

Eyeopener

MPC extended a pause in monetary easing

Today, ECB and CNB decisions, conference of NBP governor

MPC kept interest rates on hold, as expected

Polish złoty strengthened, market rates inched up after the MPC decision

Today, NBP Governor Adam Glapiński holds a press conference, commenting yesterday's MPC decision. Abroad, we will see inflation data in Czechia and retail sales in the euro area. Interest rate decisions will be taken by the central banks of the euro area and Czechia—in both cases, the market expects rates to remain unchanged. In the US, weekly jobless claims data will be released. Germany's industrial orders data published this morning turned out to be significantly better than forecasts, rising by nearly 8% m/m.

The MPC kept interest rates unchanged for the second time in a row. The decision was in line with market consensus, however in recent days the number of analysts and market players betting on a rate cut this month has been increasing—so the market reacted to the decision with PLN strengthening and some rebound in FRAs. We saw very few reasons for a rate cut in February, as the central bank has received no single piece of new information about inflation since the previous meeting (as there are no flash CPI data releases at the start of the year), while data on real economy were surprisingly strong (output, wages, GDP). The official post-meeting statement seemed to downplay the surprisingly high wage growth in December and suggested that the most recent information herald a possible CPI decline in 1Q26, while in the following quarters it should remain consistent with the inflation target. It sounds like a dovish forward guidance, signalling that the room for further policy easing is still there. We will learn more today from the NBP governor's conference. For now, we keep our view that the next 25bp rate cut is very likely in March—after the MPC will see a drop in January's CPI below 2% y/y and the update of the new NBP projections. Then we anticipate one more cut in May, to 3.5%, and stabilisation of the reference rate at this level.

Fitch expects at most one 25 bp NBP rate cut this year. During the presentation of the "2026 Global Macroeconomic Outlook" report, the analyst Milan Trajkovic pointed to the deterioration in Poland's public finances, including a high projected general government deficit of around 7% in 2026, with only a slight decline envisaged in subsequent years. On the other hand, he emphasised that the Polish economy is growing at a solid pace, broadly in line with earlier expectations, which for now offsets fiscal risks. He also added that a downgrade following the assignment of a negative outlook does not occur automatically and usually not earlier than after 1–2 years, and could happen "if the government failed to implement additional consolidation measures, in the event of a slowdown in GDP growth or a sharp rise in debt servicing costs".

The Minister of Funds and Regional Policy, Katarzyna Petczyńska Nałęcz, said on Polish Radio 1 that **it will be impossible to invest 100% of the funds from the National Recovery Plan (NRP) due to the delayed start of the programme in Poland**. The total amount in question is EUR54.7bn, including EUR25.3bn in grants and EUR29.4bn in preferential loans. So far—according to our estimates—around one third of the NRP grants has been utilised; therefore, we assume an acceleration in the disbursement of funds this year, which should provide a strong investment impulse to the economy. If the non use of the above funds is significant, it could weigh on GDP growth this year relative to expectations.

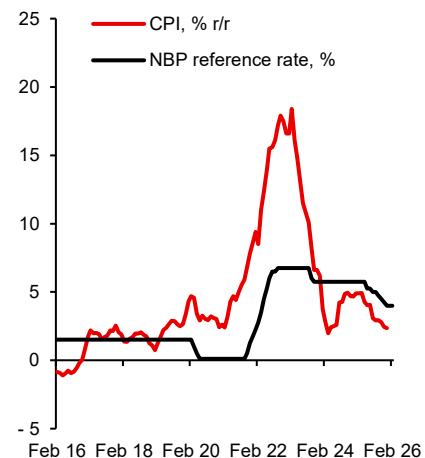
The final January services PMI in Germany turned out weaker than initially estimated (52.4 pts instead of 53.3 pts), and was also lower than the December reading (52.7 pts). In the euro area, the analogous index came in at 51.6 pts, also below the flash estimate (51.9 pts), after 52.4 pts a month earlier. The US services ISM index stood at 53.8 pts in January, unchanged from the previous month (after a downward revision), while the market had expected a decline to 53.5 pts. According to the ADP report, private sector employment in the US rose by 22k jobs in January, weaker than expectations (45k) and after a gain of 37k a month earlier.

Euro area inflation came in in line with expectations, easing from 2.0% y/y in December to 1.7% y/y in January. A reading consistent with market consensus suggests that the methodological changes introduced (changes and an expansion of the classification of surveyed goods and services) did not materially affect inflation measurement at the euro area level. Prices continued to rise most strongly—albeit slightly more slowly than before—in services (3.2% y/y versus 3.4% a month earlier), while base effects again led to a marked decline in energy price inflation (-4.1% y/y after -1.9% y/y in December). Food prices increased by 2.7% y/y (up by 0.2 pp), while prices of other industrial goods remained relatively stable (0.4% y/y, after 0.3% y/y in December).

