

30 January 2026

Weekly Economic Update

The second meeting of MPC this year

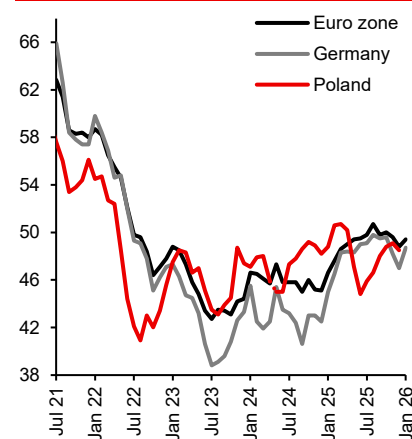
Economy next week

- We end this week with positive news from the Polish economy – in line with our forecast, Poland's GDP grew by 3.6% in 2025, indicating that growth in the final quarter of the year was close to 4%. The upcoming week will be light on domestic data – on Monday we will see the January PMI reading for Polish manufacturing. **On Tuesday the February meeting of the Monetary Policy Council begins, with the decision to be announced on Wednesday afternoon.** A day later, as usual, Adam Glapiński will hold a press conference commenting on the Council's decision. Like much of the market, we expect interest rates to remain unchanged. The strong flow of economic data over the past two weeks strongly supports this view, although some MPC members have stated this month that a rate cut in February is not entirely off the table.
- Abroad, a series of manufacturing and services PMIs for individual European countries will be published, along with the ISM index in the US. On Wednesday, a new ADP labour market report will be released in the US, while Eurostat will publish the first estimate of January inflation for the euro area – for the first time calculated under the slightly revised methodology and incorporating the updated classification of goods and services known as COICOP 2018. In Poland, the January data to be released in mid-February will also be based on the new classification. According to Eurostat's analysis, the impact of the change on the headline inflation rate should be minimal – in the second or third decimal place – while more substantial differences may appear within individual categories of goods and services.
- On Thursday, we will get data on retail sales in the euro area, inflation in Czechia, and industrial orders in Germany. The ECB and the CNB will announce their interest rate decisions – in both cases interest rates are likely to remain unchanged. On Friday, industrial production data for Germany, Hungary and Czechia will be published, while **in the US the key releases will be non-farm payrolls and the unemployment rate.**
- As previously announced, **Donald Trump today named his candidate for the next Chair of the Fed – Kevin Warsh.** The change will not take place immediately, as Jerome Powell's term ends only on 15 May. Warsh is a former Fed governor who served on the Board between 2006 and 2011; he is currently a lecturer at Stanford University and also works in business, advising the management bodies of several companies. His views on monetary policy are described as more hawkish than dovish; he is known for his criticism of some of the Fed's actions, although according to Trump he is now supportive of further rate cuts in the US.
- Geopolitical themes quietened somewhat last week, although another Ukraine-Russia-USA meeting aimed at shaping a peace agreement is reportedly planned soon. Tensions also remain high in Iran, towards which the US President has repeatedly directed threats of intervention – prompting Iranian authorities to respond with declarations of readiness for counteroffensives

Markets next week

- EURPLN, The Polish zloty managed to maintain its strong position throughout the week, with **EURPLN moving only slightly within the 4.20–4.21 range**, depending on temporary strengthening or weakening of the US dollar. Last weekend's events in Minneapolis, which triggered widespread riots and protests, increased investor uncertainty, and EURUSD reached levels unseen for several years, nearing 1.20. Strong Polish GDP data provide a foundation for the zloty to remain firm in the coming week, and a change in this setup is possible only if new geopolitical twists emerge or if the MPC surprises the market by opting for a rate cut after all.
- Polish government bond yields moved very little throughout the week and are 3–6bp lower than a week ago. IRS and FRA rates, on the other hand, edged slightly higher by 1–2bp. In the first half of the new week, their quotations will likely remain stable as markets await Wednesday's MPC decision. Given how sharply Polish government bond yields have fallen throughout January (by around 20bp for 2-year and 5-year bonds), **we see limited room for further declines.**

