

5 January 2026

Eyeopener

December CPI inflation and PMI below expectations

Today December manufacturing ISM index in the US
 Polish December CPI inflation slightly below expectations, PMI broke its streak of increases
 Polish unemployment rate in November stood at 5.6%, mortgage loan sales declined
 Zloty strong, bond yields and market rates remain low

Today marks the first New Year edition of Eyeopener. Data will include the ISM business sentiment index in the US. China's services PMI came in line with expectations at 52.0 pts, close to the previous reading (52.1).

In December, Polish CPI inflation fell to 2.4% y/y from 2.5% y/y in November, 0.1 pp below our forecast and the Bloomberg market consensus. Prices remained unchanged month-on-month. Although December typically sees a seasonal increase in food prices, this time they remained unchanged, as did energy prices. However, the decline in fuel prices was deeper than we expected. These data indicate that core inflation components performed similarly to our forecast, and we maintain our estimate of core CPI at 2.8% y/y (compared to 2.7% in November). In the first months of the new year, we expect a temporary decline in CPI to even below 2% y/y, and core inflation to below 2.5% y/y. In our opinion, these data will prompt the MPC to further reduce interest rates, likely in March and May.

Poland's manufacturing PMI declined in December to 48.5 pts from 49.1 pts in November, against expectations for a marginal further rise. The index was consequently rising from July to November by 4.3 pts in total. The December 0.6-point decline does not look bad in this respect. Worse sentiment was expressed in subindices covering current output and new orders, while employment, stock of purchases and longer suppliers' delivery times worked towards a higher headline print. Manufacturers were also much more optimistic about output outlook than they had been in November – the PMI report stressed that the December increase in the future output index was the second strongest in five years. In December, the Polish manufacturing PMI index was close to its 2025 average and to levels seen a year ago. We consider this behaviour as consistent with our view that the economy will be able to grow near 4% in 4Q25 and in 2026. Business conditions in industry remain challenging, but the prospect of stronger demand from Eurozone in 2026 could lead to higher growth contribution from industry this year. **December PMI readings in Germany and the euro area** recorded declines, with final data – especially for Germany – even weaker than preliminary figures.

Just before Christmas, we learned the **final unemployment rate for November, which at 5.6% turned out 0.1 pp lower than preliminary data** (same as in October). Labour Ministry's preliminary data for December should be released any day – we expect an increase in the unemployment rate to 5.7%. GUS also published data on **new industrial orders, which recorded a strong increase of 24.5% y/y in November**, driven by domestic orders, with a slight decline in export orders.

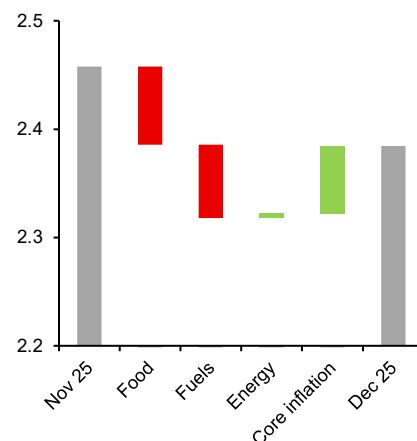
In November, corporate loan sales rose markedly, while mortgage loan sales fell. According to NBP data, corporate loan sales amounted to PLN14.8bn, a good result after a weaker October (PLN12.0bn) and the second-best outcome in 2025. The value of new consumer loans practically did not change compared to October (PLN11.6bn), while mortgage loan sales fell from PLN8.6bn to PLN7.4bn. Mortgage loan data for July–October were revised down (by PLN0.8–1.4bn), changing the picture of 2H25 from a clear acceleration to stabilisation around PLN8bn per month. High values of loan applications in BIK (credit information agency) data, an average of PLN19bn in September–November, suggest that demand for this type of credit remains strong and we will see sales growth in the coming months.

Quarterly balance of payments data showed an upward revision of the current account balance in Q2 and Q3, by €737m and €717m respectively, which moved the annual balance to -0.8% of GDP from -0.9% of GDP in 3Q25. The goods balance fell by €565m in 2Q (exports up €514m, imports up €1.1bn) and rose by €233m in 3Q. The services balance was revised up by €522m in 2Q and €390m in 3Q. Income balances also moved up, by €780m in 2Q and €94m in 3Q. The financial account was also revised, but in the opposite direction to the current account balance, resulting in a further deepening of the negative balance in the Errors and Omissions category.

The Polish zloty starts the new year from a strong position with EURPLN between 4.21 and 4.22. Between Christmas and New Year, the zloty's exchange rate against the euro rose towards 4.23 but ended Friday's session at 4.212. Behind recent market fluctuations were intense talks among world leaders on a peace plan between Ukraine and Russia, which may have supported CEE currencies. Both the Hungarian forint and Czech koruna remain strong. This issue and global sentiment will remain key factors for the zloty in the near term. The US military operation in Venezuela over the weekend caused EURUSD to fall back below 1.17.

