

20 January 2026

Eyeopener

IMF upgraded Polish growth forecast

Today German ZEW index

Euro area inflation was 1.9% y/y in December, below expectations

MPC's Ireneusz Dąbrowski sees rate cuts to 3.5% and low CPI path

US dollar weaker, Polish bond yields stable, sell-off of Japanese bonds

Today, the economic calendar includes only the publication of the January results of the German ZEW survey, which monitors sentiment and expectations regarding the economic outlook among German financial analysts.

President Karol Nawrocki has signed the 2026 budget act and simultaneously referred it to the Constitutional Tribunal for ex post review. The budget may therefore be implemented in the final version, adopted by the Sejm. Later, any provisions of the budget challenged by the Constitutional Tribunal will have to be amended by the Sejm.

MPC member Ireneusz Dąbrowski stated that interest rates would likely be cut to 3.5% this year. Dąbrowski did not indicate the exact moment when, in his view, such cuts could occur. In his opinion, average annual inflation will not exceed 2.5% y/y in 2026, while the Council will keep assessing incoming data on a meeting-by-meeting basis in order to take the best decision regarding any potential change in the reference rate, without a strictly defined strategy.

The International Monetary Fund has raised its forecast for Poland's GDP growth in 2026 by 0.4pp from 3.1% to 3.5% y/y, while simultaneously lowering the 2027 forecast by 0.2pp to 2.7% y/y. Following this revision, the IMF forecast is now aligned with the projection adopted by the Ministry of Finance in the 2026 budget act. Nevertheless, it remains, in our view, rather conservative – according to our estimates, Poland's GDP growth may reach even 3.9% y/y – although crucial in this regard will be the actual translation of incoming EU funds into investment activity in both the private and public sectors. The IMF's forecast for global GDP growth has been raised from 3.1% to 3.3% y/y, with no change for 2027 (3.2% y/y). Meanwhile, the projected global inflation rate stands at 3.8% y/y in 2026 and 3.4% y/y the following year.

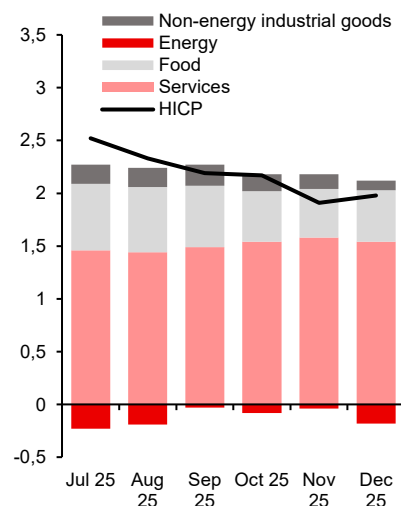
Final data on December inflation in the euro area turned out to be 0.1pp lower than the preliminary estimates. HICP inflation reached 1.9% y/y compared with 2.1% y/y in November last year, with the inflation target set at 2% y/y, while in m/m terms prices rose by 0.2% after a decline of 0.3% a month earlier.

As expected, the **Romanian central bank kept interest rates unchanged** yesterday, with the main rate remaining at 6.5%. Last night, **the central bank of China also left interest rates unchanged** (again, in line with market expectations).

Yesterday, due to the public holiday in the US, activity on global markets was limited. The most notable reaction to Donald Trump's demand to take over Greenland was a rise in precious metal prices. The Swiss franc strengthened. **CEE currencies were stable.** The weakening of the US dollar, which began on Friday, continued despite a lower-than-expected inflation reading in the euro area, and this morning EURUSD is already above 1.167.

Yields on Polish government bonds remained relatively stable on Monday, with a slight decline at the short end of the curve and an increase at the long end. As a result, the yield curve steepened by around 5bp. Market interest rates rose slightly, both IRS and FRA by around 2bps. Both the FX market and the bond market may be subject to numerous fluctuations this week following news from meetings in Davos. This concerns both the issue of a peace plan for Ukraine (according to the media, a meeting between Russia's representative Kirill Dmitriev and a US delegation is possible) as well as the topic – raised again over the weekend by Donald Trump – of tariffs on EU countries for diplomatically supporting Greenland, and possible retaliatory measures by the EU towards the US. A risk factor for instability in global bond markets is the behaviour of Japanese government bonds – following yesterday's announcement by the Japanese prime minister of early elections on 8 February and the promise of a cut in food taxes without specifying how its impact on the budget balance would be offset, yields surged by more than 20bp.

