8 January 2026

Eyeopener

Polish services production slowed in October

Today December ESI indices, Czech industrial output
Polish production of services rose 5.5% y/y in October
Decline in Eurozone and Czech inflation
Złoty stable, Polish bond yields went down

Today we will see December Economic Sentiment Indicators for EU countries, including Poland, as well as November data on unemployment in the euro area and industrial output in Czechia. In the US, weekly jobless claims data will be released. This morning's data on industrial orders in Germany turned out much better than expected – in y/y terms, they accelerated from -0.7% to 10.5%, the highest reading since September 2021.

According to Eurostat data, **domestic service production increased in October by 5.5% y/y** compared to growth of 8.0% y/y in September and 6.4% y/y on average in 3Q25. The slowdown in production growth was mainly due to a decline in the information and communication sector, from 10.9% to 6.5% y/y. Slower growth was also recorded in transport and storage (from 5.6% to 3.6% y/y), real estate services (from 12.3% to 11.1% y/y) and professional and technical services (from 6.1% to 5.0% y/y). On the other hand, service production accelerated in October in the hospitality sector (from 6.2% to 7.2% y/y) and in administrative and support services (from 2.0% to 2.7% y/y). We expect subsequent data to indicate an acceleration in service production growth at the end of 2025, to around 7–8% y/y for the whole of 4Q, forming the basis for a solid GDP result in this period.

According to the Polish stats office, the median wage in the national economy in July 2025 amounted to PLN7,246.64, i.e. up 9.1% y/y compared to 9.7% y/y in June. For comparison, the average wage at that time was PLN8,866.43 (an increase of 8.2% y/y, after 8.8% y/y a month earlier). The ratio of the median to the average salary was 81.7% in July, similar to June (81.4%). Higher wage growth persisted in enterprises employing fewer than 10 workers. Average wages in this group rose by 9.4% y/y in July compared to 10.3% y/y in June, while in larger entities wage growth fell from 8.7% to 8.1% y/y. Wage moderation in the national economy is consistent with data for the enterprise sector itself, where wages rose by 7.6% y/y in July last year and by 7.1% y/y in November (latest available data).

At the November MPC meeting, a 25bp rate cut was approved by a vote of 9:1. Joanna Tyrowicz voted against.

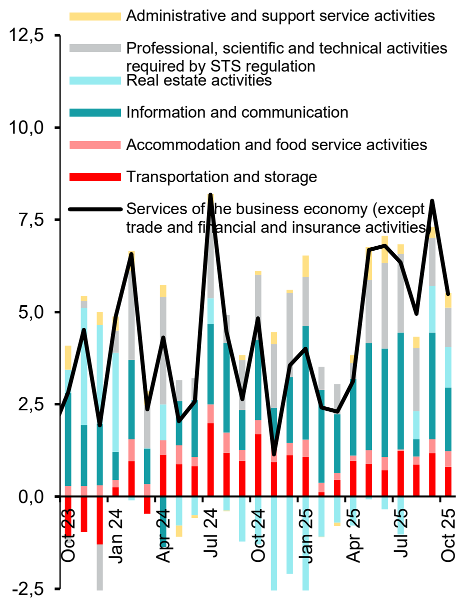
According to preliminary data, **Czech CPI inflation in December was 2.1% y/y, below market expectations (2.3% y/y)** and the same as in November. Meanwhile, **euro area inflation matched expectations and fell from 2.2% y/y in November to 2.0% y/y in December**. Prices continued to rise most strongly, albeit slightly more slowly than before, in services (3.4% y/y versus 3.5% the previous month), while energy price growth dropped sharply due to base effects (-1.9% y/y after -0.5% y/y in November). Food prices rose by 2.6% y/y (up 0.2pp), while price growth of other industrial goods moved towards stabilisation (0.4% y/y, down 0.1pp).

According to the ADP report, private sector employment in the US increased by 41k jobs in December, compared to expectations of 50k and after a decline of 29k the previous month. October data on durable goods orders and industrial orders were close to expectations, while December services sentiment proved clearly better. **The ISM index in this sector stood at 54.4pts versus 52.6pts the previous month**, with expectations at 52.2pts, and improvement was visible in many components, including the employment index.

