

Eyeopener

Today December data from the Polish economy

Today, a large batch of Polish December data and January sentiment survey results
Donald Trump reiterated his demands over Greenland in Davos, but in a relatively mild tone
Strengthening of CEE currencies, a slight decline in yields and market rates

Today brings a broad set of data from the Polish economy illustrating the condition of the corporate sector at the end of last year and at the beginning of the current one. We will see figures on average wage growth, employment levels, industrial and construction output volumes, as well as housing market activity in December. We expect wage growth of around 6.9% y/y, only slightly lower than November's 7.1% y/y, supported by the low base effect from the previous year. A small decline in employment on an annual basis was most likely continued, with our forecast of -0.7% y/y being the best reading since December 2024. Although this was the first December with Christmas Eve as a non-working day, in our view it should not result in weak readings for industrial and construction output. On the contrary, we expect them to compensate for the m/m decline seen in November, which was visible in seasonally adjusted data. Our forecasts stand at 2.9% y/y for industry (not setting last year's high, but clearly above the 1.6% average) and 1.8% y/y for construction (where the 2025 average was slightly negative). As for PPI inflation, we and the market expect it to remain below -2% y/y. In addition to hard data, we will also receive the results of the January sentiment survey today – both consumer and business. Corporate sentiment in December was relatively good across most sectors, except for industry, the index of which at that time broke a multi-month upward trend. The beginning of the new year was marked by numerous swings in global sentiment and geopolitical tensions, which may be reflected in a weaker subjective assessment of the current and future situation, both among companies and consumers.

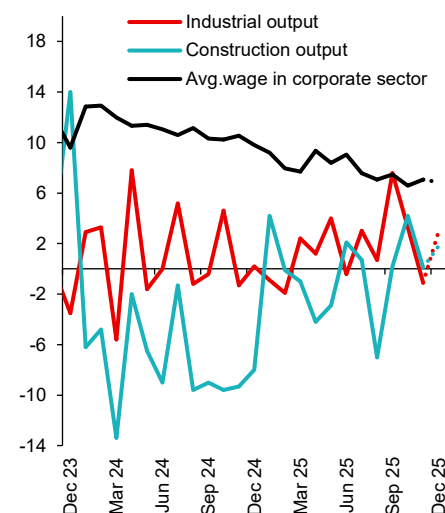
A diplomatic pre-emptive move vis-à-vis Donald Trump was made by **European Commission President Ursula von der Leyen**, who during Wednesday morning's debate in the European Parliament outlined elements of Europe's Arctic strategy. In the context of Greenland, she announced the launch of substantial investments aimed at supporting the island's economy and infrastructure. **Donald Trump's speech in Davos** and reports on his evening talks with European leaders suggest that the US does not intend to take over Greenland militarily nor to impose additional tariffs on European countries from February. The US President stated that he had agreed a framework arrangement around the island with NATO. Today, Trump is due to meet the President of Ukraine, while a US delegation will meet the President of Russia in Moscow.

US data on pending home sales turned out to be clearly weaker than expected. The number of contracts signed in December fell by 9.3% m/m, compared with an expected decline of 0.3%, following a 3.3% increase a month earlier.

The relatively subdued rhetoric of the US President on Greenland was interpreted by the market as a de-escalation of tensions, leading to **a strengthening of CEE currencies**. EURPLN fell towards 4.215 by the end of the day, after spending the first half of the week some PLN0.01 higher; EURHUF, dropping below 384.5, reached its lowest level in two weeks. The positive reaction was weaker for the Czech koruna – EURCZK merely retreated from its intraday highs and, at around 24.33, was back where it ended on Tuesday. EURUSD slipped below 1.17, equity indices in the US and Europe rebounded, and gold prices edged lower.

In the debt market, we observed a further – albeit modest – **decline yesterday in Polish bond yields and market interest rates**, all in the range of 1–3pp. In core markets, changes were marginal at around +/- 1pp. Today's Polish data, if close to our forecasts, may lead to a slight upward correction in market rates. Nevertheless, the most important risk factor will remain further political decisions, including escalation or de-escalation of tensions between the US and the EU, as well as continued talks on a Russia–Ukraine peace plan. The Ministry of Finance has filed a prospectus with the US regulator for the issuance of USD-denominated bonds of up to USD10bn.

Production and wages in corporate sector, % y/y



The values for December 2025 are Santander Bank Polska forecasts

Source: GUS, Santander

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FX market

Today's opening

EURPLN	4.2137	CZKPLN	0.1721
USDPLN	3.6056	HUFPLN*	1.0861
EURUSD	1.1687	RONPLN	0.8275
CHFPLN	4.5341	NOKPLN	0.3603
GBPPLN	4.8697	DKKPLN	0.5625
USDCNY	6.9621	SEKPLN	0.3939

*for 100HUF

Last session in the FX market 21.01.2026

	min	max	open	close	fixing
EURPLN	4.2148	4.2282	4.2235	4.2182	4.2271
USDPLN	3.5973	3.6124	3.6046	3.6043	3.6118
EURUSD	1.1694	1.1742	1.1717	1.1704	