HICP inflation in eurozone, % y/y



Source: Eurostat, Santander

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FX market

Today's opening

EURPLN	4.2234	CZKPLN	0.1721
USDPLN	3.6194	HUFPLN*	1.0957
EURUSD	1.1668	RONPLN	0.8300
CHFPLN	4.5341	NOKPLN	0.3603
GBPPLN	4.8697	DKKPLN	0.5625
USDCNY	6.9603	SEKPLN	0.3939

*for 100HUF

Last session in the FX market

19.01.2026

	min	max	open	close	fixing
EURPLN	4.2217	4.2292	4.2220	4.2232	4.2231
USDPLN	3.6253	3.6397	3.6312	3.6277	3.6331
EURUSD	1.1610	1.1647	1.1627	1.1641	

Interest rate market

19.01.2026

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	3.70	-1
PS0131 (5L)	4.53	1
DS1035 (10L)	5.16	4

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	3.59	1	3.79	-1	2.18	-1
2L	3.57	1	3.69	-1	2.25	-2
3L	3.62	1	3.71	-1	2.36	-1
4L	3.71	1	3.76	-1	2.45	-1
5L	3.79	2	3.83	0	2.53	-1
8L	4.05	3	4.04	0	2.75	0
10L	4.22	2	4.14	0	2.87	1

WIBOR rates

Term	%	Change (bps)
O/N	3.92	-9
SW	4.00	-1
1M	4.04	3
3M	3.94	0
6M	3.83	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.82	-1
3x6	3.53	1
6x9	3.38	2
9x12	3.38	4
3x9	3.49	1
6x12	3.37	1

CDS rates and 10Y yield spread vs. German Bund

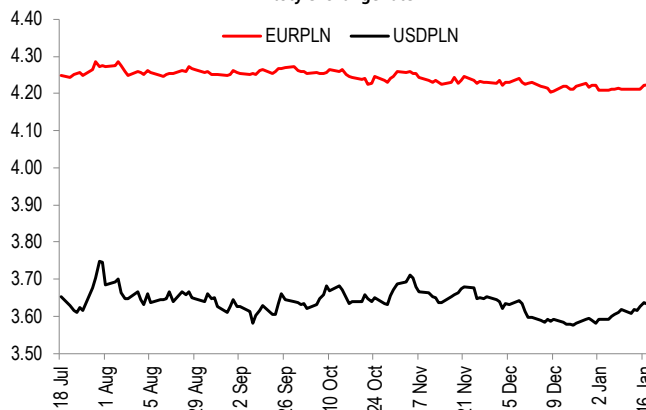
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	59	0	232	3
France	14	0	66	-2
Hungary	107	0	400	1
Spain	18	0	39	0
Italy	12	0	59	0
Portugal	9	0	39	0
Ireland	9	0	11	0
Germany	4	0	-	-

* 10Y treasury bonds over 10Y Bunds

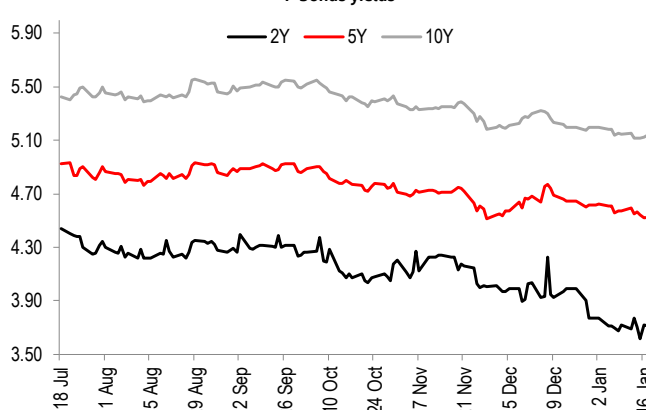
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

