

23 January 2026

Eyeopener

Strong December in Polish economy

Today flash PMIs from Germany and euro area, Michigan index in the USA
December data from the Polish economy beat expectations
EURPLN the lowest in a month, market rates increased a bit

Today, we will see preliminary January PMI readings for Germany and the euro area, as well as the final January print of the University of Michigan consumer sentiment indicator. In addition, the Polish stats office will publish the agricultural producer price index for December 2025.

December data on industrial and construction output turned out to be significantly better than expected, indicating that the condition of the Polish economy at the turn of the year was very strong despite still challenging international conditions. Industrial production rose by as much as 7.3% y/y in December, compared with our and the market's forecasts of close to 3.0% y/y and against -1.1% y/y in November. The growth rate of construction and assembly output increased to 4.5% y/y in December from 0.1% y/y in November, while wage growth in the enterprise sector accelerated to 8.6% y/y in December from 7.1% y/y in November, contrary to our and market expectations of a slight slowdown to 6.9–7.0% y/y. Annual growth rates will most likely weaken in the coming months; nevertheless, the much stronger than expected December readings significantly reduce, in our view, the arguments for resuming interest rate cuts at the next Monetary Policy Council meeting in early February. Ultimately, inflation developments will likely determine the MPC's decisions, but the Council will not yet have new inflation data at the upcoming meeting. We still expect two further 25bp cuts this year: in March and in May. More on yesterday's data can be found in our [Economic Comment](#).

Iwona Duda of the MPC told Bloomberg that inflation was low and would remain so this year, probably not even exceeding the inflation target in the coming months. In her view, with such a favourable inflation profile, another interest rate cut seems likely in February or March.

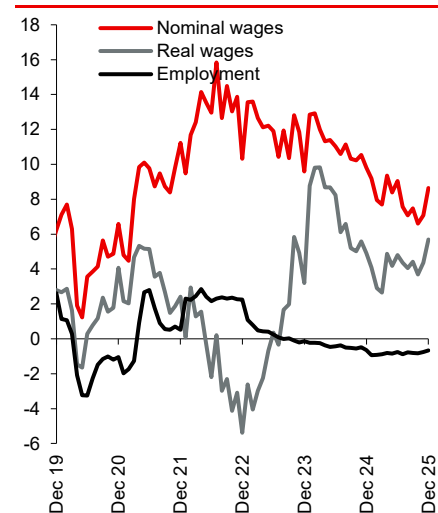
Donald Trump said that he had held a meeting with Ukrainian President Volodymyr Zelensky regarding a peace plan, but he did not see a quick possibility of agreeing terms to end the war with Russia. According to information from the White House, trilateral US Ukraine Russia talks are planned for today and tomorrow in Abu Dhabi, although Russia has not yet confirmed its participation.

The central bank of Turkey cut its main interest rate by 100bp from 38.0% to 37.0%. In January last year it still stood at 45%. **The Bank of Japan** kept rates unchanged today, after raising them by 25bp in December.

After Wednesday — which saw the peak of market uncertainty linked to Donald Trump's speech in Davos — Thursday brought a rebound on local markets. Throughout the day **CEE currencies strengthened markedly** on the back of renewed risk appetite, which at the same time put downward pressure on the dollar. The announcement of trilateral peace talks was also supportive for the region's currencies. The zloty was additionally backed by strong domestic data. EURPLN fell by around 0.3% and stabilised only near 4.20, having dipped below this level during the day — a zone last seen before Christmas, when hopes for a ceasefire in Ukraine had risen. The Hungarian forint strengthened even more, with EURHUF falling from 384 to 382, its lowest since the first half of December. The Czech koruna reacted to a lesser extent, appreciating by 0.15% as EURCZK moved to 24.28. Whether this rapid move will be corrected in the coming days will most likely depend on news related to Ukraine.

