

23 January 2026

Weekly Economic Update

More domestic data, the Fed and geopolitics

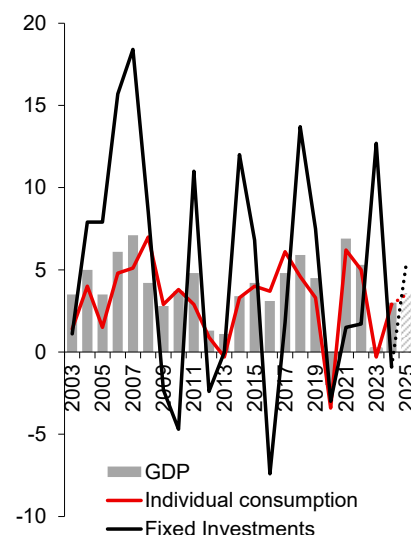
Economy next week

- December statistics for industrial and construction output and corporate wages surprised strongly to the upside, indicating that the domestic economy ended last year in a high gear. How high – this should be clarified by **the preliminary GDP estimate for the whole of 2025**, which the Polish stats office will publish next Friday, 30 January, at a press conference under the charming title “Data on Poland in 2025 – facts, myths, reality”. Our forecast, similar to market consensus, assumes full-year growth of 3.6%. Such an annual result would be consistent with GDP growth in 4Q25 in the 3.8–4.1% y/y range. However, we will only learn the 4Q25 data in February.
- Before that, already on Monday, we will receive **December retail sales** (here we also expect a solid reading, around 5.5% y/y) and **money supply figures** (we predict a slight slowdown in credit and deposit growth, but still at a decent level). Monday will also bring the release of the new NBP Quick Monitoring report, and on Tuesday we will see the Monthly Statistical Bulletin, which will include **the registered unemployment rate for December** (a slight seasonal increase to 5.7% expected).
- Abroad, a number of sentiment indicators will be released, including Germany's Ifo and GfK, the European Commission's ESI, and US consumer confidence according to the Conference Board. The end of the week will bring GDP releases not only in Poland but also across other EU countries, including Czechia, Hungary and Germany.
- The US Federal Reserve will announce its interest rate decision** (Wednesday evening), preceded by decisions from the Bank of Canada, Hungary's MNB and Sweden's Riksbank. Consensus expects interest rates to remain unchanged in all cases. Jerome Powell's press conference will be closely watched, especially following recent actions by the US administration that increased pressure on the Fed's independence.
- According to Scott Bessent, **Donald Trump will name his candidate for the next Fed Chair** in the coming week. In the meantime, the candidate “leaderboard” has shifted again – Kevin Warsh's chances have begun to decline in favour of Rick Rieder of BlackRock (who could be perceived as potentially more dovish).
- Tensions concerning transatlantic relations, fuelled by D. Trump's variable rhetoric about plans to take control of Greenland, somewhat subsided after the US President declared at the Davos forum that the US would not use force against NATO allies and withdrew his threat to impose higher tariffs on EU countries that had expressed solidarity with Denmark. The Greenland issue is moving to the background, at least for the time being, though this does not mean geopolitics will cease to matter for investors. A new chapter in peace discussions on Ukraine is opening – following Trump's meeting with Zelensky in Davos, meetings between Russian, Ukrainian and US delegations are planned in the United Arab Emirates. The topic of Iran may also return after D. Trump announced that he had sent an “armada” of warships towards Iran.

Markets next week

- After a roller-coaster in market sentiment this past week (a rise in global risk aversion early in the week followed by a rebound from Thursday), we assume relative stabilisation in the coming days, provided no unexpected twist occurs in international politics.
- EURPLN, after a temporary rise to around 4.23 at the end of the week, attempted to break below 4.20. Following the weekend, the zloty should be supported by strong retail sales and GDP data; it is less clear how news on Ukraine talks will affect sentiment, given that Russian representatives are not backing down from their hard territorial demands. Overall, zloty volatility remains low and **we assume stabilisation of the EURPLN exchange rate near 4.21**.
- In the bond market, very strong domestic data and the return of global risk appetite caused curve flattening: the short end moved higher, while the long end fell at the end of the week, reversing the move from previous days. Further local data releases may extend this trend next week.