Manufacturing PMIs, pts

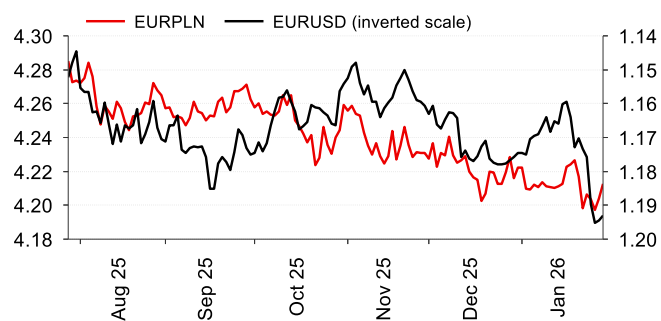


Source: S&P Global, Santander

Economic Analysis Department:

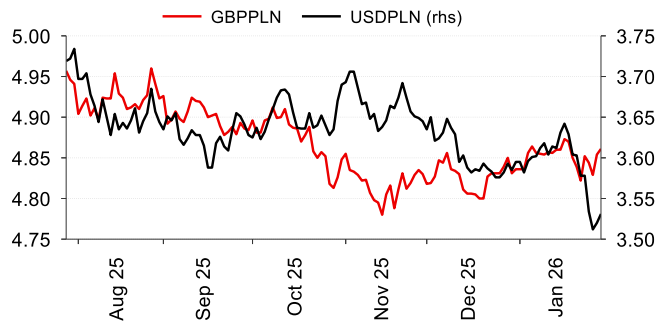
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EURPLN and EURUSD



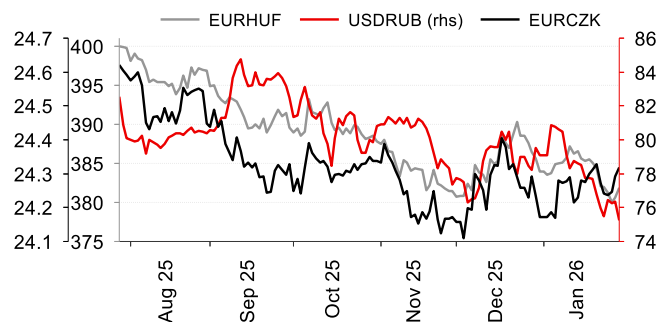
Source: LSEG Datastream, Santander

GBPPLN and USDPLN



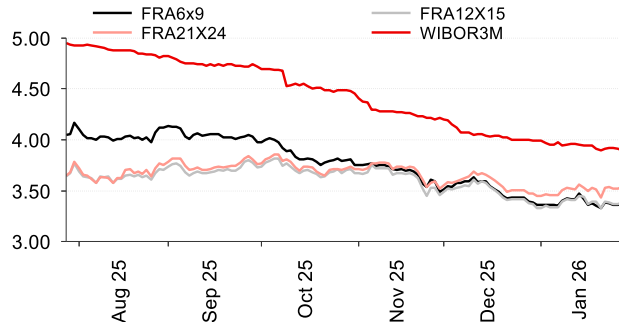
Source: LSEG Datastream, Santander Bank Polska

EURCZK, EURHUF and USDRUB



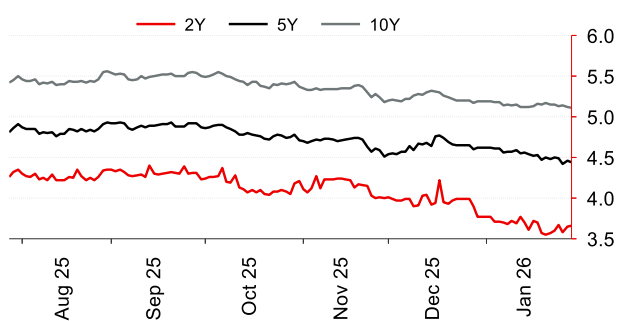
Source: LSEG Datastream, Santander Bank Polska

