

7 January 2026

Eyeopener

Eurozone services PMI revised down

Today December inflation in Czechia and the Eurozone, a set of US data
Sentiment in the Eurozone services sector worse than in November
Flash December inflation in Germany and France below forecasts
EURPLN still close to 4.21, US dollar stronger, decline in Polish bond yields

Today brings a batch of international data. This morning, German retail sales were released and came in weaker than expected. Later in the day, we will see preliminary December CPI readings for Czechia and the Eurozone, followed by US data in the afternoon: the ADP labour market report, durable goods orders, factory orders, and the ISM services index.

Final PMI data measuring business activity in Germany's services sector turned out slightly better than the preliminary figures (52.7 pts versus 52.6), but weaker than November's reading (53.1 pts). For the Eurozone as a whole, the corresponding index stood at 52.4, slightly below the preliminary estimate (52.6 pts) and down from 53.6 pts a month earlier. The ISM manufacturing index came in at 47.9 pts in December, 0.3 pts lower than the previous month, while the market had expected an improvement to 48.4 pts. **The preliminary estimate of December HICP inflation in Germany** was 2.0% y/y, marking a sharper slowdown from November's 2.6% y/y than the market anticipated (2.2% y/y). French inflation also came in below expectations in December at 0.8% y/y.

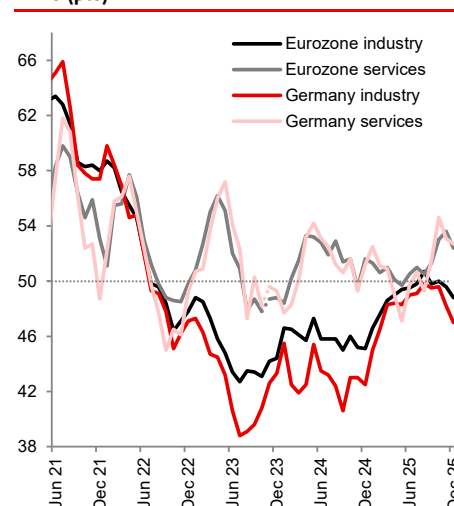
According to information provided by Defence Minister Władysław Kosiniak-Kamysz, PLN51.4bn was spent from the Armed Forces Support Fund in 2025. This amount is about PLN20bn lower than the fund's planned expenditure and represents around 67% of the initial plan in the 2025 Act and 70% of the plan after a later downward revision. This suggests that national defence spending last year was probably at least 0.5 pp below the planned 4.7% of GDP, which in turn may shift the spending impulse into 2026.

According to data from the Samar institute, sales of new cars in Poland rose by 8.3% y/y in 2025. In December alone, 67.8k vehicles up to 3.5 tonnes were registered, 21.7% y/y more. Persisting declines in car prices may support continued demand in this market segment this year.

Monday's FX session brought little change, aided by limited investor activity at the start of the year. After a temporary intraday weakening of about 0.15%, the Polish zloty ended Monday's session at the same EURPLN rate as at the start of the session and similar to Friday's close, i.e., 4.21, and remains at that level this morning. The Hungarian forint weakened slightly, with EURHUF at 384.0 on Monday afternoon and closing Tuesday's session near 385. EURCZK saw a temporary rise but is again around 24.15 today, as on Monday morning. EURUSD has so far been moving around 1.17 this week. Downward impulses included the US military operation in Venezuela over the weekend and weak inflation data from Europe.

On Monday, we observed further declines in Polish government bond yields. Bond yields fell by 2–3bp, slightly more at the short end, causing a mild steepening of the curve. IRS and FRA rates recorded only marginal drops of about 1bp. Over the week, short-end yields fell by 4bp, while long-end yields were unchanged; market interest rates declined by 2–3bp. On core markets, German bond yields rose by 2–5bp on Monday compared to the previous week, while US Treasuries' yields increased by 1–6bp, more markedly for longer tenors, though these moves were partly reversed on Tuesday. Tuesday's statement by Donald Trump that oil to be received by the US from Venezuela's reserves could hit the market pushed Brent crude down from about USD62 per barrel to USD60, which may support bond prices.

PMIs (pts)



Source: S&P Global, 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	4.2091	CZKPLN	0.1721
USDPLN	3.6001	HUFPLN*	1.0855
EURUSD	1.1691	RONPLN	0.8272
CHFPLN	4.5242	NOKPLN	0.3566
GBPPLN	4.8505	DKKPLN	0.5625
USDCNY	6.9862	SEKPLN	0.3901

*for 100HUF

Last session in the FX market

06.01.2026

	min	max	open	close	fixing
EURPLN	4.2080	4.2155	4.2122	4.2116	4.211
USDPLN	3.5866	3.6050	3.5913	3.6043	3.6045
EURUSD	1.1683	1.1742	1.1728	1.1687	

Interest rate market

06.01.2026

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	3.71	0
PS0131 (5L)	4.61	0
DS1035 (10L)	5.18	0

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	3.59	0	3.70	1	2.16	-1
2L	3.54	0	3.57	1	2.24	-3
3L	3.59	0	3.59	0	2.35	-3
4L	3.66	0	3.62	1	2.46	-2
5L	3.75	0	3.68	2	2.55	-2
8L	4.01	0	3.90	2	2.78	-2
10L	4.18	0	4.02	1	2.90	-4

WIBOR rates

Term	%	Change (bps)
O/N	3.79	-6
SW	4.00	5
1M	4.07	3
3M	3.95	-2
6M	3.86	1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.79	0
3x6	3.55	0
6x9	3.36	0
9x12	3.32	0
3x9	3.51	0
6x12	3.36	0