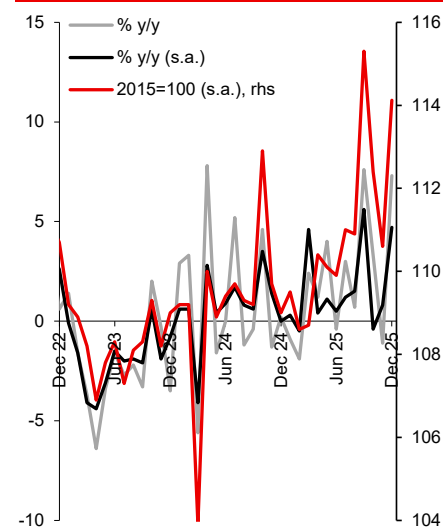
Following the strong domestic data, market interest rates moved slightly higher. IRS rates increased by 2–3bp and FRA rates by 3–5bp. Yields on shorter dated bonds also rose by 2bp, whereas yields on longer tenors fell by 2–3bp. German bond yields rose by 1–2bp at the short end, while US Treasuries recorded an increase of 2–3bp. The Ministry of Finance conducted a bond auction yesterday, selling six bond series for PLN12.0bn at the main auction and PLN1.75bn at the additional auction.

Employment and wages in corporate sector, % y/y



Source: GUS, Santander

Industrial output



Source: GUS, Santander

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FX market

Today's opening

EURPLN	4.1990	CZKPLN	0.1721
USDPLN	3.5761	HUFPLN*	1.0988
EURUSD	1.1741	RONPLN	0.8249
CHFPLN	4.5236	NOKPLN	0.3624
GBPPLN	4.8203	DKKPLN	0.5625
USDCNY	6.9635	SEKPLN	0.3965

*for 100HUF

Last session in the FX market

22.01.2026

	min	max	open	close	fixing
EURPLN	4.1955	4.2176	4.2151	4.1976	4.2128
USDPLN	3.5723	3.6096	3.6059	3.5762	3.6028
EURUSD	1.1682	1.1750	1.1688	1.1738	

Interest rate market

22.01.2026

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	3.57	1
PS0131 (5L)	4.48	-1
DS1035 (10L)	5.15	-2

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	3.59	5	3.81	2	2.18	0
2L	3.56	4	3.72	2	2.26	1
3L	3.62	4	3.74	2	2.38	0
4L	3.71	4	3.80	2	2.48	1
5L	3.80	4	3.85	2	2.56	1
8L	4.07	3	4.04	1	2.78	0
10L	4.24	3	4.15	1	2.91	-1

WIBOR rates

Term	%	Change (bps)
O/N	4.04	1
SW	4.03	1
1M	4.03	3
3M	3.91	1
6M	3.82	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.81	3
3x6	3.50	3
6x9	3.39	6
9x12	3.36	5
3x9	3.46	2
6x12	3.39	6

CDS rates and 10Y yield spread vs. German Bund

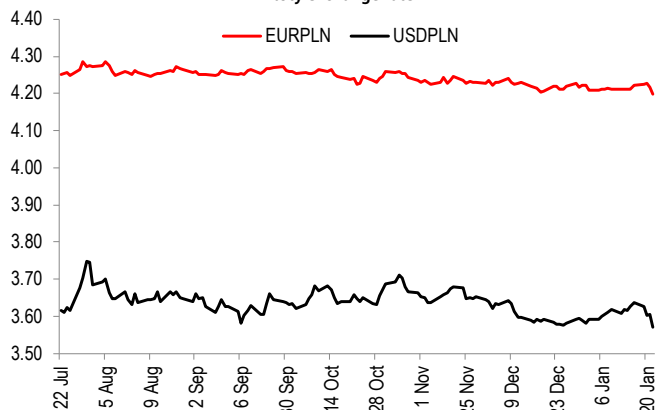
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	58	0	229	0
France	14	0	66	-1
Hungary	103	0	392	-4
Spain	17	-1	39	0
Italy	12	0	60	0
Portugal	9	0	39	0
Ireland	9	0	13	2
Germany	4	0	-	-