Interest rate market

21.01.2026

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	3.64	7
PS0131 (5L)	4.50	2
DS1035 (10L)	5.17	2

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	3.54	-1	3.79	0	2.18	1
2L	3.52	-1	3.69	0	2.25	2
3L	3.58	-2	3.72	-1	2.38	4
4L	3.67	-3	3.77	-1	2.47	2
5L	3.76	-3	3.83	-2	2.56	2
8L	4.04	-3	4.03	-3	2.78	2
10L	4.22	-3	4.15	-3	2.91	4

WIBOR rates

Term	%	Change (bps)
O/N	4.03	8
SW	4.02	-2
1M	4.00	-4
3M	3.90	-1
6M	3.82	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.78	-1
3x6	3.47	-3
6x9	3.33	-3
9x12	3.30	-6
3x9	3.43	-3
6x12	3.33	-4

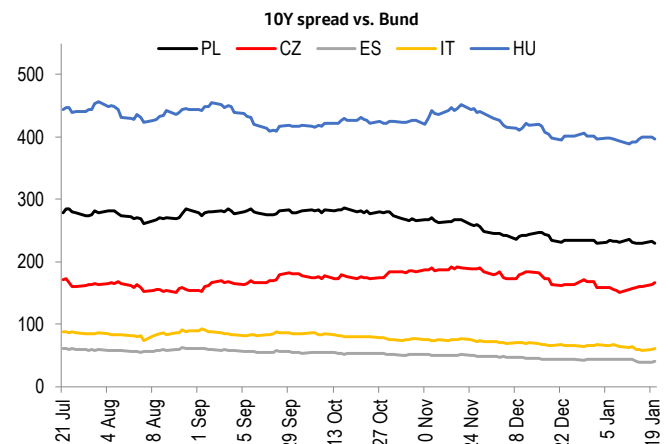
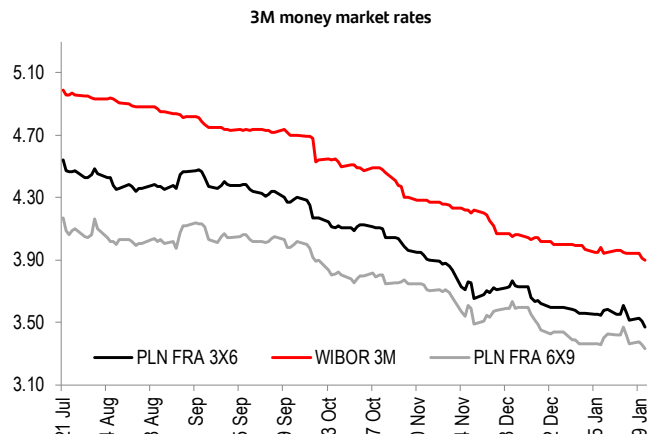
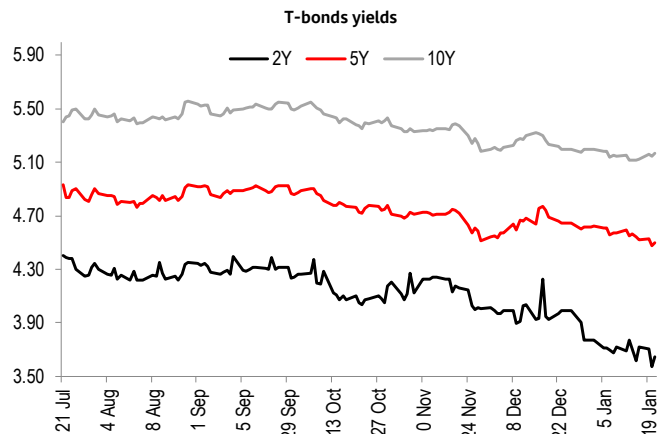
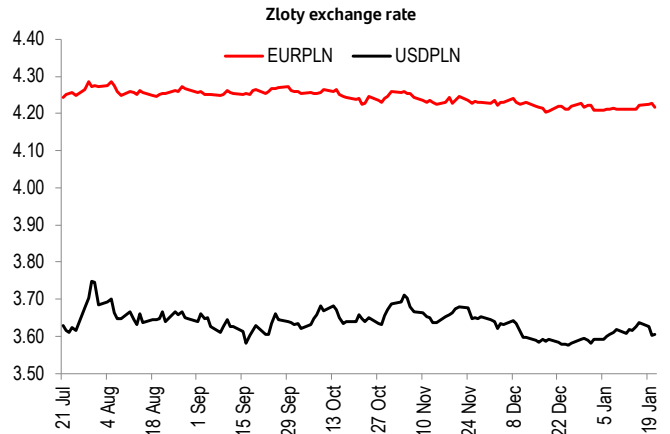
CDS rates and 10Y yield spread vs. German Bund

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	59	0	229	-3
France	14	0	67	1
Hungary	106	0	396	-4
Spain	18	0	40	1
Italy	12	0	60	2
Portugal	9	0	39	0
Ireland	9	0	11	1
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



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	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		-72.7	-81.0
WEDNESDAY (21 January)								
16:00	US	Pending Home Sales	Dec	% m/m	-0.3		-9.3	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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