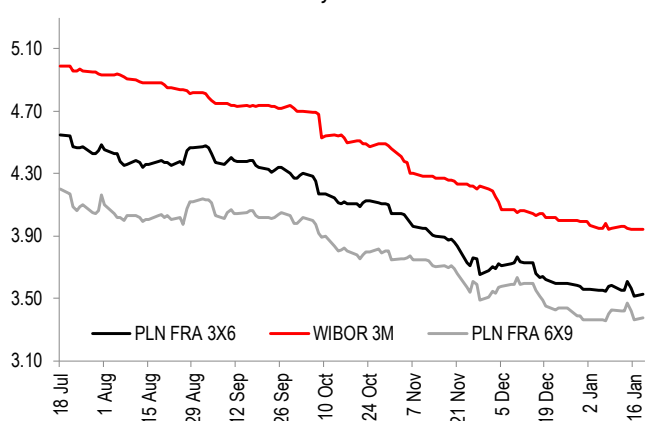
Zloty exchange rate



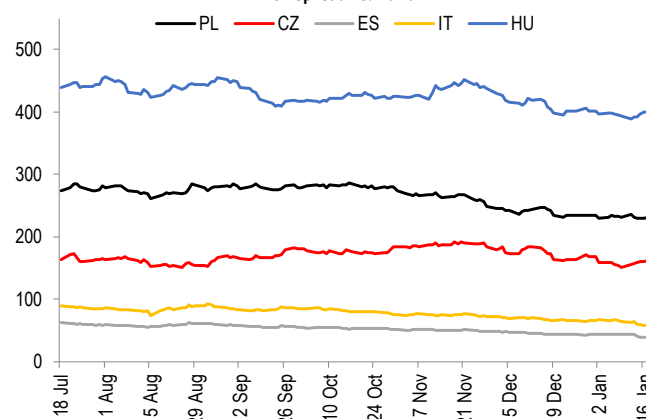
T-bonds yields



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		
FRIDAY (16 January)							
08:00	DE	HICP	Dec	% m/m	0.2	0.2	0.2
14:00	PL	CPI Core	Dec	% y/y	2.8	2.8	2.7
15:15	US	Industrial Production	Dec	% m/m	0.1	0.4	0.4
MONDAY (19 January)							
11:00	EZ	HICP	Dec	% y/y	2.0	1.9	2.1
TUESDAY (20 January)							
11:00	DE	ZEW Survey Current Situation	Jan	pts	-75.0	-	-81.0
WEDNESDAY (21 January)							
16:00	US	Pending Home Sales	Dec	% m/m	-	-	3.3
THURSDAY (22 January)							
10:00	PL	Employment in corporate sector	Dec	% y/y	-0.7	-	-0.8
10:00	PL	Sold Industrial Output	Dec	% y/y	3.2	-	-1.1
10:00	PL	Construction Output	Dec	% y/y	-1.0	-	0.1
10:00	PL	PPI	Dec	% y/y	-2.2	-	-2.4
10:00	PL	Average Gross Wages	Dec	% y/y	7.0	-	7.1
14:30	US	GDP Annualized	3Q	% Q/Q	4.3	-	3.8
14:30	US	Initial Jobless Claims	Jan.26	k	215	-	198
14:30	US	Personal Spending	Nov	% m/m	0.5	-	0.4
14:30	US	Personal Income	Nov	% m/m	0.4	-	0.4
14:30	US	PCE Deflator SA	Nov	% m/m	0.2	-	0.3
FRIDAY (23 January)							
09:30	DE	Germany Manufacturing PMI	Jan	pts	47.6	-	47.0
09:30	DE	Markit Germany Services PMI	Jan	pts	52.5	-	52.7
10:00	EZ	Eurozone Manufacturing PMI	Jan	pts	49.2	-	48.8
10:00	EZ	Eurozone Services PMI	Jan	pts	52.6	-	52.4
16:00	US	Michigan index	Jan	pts	54.0	-	54.0

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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