PLN FRA and WIBOR3M



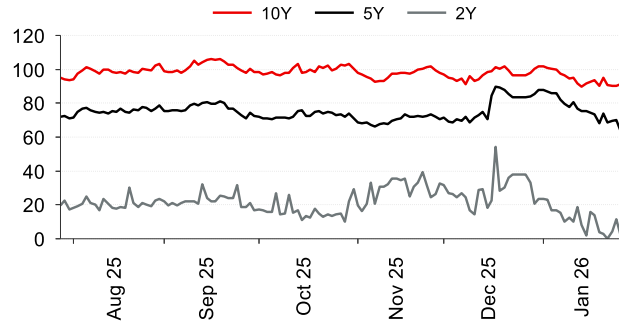
Source: LSEG Datastream, Santander Bank Polska

Polish bond yields



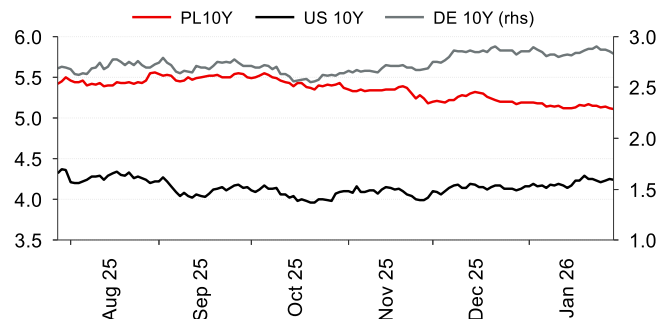
Source: LSEG Datastream, Santander Bank Polska

Asset swap spreads



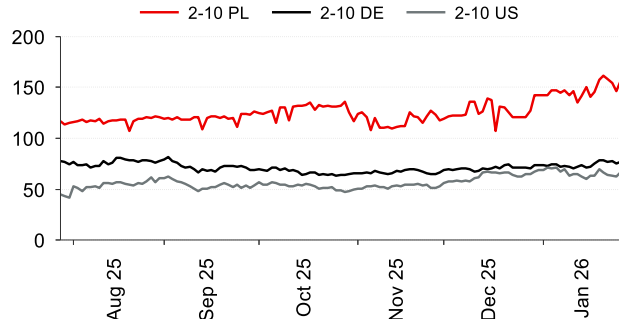
Source: LSEG Datastream, Santander Bank Polska

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 (2 February)						
08:00	DE	Retail Sales	Dec	% m/m	-0.2	-0.3
09:00	PL	Poland Manufacturing PMI	Jan	pts	49.2	48.9 48.5
09:55	DE	Germany Manufacturing PMI	Jan	pts	48.7	48.7
10:00	EZ	Eurozone Manufacturing PMI	Jan	pts	-49.4	49.4
16:00	US	ISM manufacturing	Jan	pts	48.5	47.9
WEDNESDAY (4 February)						
	PL	MPC decision		%	4.00	4.00 4.00
02:45	CN	Caixin China PMI Services	Jan	pts	51.9	52.0
09:55	DE	Markit Germany Services PMI	Jan	pts	53.3	53.3
10:00	EZ	Eurozone Services PMI	Jan	pts	51.9	51.9
11:00	EZ	Flash HICP	Jan	% y/y	1.7	2.0
14:15	US	ADP report	Jan	k	45	41.0
16:00	US	ISM services	Jan	pts	53.5	53.8
THURSDAY (5 February)						
08:00	DE	Factory Orders	Dec	% m/m	-2.5	5.6
09:00	CZ	CPI	Jan	% y/y	1.6	2.1
11:00	EZ	Retail Sales	Dec	% m/m	-0.1	0.2
14:15	EZ	ECB Main Refinancing Rate	Feb.26	%	2.15	2.15
14:30	US	Initial Jobless Claims	Jan.26	k	215	209
14:30	CZ	Central Bank Rate Decision	Feb.26	%	3.50	3.50
FRIDAY (6 February)						
08:00	DE	Exports SA	Dec	% m/m	1.3	-2.5
08:00	DE	Industrial Production SA	Dec	% m/m	-0.3	0.8
08:30	HU	Industrial Production SA	Dec	% y/y	-1.1	-5.4
09:00	CZ	Industrial Production	Dec	% y/y	-5.2	-0.3
14:30	US	Change in Nonfarm Payrolls	Jan	k	65.0	50.0
14:30	US	Unemployment Rate	Jan	%	4.4	4.4
16:00	US	Michigan index	Feb	pts	55.0	56.4

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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