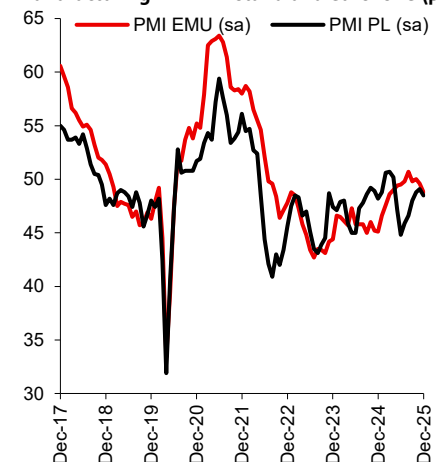
The second half of December brought a strengthening of Polish debt. Bond yields fell sharply, especially at the short end, offsetting increases seen in the first half of December. The market is increasingly pricing in further rate cuts, as indicated by FRA rates 5–8 bp lower than pre-Christmas levels.

CPI, % y/y, structure of the December change



Source: GUS, Santander

Manufacturing PMI in Poland and eurozone (pts)



Source: S&P Global, Santander

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FX market

Today's opening

EURPLN	4.2100	CZKPLN	0.1721
USDPLN	3.6008	HUFPLN*	1.0977
EURUSD	1.1690	RONPLN	0.8274
CHFPLN	4.4279	NOKPLN	0.3567
GBPPLN	4.7313	DKKPLN	0.5625
USDCNY	6.9788	SEKPLN	0.3897

*for 100HUF

Last session in the FX market

02.01.2026

	min	max	open	close	fixing
EURPLN	4.2080	4.2215	4.2157	4.2085	4.2156
USDPLN	3.5810	3.5989	3.5875	3.5858	3.5963
EURUSD	1.1712	1.1754	1.1751	1.1736	

Interest rate market

02.01.2026

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	3.89	12
PS0131 (5L)	4.63	1
DS1035 (10L)	5.19	0

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	3.60	0	3.69	0	2.17	0
2L	3.54	1	3.58	0	2.27	1
3L	3.59	1	3.61	1	2.39	1
4L	3.67	1	3.64	-2	2.50	2
5L	3.75	2	3.71	-2	2.60	3
8L	4.02	2	3.92	-2	2.84	4
10L	4.19	1	4.04	-3	2.97	4

WIBOR rates

Term	%	Change (bps)
O/N	3.85	23
SW	3.95	0
1M	4.04	0
3M	3.97	-2
6M	3.85	-2

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.79	-7
3x6	3.56	0
6x9	3.36	0
9x12	3.33	0
3x9	3.50	1
6x12	3.36	0

CDS rates and 10Y yield spread vs. German Bund

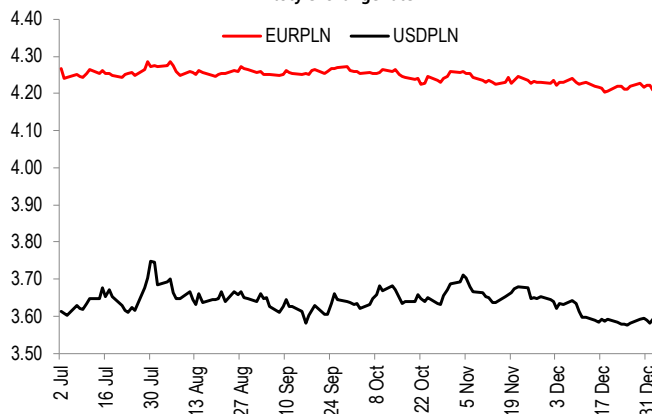
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	60	0	234	0
France	14	0	71	0
Hungary	109	0	402	0
Spain	19	0	44	0
Italy	12	0	66	0
Portugal	9	0	31	0
Ireland	9	0	17	0
Germany	4	0	-	-

* 10Y treasury bonds over 10Y Bunds

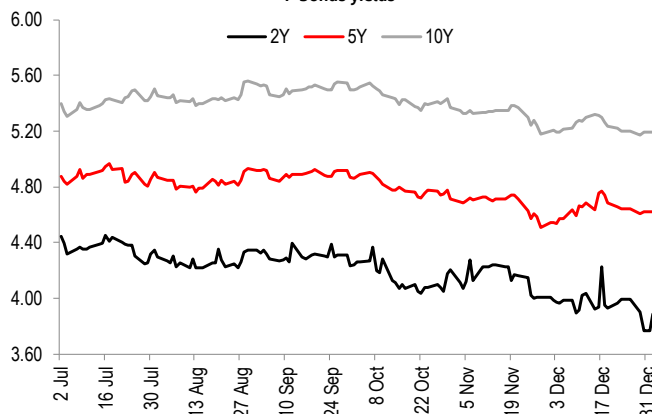
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

