Unemployment Rate	Nov	%	-	5.6
14:30	US	Durable Goods Orders	Oct	% m/m	-1.5	0.5
14:30	US	GDP Annualized	3Q	% Q/Q	3.2	3.8
15:15	US	Industrial Production	Nov	% m/m	0.1	0.1
16:00	US	Consumer Conference Board	Dec	pts	91.7	88.7
WEDNESDAY (24 December)						
14:30	US	Initial Jobless Claims	Dec.25	k	225.0	224.0
WEDNESDAY (31 December)						
10:00	PL	CPI	Dec	% y/y	-	2.5
THURSDAY (1 January)						
	US	Factory Orders	Oct	% m/m	-	0.2
FRIDAY (2 January)						
09:00	CZ	GDP SA	3Q	% y/y	-	2.8
09:00	PL	Poland Manufacturing PMI	Dec	pts	-	49.6
09:55	DE	Germany Manufacturing PMI	Dec	pts	48.6	47.7
10:00	EZ	Eurozone Manufacturing PMI	Dec	pts	49.2	49.2
MONDAY (5 January)						
	HU	Industrial Production SA	Nov	% y/y	-	-2.7
02:45	CN	Caixin China PMI Services	Dec	pts	-	52.1
16:00	US	ISM manufacturing	Dec	pts	48.3	48.2
TUESDAY (6 January)						
09:55	DE	Markit Germany Services PMI	Dec	pts	53.0	52.6
10:00	EZ	Eurozone Services PMI	Dec	pts	53.3	52.6
14:00	DE	HICP	Dec	% m/m	-	-0.5
WEDNESDAY (7 January)						
08:00	DE	Retail Sales	Nov	% m/m	-	0.1
09:00	CZ	CPI	Dec	% y/y	-	2.1
11:00	EZ	Flash HICP	Dec	% y/y	-	2.2
14:15	US	ADP report	Dec	k	-	-32.0
16:00	US	ISM services	Dec	pts	-	52.6
THURSDAY (8 January)						
	HU	CPI	Dec	% y/y	-	3.8
08:00	DE	Factory Orders	Nov	% m/m	-	1.5
09:00	CZ	Industrial Production	Nov	% y/y	-	1.1
11:00	EZ	Unemployment Rate	Nov	%	-	6.4
11:00	EZ	ESI	Dec	pct.	-	97.0
08:00	DE	Exports SA	Nov	% m/m	-	0.1
08:00	DE	Industrial Production SA	Nov	% m/m	-	1.8
11:00	EZ	Retail Sales	Nov	% m/m	-	0.0
14:30	US	Change in Nonfarm Payrolls	Dec	k	-25.0	64.0
14:30	US	Unemployment Rate	Dec	%	4.5	4.6

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.