During the first half of yesterday's session, the Polish złoty was stable, and after the MPC decision it strengthened by 0.2%. Some investors had apparently been positioning for a rate cut; as a result, the unchanged reference rate supported the Polish currency, and EURPLN slipped to 4.215. The Hungarian forint strengthened slightly yesterday, bringing EURHUF down to 380.0, while the Czech koruna weakened marginally, with EURCZK moving to 24.37.

In the debt market, in line with our expectations, a mild correction took place, particularly in market interest rates. Yields on Polish government bonds rose by 1–2 bp; meanwhile, IRS rates increased by 4–5 bp and FRA rates by 5–6 bp. In core markets, German bond yields fell by 2–3 bp.

CPI vs main reference rate in Poland



Source: NBP, GUS, Santander

Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa
email: ekonomia@santander.pl

website: santander.pl/en/economic-analysis

Piotr Bielski +48 691 393 119

Bartosz Biały +48 517 881 807

Adrian Domitrz +48 571 664 004

Marcin Lubiński +48 510 027 662

Grzegorz Ogonek +48 609 224 857

FX market

Today's opening

EURPLN	4,2172	CZKPLN	0,1721
USDPLN	3,5732	HUFPLN*	1,0977
EURUSD	1,1801	RONPLN	0,8283
CHFPLN	4,5236	NOKPLN	0,3695
GBPPLN	4,8928	DKKPLN	0,5625
USDCNY	6,9392	SEKPLN	0,3996

*for 100HUF

Last session in the FX market

	min	max	open	close	fixing
EURPLN	4,2123	4,2270	4,2232	4,2158	4,2241
USDPLN	3,5642	3,5794	3,5694	3,5716	3,5755
EURUSD	1,1789	1,1838	1,1833	1,1802	

Interest rate market

04.02.2026

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	3,53	-11
PS0131 (5L)	4,42	1
DS1035 (10L)	5,11	1

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	3,58	4	3,76	-1	2,18	-1
2L	3,57	4	3,66	-1	2,24	-2
3L	3,62	4	3,69	-1	2,34	-1
4L	3,71	4	3,75	0	2,43	-3
5L	3,79	4	3,82	0	2,52	-3
8L	4,06	3	4,04	1	2,75	-3
10L	4,23	3	4,15	1	2,88	-1

WIBOR rates

Term	%	Change (bps)
O/N	3,97	1
SW	4,03	-1
1M	4,04	1
3M	3,89	0
6M	3,78	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3,82	9
3x6	3,49	4
6x9	3,38	4
9x12	3,37	5
3x9	3,50	8
6x12	3,39	4

CDS rates and 10Y yield spread vs. German Bund

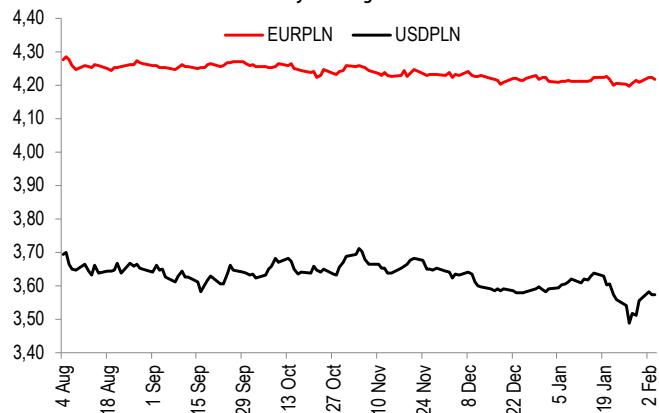
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	56	0	224	4
France	12	0	59	1
Hungary	98	0	366	-1
Spain	17	0	37	0
Italy	11	0	62	0
Portugal	9	0	36	0
Ireland	9	0	9	0
Germany	4	0	-	-

* 10Y treasury bonds over 10Y Bunds

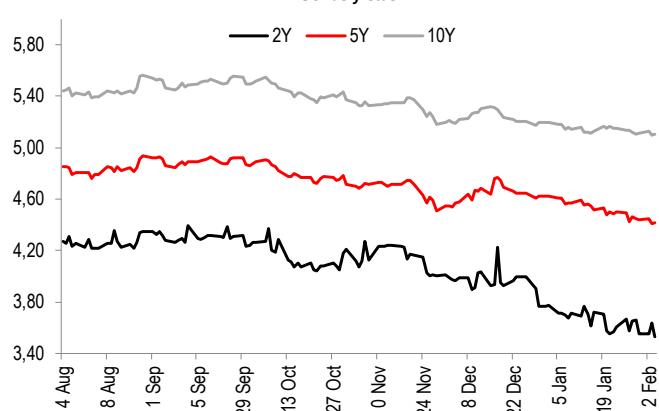
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