The zloty remains close to 4.21 against the euro, although it was slightly higher yesterday intraday. The Hungarian forint stabilised around 384.5–385.2 to the euro. After surprisingly low inflation data, the Czech koruna had a worse day – EURCZK rose by 0.4%, then bounced off resistance at 24.30. The EURUSD exchange rate remained yesterday in a range comparable to previous days, slightly below 1.17. A stronger EURUSD reaction – aside from geopolitical risks – may occur on Friday if US labour market data differ from analysts' expectations.

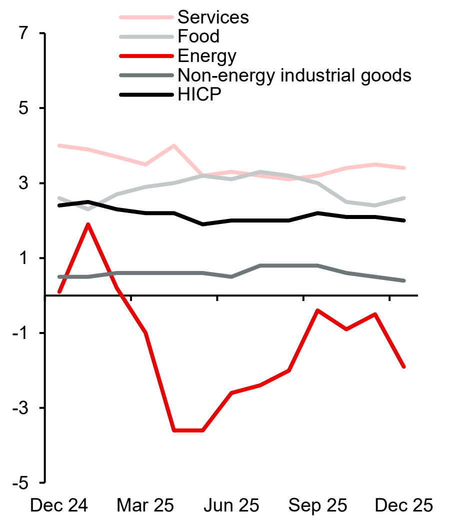
On Wednesday, domestic government bonds continued to strengthen. Their yields fell by 5–9bp, more at the short end, causing further curve steepening by 4bp. Meanwhile, IRS and FRA rates recorded only marginal declines of around 1bp. On core markets, German bond yields fell by 2–3bp and US bonds by 1–2bp.

Services production in Poland, %y/y



Source: Eurostat, Santander

Eurozone HICP, % y/y



Source: Eurostat, Santander

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FX market

Today's opening

EURPLN	4.2092	CZKPLN	0.1721
USDPLN	3.6032	HUFPLN*	1.0936
EURUSD	1.1681	RONPLN	0.8273
CHFPLN	4.5189	NOKPLN	0.3567
GBPPLN	4.8484	DKKPLN	0.5625
USDCNY	6.9831	SEKPLN	0.3915

*for 100HUF

Last session in the FX market 07.01.2026

	min	max	open	close	fixing
EURPLN	4.2077	4.2151	4.2090	4.2091	4.2105
USDPLN	3.5972	3.6089	3.6001	3.6012	3.6035
EURUSD	1.1671	1.1699	1.1692	1.1688	

Interest rate market 07.01.2026

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	3.80	9
PS0131 (5L)	4.56	-4
DS1035 (10L)	5.14	-4

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	3.59	0	3.70	0	2.15	-1
2L	3.54	0	3.57	1	2.22	-2
3L	3.59	0	3.59	1	2.32	-2
4L	3.66	0	3.61	-1	2.42	-3
5L	3.74	-1	3.68	0	2.51	-4
8L	4.00	-1	3.87	-3	2.74	-4
10L	4.17	-1	4.00	-2	2.86	-4

WIBOR rates

Term	%	Change (bps)
O/N	3.82	3
SW	3.97	-3
1M	4.06	-1
3M	3.98	3
6M	3.86	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.77	-1
3x6	3.55	0
6x9	3.36	-1
9x12	3.32	-1
3x9	3.50	0
6x12	3.36	0

CDS rates and 10Y yield spread vs. German Bund

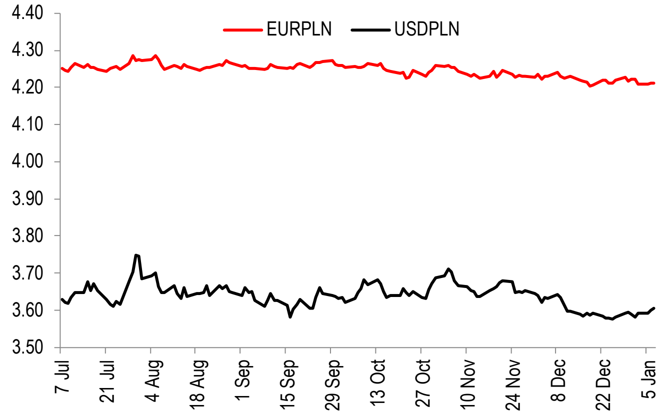
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	59	0	234	3
France	14	0	71	1
Hungary	109	0	398	1
Spain	19	0	43	0
Italy	12	0	65	-1
Portugal	9	0	30	0
Ireland	9	0	17	0
Germany	3	0	-	-