* 10Y treasury bonds over 10Y Bunds

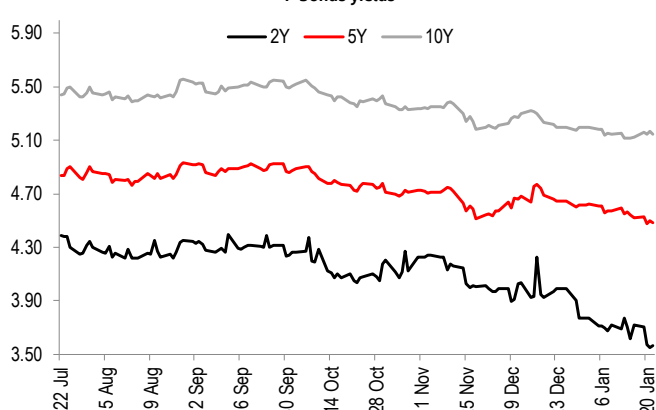
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

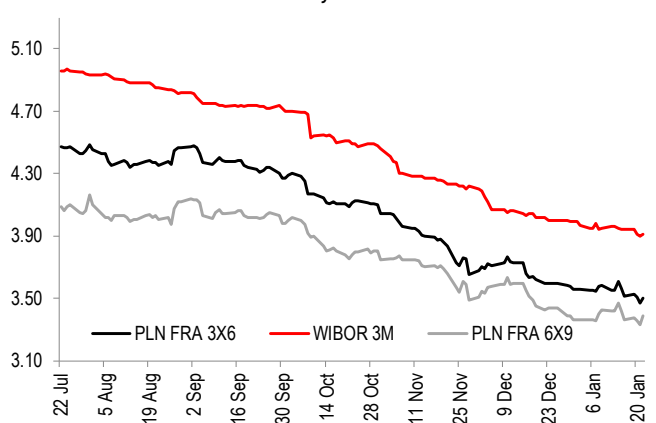
Zloty exchange rate



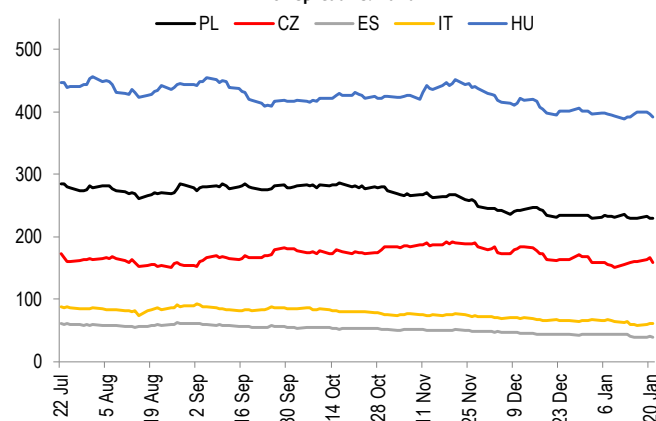
T-bonds yields



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	-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	-0.7	-0.8
10:00	PL	Sold Industrial Output	Dec	% y/y	3.2	2.9	7.3
10:00	PL	Construction Output	Dec	% y/y	-1.0	1.8	4.5
10:00	PL	PPI	Dec	% y/y	-2.2	-2.3	-2.5
10:00	PL	Average Gross Wages	Dec	% y/y	7.0	6.9	8.6
14:30	US	GDP Annualized	3Q	% Q/Q	4.3	4.4	3.8
14:30	US	Initial Jobless Claims	Jan.26	k	209	200	199
14:30	US	Personal Spending	Nov	% m/m	0.5	0.5	0.4
14:30	US	Personal Income	Nov	% m/m	0.4	0.3	0.4
14:30	US	PCE Deflator SA	Nov	% m/m	0.2	0.2	0.3
FRIDAY (23 January)							
09:30	DE	Germany Manufacturing PMI	Jan	pts	47.8	-	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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