

06 February 2026

MACROscope Lite

Winter bites, but the economy runs hot

■ In European industry we are seeing signs of a recovery, suggesting that domestic exporters may enjoy a modest tailwind this year, not least due to the acceleration of the German economy. Domestic data confirm rising activity across most sectors. Demand for credit is clearly increasing. We continue to expect solid consumption growth to be maintained and a strong acceleration in investment. On the other hand, an exceptionally harsh winter is generating additional costs for household and local government budgets, which over time may weigh on their spending, while delays in the disbursement of funds from the Recovery and Resilience Facility mean that even the government is now pointing to the risk that grants may not be fully utilised. As a result, **we keep our GDP forecast for this year broadly unchanged, with average growth at 3.9%.**

■ The new year has nevertheless begun with a rise in uncertainty on several fronts: geopolitical (a temporary escalation of tensions around Venezuela and Greenland in January, more recently around Iran), economic (further US threats of higher tariffs, rising commodity prices), and market-related (a sharp sell-off in metals, cryptocurrencies and technology stocks). We remain moderately optimistic about the economic outlook for the coming quarters – on the one hand, there is still much to suggest that 2026 will be better than the previous year; on the other, risk factors are visible on the horizon, arguing against overly aggressive forecast revisions.

■ We are revising our inflation forecast downwards, reflecting lower-than-expected outcomes at the end of last year (2.4% in December) and at the start of this year – in January we expect CPI to fall to 1.7% y/y, among other things due to low fuel prices. That said, the rebound in oil and gas prices and heating costs, linked inter alia to the geopolitical situation and the harsh winter, limits the scope for a further decline in CPI growth in the short term. Later in the year we expect inflation to gradually return towards the target; nevertheless, **the lower starting point shifts our average annual inflation forecast to 2.0%**, down by 0.5pp compared with the December report (year-end CPI revised from 3.0% to 2.6% y/y), while our forecast for average core inflation remains unchanged, at 2.3% on average for the year and 2.7% y/y at the end of December.

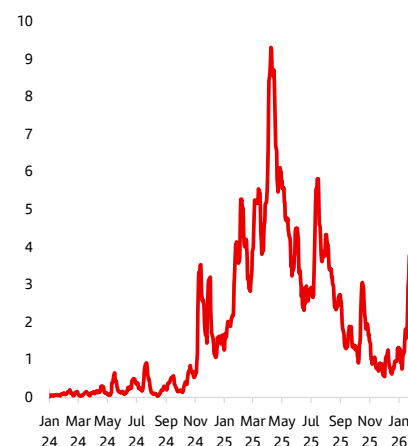
■ The central bank has started the year with a pause in monetary easing, awaiting new data and information. A drop in inflation below 2% in 1Q will most likely prompt the Monetary Policy Council to resume interest rate cuts. **We continue to expect the NBP reference rate to bottom out at 3.5%** after two further 25bp cuts. The next one is likely to come as early as March, when the MPC reviews the results of the new NBP projection and the first estimate of January inflation. Until now we had expected the next move in May, but we are shifting this forecast to April, judging that two consecutive months with CPI clearly below 2% will be a sufficient argument for the MPC to complete the cycle. The door to a larger scale of rate cuts could open if inflation continues to surprise on the downside in the coming months, rather than fluctuating close to the NBP target.

■ February began with an increase in volatility in financial markets. Prices of precious metals and cryptocurrencies saw a sharp correction. A significant sell-off also affected the shares of some companies on global stock exchanges (including the IT sector). For now, however, this does not resemble a typical, broad-based wave of risk aversion, but rather a repricing of selected asset classes. In particular, the domestic FX and bond markets, as well as the Polish equity market, have remained exceptionally resilient to shifts in sentiment.

■ The zloty strengthened in the first weeks of the year and then stabilised near 4.22 per euro. **For the remainder of the year we continue to assume relative exchange-rate stability**, with a bias towards a return of EURPLN towards 4.25 rather than a move lower, among other things due to a slightly declining real interest rate and a widening foreign trade deficit.