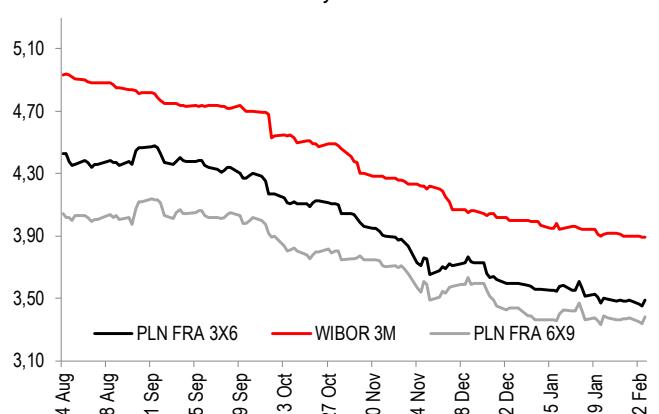
Zloty exchange rate



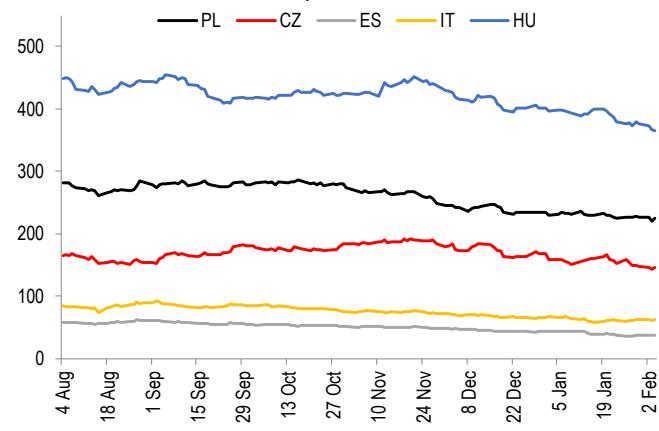
T-bonds yields



3M money market rates



10Y spread vs. Bund



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST MARKET	FORECAST SANTANDER	ACTUAL VALUE	LAST VALUE*
FRIDAY (30 January)							
08:30	HU	GDP	4Q	% y/y	0.8	0.7	0.6
09:00	CZ	GDP SA	4Q	% y/y	2.5	2.4	2.8
10:00	PL	GDP	2025	% y/y	3.5	3.6	2.9
10:00	DE	GDP WDA	4Q	% y/y	0.3	0.4	0.3
11:00	EZ	GDP SA	4Q	% y/y	1.3	1.3	1.4
11:00	EZ	Unemployment Rate	Dec	%	6.3	6.2	6.3
14:00	DE	HICP	Jan	% m/m	-0.2	-0.1	0.2
MONDAY (2 February)							
08:00	DE	Retail Sales	Dec	% m/m	0.1	0.1	-0.5
09:00	PL	Poland Manufacturing PMI	Jan	pts	49.1	48.9	48.8
09:55	DE	Germany Manufacturing PMI	Jan	pts	48.7	49.1	47.0
10:00	EZ	Eurozone Manufacturing PMI	Jan	pts	49.4	49.5	48.8
16:00	US	ISM manufacturing	Jan	pts	48.5	52.6	47.9
TUESDAY (3 February)							
no data releases							
WEDNESDAY (4 February)							
PL	MPC decision			%	4.00	4.00	4.00
02:45	CN	Caixin China PMI Services	Jan	pts	51.9	52.3	52.0
09:55	DE	Markit Germany Services PMI	Jan	pts	53.3	52.4	52.7
10:00	EZ	Eurozone Services PMI	Jan	pts	51.9	51.6	52.4
11:00	EZ	Flash HICP	Jan	% y/y	1.7	1.7	2.0
14:15	US	ADP report	Jan	k	45	22	37
16:00	US	ISM services	Jan	pts	53.5	53.8	53.8
THURSDAY (5 February)							
08:00	DE	Factory Orders	Dec	% m/m	-2.5	7.8	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	-	209.0
14:30	CZ	Central Bank Rate Decision	Feb.26		3.50	-	3.5
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

* in the case of a revision the data is updated

This publication has been prepared by Santander Bank Polska S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Santander Bank Polska S.A. its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Santander Bank Polska S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Santander Bank Polska S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication. Additional information is available on request. Please contact Santander Bank Polska S.A., Financial Management Division, Economic Analysis Department. al. Jana Pawła II 17, 00-854 Warsaw, Poland. phone +48 22 534 18 87, email ekonomia@santander.pl, <http://www.santander.pl>.