GDP growth and its main components, %



Source: GUS, Santander

Cheat sheet: what different full-year GDP growth rates imply for GDP growth in 4Q25?*

GDP growth in the whole of 2025, %	GDP growth in 4Q25, % y/y
3.4	3.2-3.4
3.5	3.5-3.8
3.6	3.8-4.1
3.7	4.2-4.5

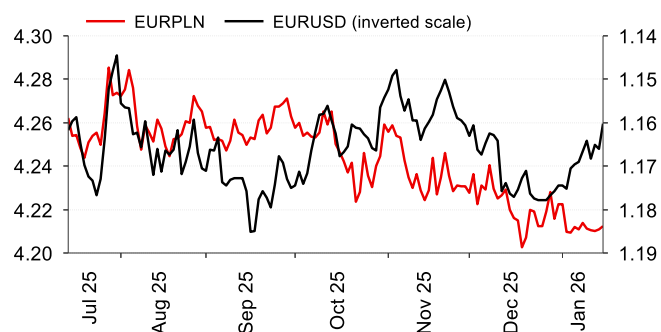
* assuming no revisions to previous quarterly growth rates

Source: Santander

Economic Analysis Department:

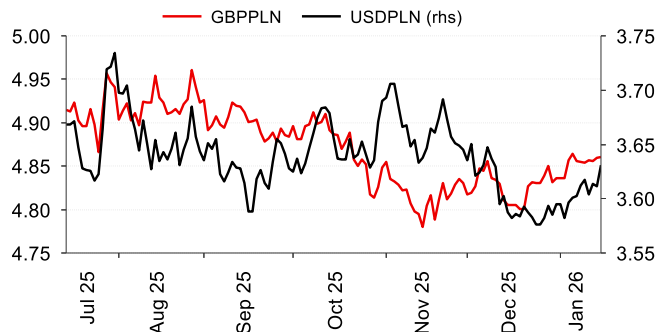
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EURPLN and EURUSD



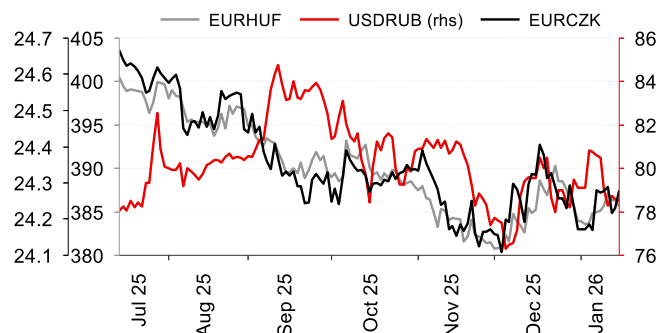
Source: LSEG Datastream, Santander

GBPPLN and USDPLN



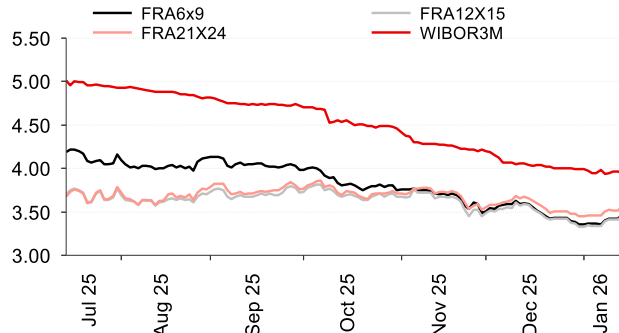
Source: LSEG Datastream, Santander Bank Polska

EURCZK, EURHUF and USDRUB



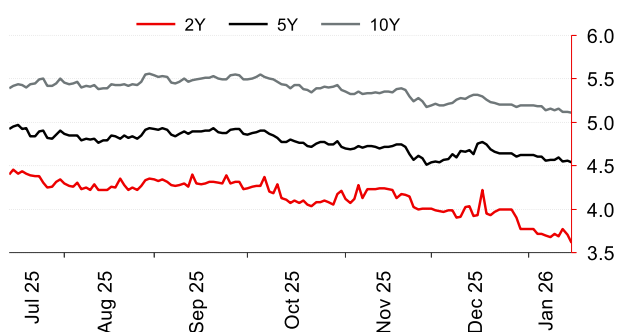
Source: LSEG Datastream, Santander Bank Polska