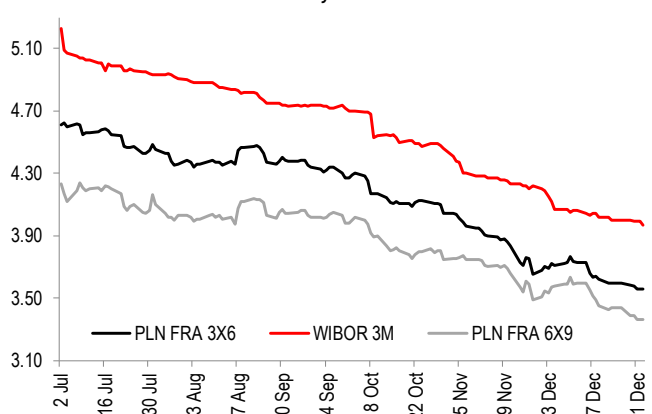
Zloty exchange rate



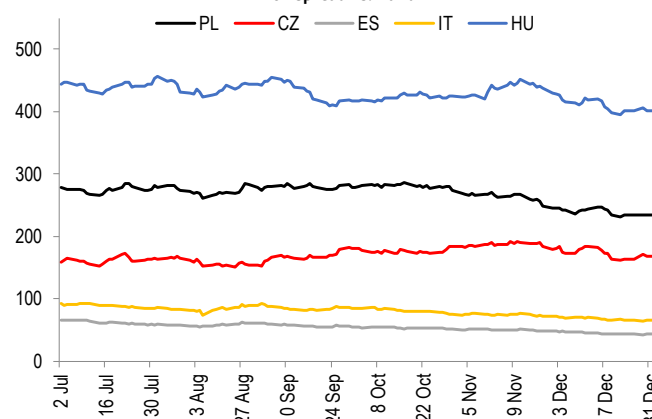
T-bonds yields



3M money market rates



10Y spread vs. Bund



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST		ACTUAL VALUE	LAST VALUE*
					MARKET	SANTANDER		
MONDAY (29 December)								
16:00	US	Pending Home Sales	% m/m		0.9		3.3	2.4
TUESDAY (30 December)								
20:00	US	FOMC Meeting Minutes						
WEDNESDAY (31 December)								
10:00	PL	CPI	Dec	% y/y	2.5	2.5	2.4	2.5
14:30	US	Initial Jobless Claims	Dec.25	k	218		199	215
FRIDAY (2 January)								
09:00	CZ	GDP SA	3Q	% y/y	2.8		2.8	2.6
09:00	PL	Poland Manufacturing PMI	Dec	pts	49.3		48.5	49.1
09:55	DE	Germany Manufacturing PMI	Dec	pts	47.7		47.0	48.2
10:00	EZ	Eurozone Manufacturing PMI	Dec	pts	49.2		48.8	49.6
MONDAY (5 January)								
02:45	CN	Caixin China PMI Services	Dec	pts	52.0		52.0	52.1
16:00	US	ISM manufacturing	Dec	pts	48.4		-	48.2
TUESDAY (6 January)								
	PL	Holiday						
09:55	DE	Markit Germany Services PMI	Dec	pts	-		-	52.6
10:00	EZ	Eurozone Services PMI	Dec	pts	52.6		-	52.6
14:00	DE	HICP	Dec	% m/m	-		-	-0.5
WEDNESDAY (7 January)								
08:00	DE	Retail Sales	Nov	% m/m	0.2		-	0.1
09:00	CZ	CPI	Dec	% y/y	2.3		-	2.1
11:00	EZ	Flash HICP	Dec	% y/y	2.0		-	2.2
14:15	US	ADP report	Dec	k	50.0		-	-32.0
16:00	US	Durable Goods Orders	Oct	% m/m	-		-	-2.2
16:00	US	ISM services	Dec	pts	52.2		-	52.6
16:00	US	Factory Orders	Oct	% m/m	-1.0		-	0.2
THURSDAY (8 January)								
08:00	DE	Factory Orders	Nov	% m/m	-1.0		-	1.5
09:00	CZ	Industrial Production	Nov	% y/y	-0.7		-	1.1
11:00	EZ	Unemployment Rate	Nov	%	6.4		-	6.4
11:00	EZ	ESI	Dec	pct.	97.2		-	97.0
FRIDAY (9 January)								
08:00	DE	Exports SA	Nov	% m/m	-0.3		-	0.2
08:00	DE	Industrial Production SA	Nov	% m/m	-0.3		-	1.8
11:00	EZ	Retail Sales	Nov	% m/m	0.1		-	0.0
14:30	US	Change in Nonfarm Payrolls	Dec	k	55.0		-	64.0
14:30	US	Housing Starts	Oct	% m/m	1.4		-	-8.5
14:30	US	Unemployment Rate	Dec	%	4.5		-	4.6
16:00	US	Michigan index	Jan	pts	53.4		-	52.9

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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