* 10Y treasury bonds over 10Y Bunds

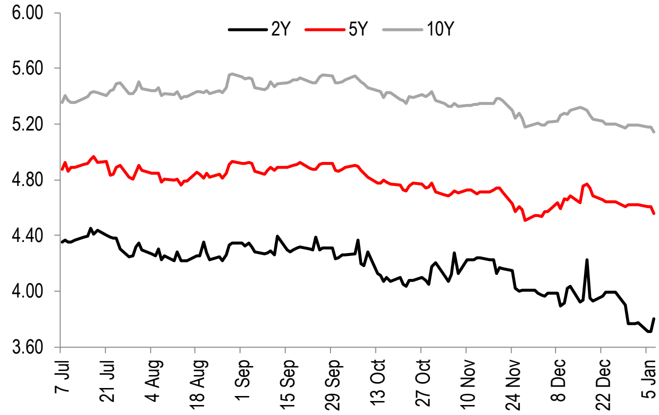
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

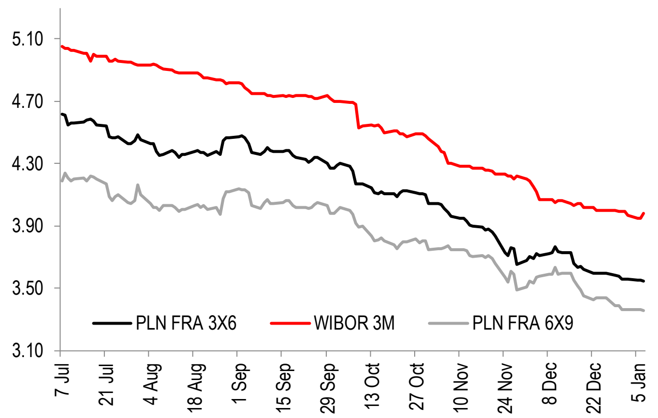
Zloty exchange rate



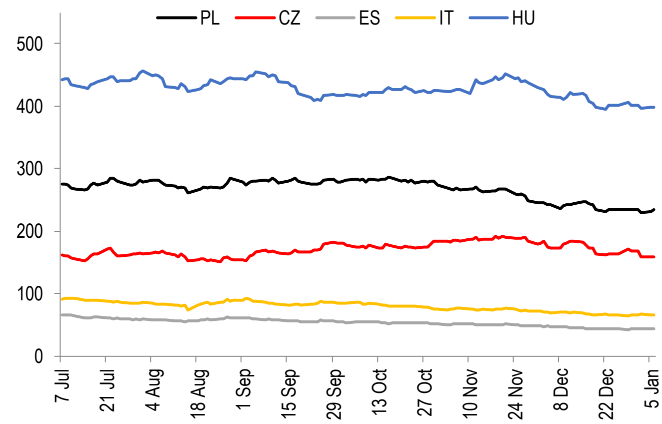
T-bonds yields



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*
		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	2.1
11:00	EZ	Flash HICP	Dec	% y/y	2.0		2.0	2.2
14:15	US	ADP report	Dec	k	50		41	-29
16:00	US	Durable Goods Orders	Oct	% m/m	-2.2		-2.2	-2.2
16:00	US	ISM services	Dec	pts	52.2		54.4	52.6
16:00	US	Factory Orders	Oct	% m/m	-1.2		-1.3	0.2
		THURSDAY (8 January)						
08:00	DE	Factory Orders	Nov	% m/m	-1.0		5.6	1.6
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*

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.