PLN FRA and WIBOR3M



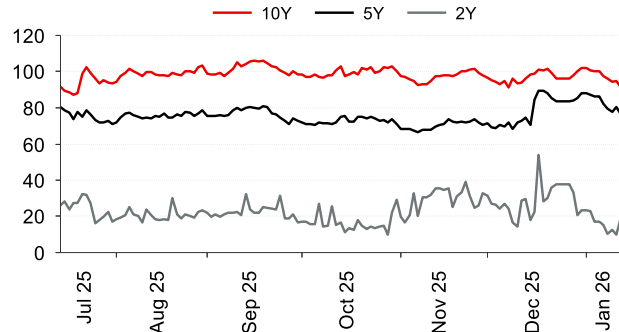
Source: LSEG Datastream, Santander Bank Polska

Polish bond yields



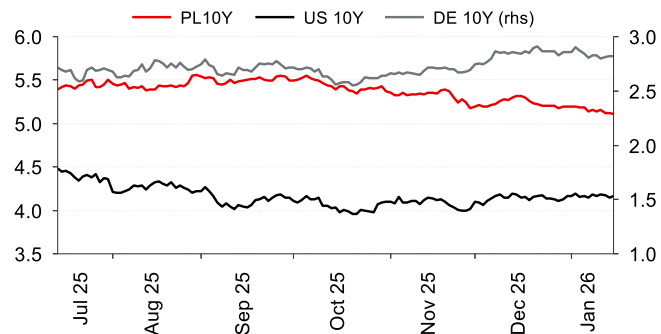
Source: LSEG Datastream, Santander Bank Polska

Asset swap spreads



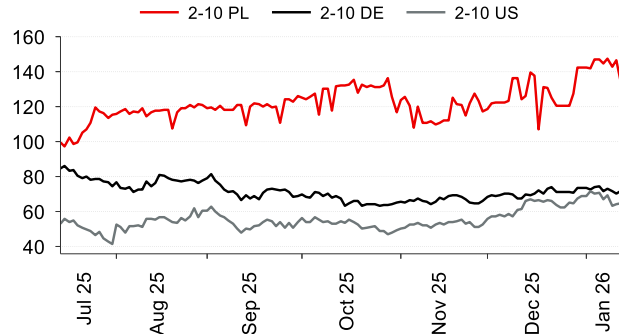
Source: LSEG Datastream, Santander Bank Polska

10Y bond yields



Source: LSEG Datastream, Santander

Steepness of yield curves



Source: LSEG Datastream, Santander Bank Polska

Economic Calendar

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST		LAST VALUE
					MARKET	SANTANDER	
MONDAY (26 January)							
10:00	DE	IFO Business Climate	Jan	pts	88.2	-	87.6
10:00	PL	Retail Sales Real	Dec	% y/y	5.8	5.5	3.1
14:00	PL	Money Supply M3	Dec	% y/y	10.5	10.3	10.6
14:30	US	Durable Goods Orders	Nov	% m/m	3.0	-	-2.2
TUESDAY (27 January)							
10:00	PL	Unemployment Rate	Dec	%	5.7	5.7	5.6
14:00	HU	Central Bank Rate Decision	Jan	%	6.50	-	6.50
16:00	US	Consumer Conference Board	Jan	pts	90.0	-	89.1
WEDNESDAY (28 January)							
20:00	US	FOMC decision	Jan		3.75	-	3.75
THURSDAY (29 January)							
11:00	EZ	ESI	Jan	pct.	97.0	-	96.7
14:30	US	Initial Jobless Claims	week	k	209	-	200
16:00	US	Factory Orders	Nov	% m/m	0.5	-	-1.3
FRIDAY (30 January)							
08:30	HU	GDP	4Q	% y/y	0.9	-	0.6
09:00	CZ	GDP SA	4Q	% y/y	2.5	-	2.8
10:00	PL	GDP	2025	% y/y	3.5	3.6	3.0
10:00	DE	GDP WDA	4Q	% y/y	0.3	-	0.3
11:00	EZ	GDP SA	4Q	% y/y	1.3	-	1.4
11:00	EZ	Unemployment Rate	Dec	%	6.3	-	6.3
14:00	DE	HICP	Jan	% m/m	-0.2	-	0.2

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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