CDS rates and 10Y yield spread vs. German Bund

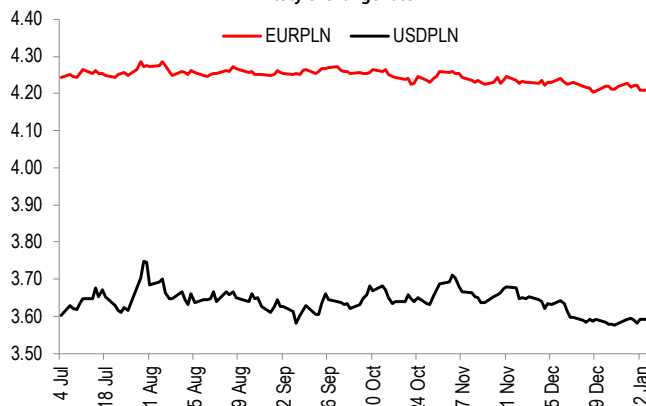
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	60	0	231	1
France	14	0	71	-1
Hungary	109	1	398	1
Spain	19	0	43	-1
Italy	12	0	66	-2
Portugal	9	0	31	-1
Ireland	9	0	16	-1
Germany	4	0	-	-

* 10Y treasury bonds over 10Y Bunds

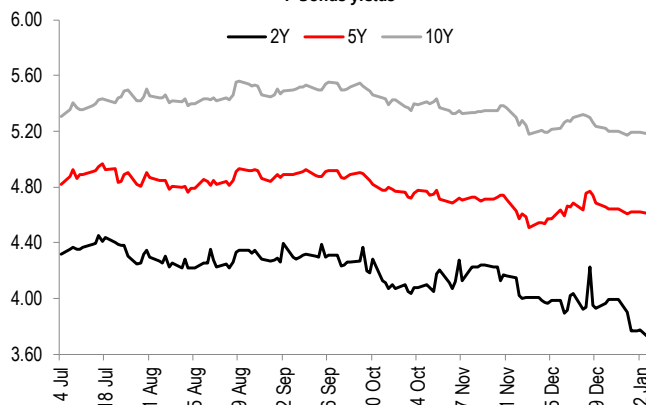
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

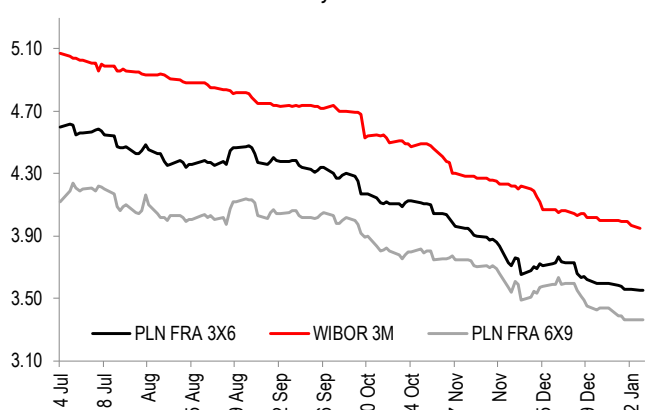
Zloty exchange rate



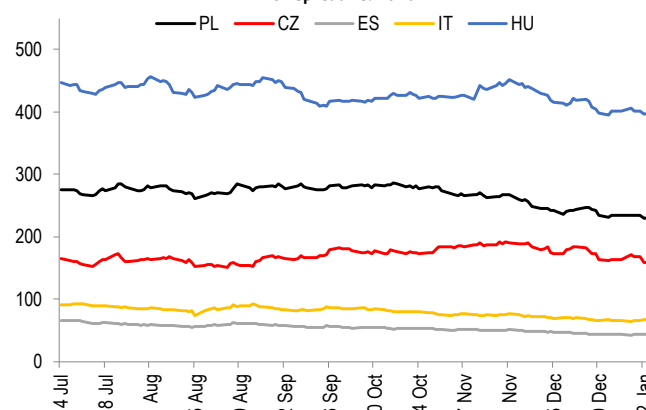
T-bonds yields



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		47.9	48.2
TUESDAY (6 January)								
	PL	Holiday						
09:55	DE	Markit Germany Services PMI	Dec	pts	52.6		52.7	53.1
10:00	EZ	Eurozone Services PMI	Dec	pts	52.6		52.4	53.6
14:00	DE	HICP	Dec	% m/m	0.4		0.2	-0.5
WEDNESDAY (7 January)								
08:00	DE	Retail Sales	Nov	% m/m	0.2		-0.6	0.3
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	48.0		-	-32.0
16:00	US	Durable Goods Orders	Oct	% m/m	-2.2		-	-2.2
16:00	US	ISM services	Dec	pts	52.2		-	52.6
16:00	US	Factory Orders	Oct	% m/m	-1.2		-	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	-0.1		-	1.1
11:00	EZ	Unemployment Rate	Nov	%	6.4		-	6.4
14:30	US	Initial Jobless Claims	Jan.26	k	211		-	199
11:00	EZ	ESI	Dec	pct.	97.1		-	97.0
FRIDAY (9 January)								
08:00	DE	Exports SA	Nov	% m/m	-0.2		-	0.2
08:00	DE	Industrial Production SA	Nov	% m/m	-0.7		-	1.8
11:00	EZ	Retail Sales	Nov	% m/m	0.1		-	0.0
14:30	US	Change in Nonfarm Payrolls	Dec	k	60		-	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	53.5		-	52.9

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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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>.