■ **We believe that the scope for a decline in bond yields at the long end of the curve has largely been exhausted**, given the expected further rise in yields in core markets and the absence of any prospect of fiscal consolidation domestically. The upcoming reviews of Poland's sovereign rating (Fitch on 27 February, Moody's on 20 March) are unlikely to bring any changes, but the autumn round will carry a higher risk of rating downgrades unless the government presents plans to reduce the deficit – which appears unlikely in the context of the approaching election campaign.

Bloomberg US Trade Policy Uncertainty Index



Source: Bloomberg, Santander

Recently released Economic Comments:

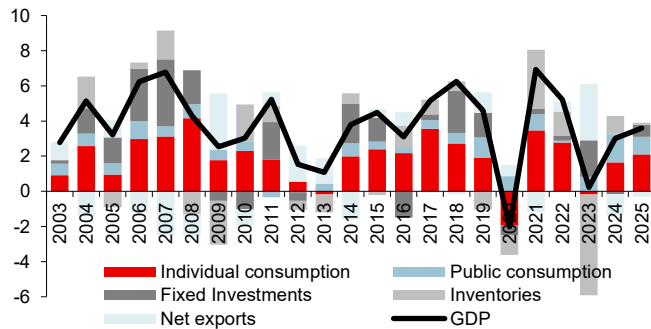
- Rates on hold, as no new inflation data was available
- GDP remains on an upward trend
- A decent end of the year for retail sales
- A strong year-end economic upswing
- Services export: Europe may help, AI may hurt
- Inflation finished the year below the target

Economic Analysis Department:

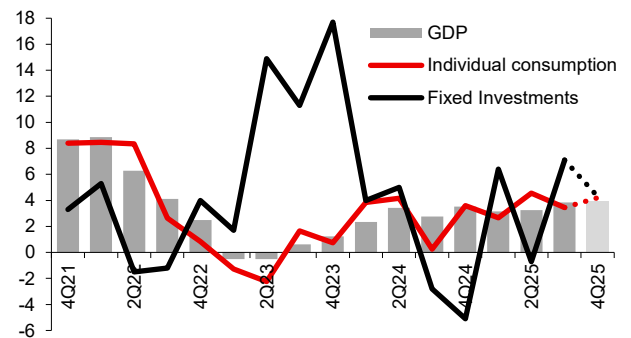
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Economy in charts

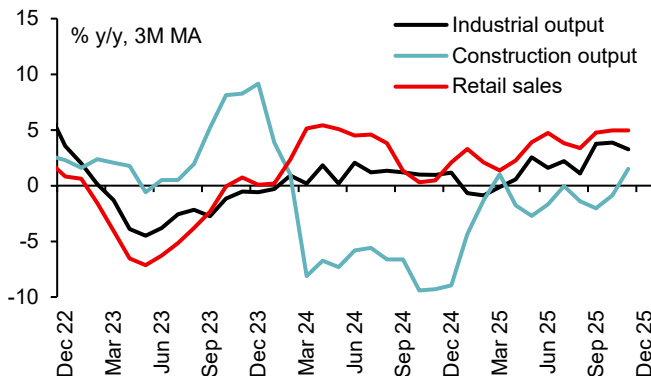
2025 GDP advanced by 3.6%, mostly thanks to robust private and public consumption



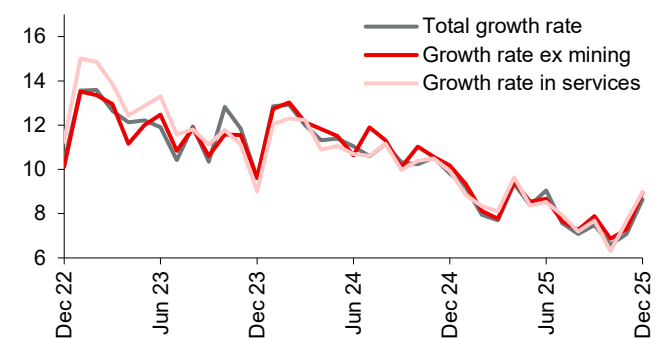
Annual data suggest that 4Q25 could have printed 4.0% y/y, with strong consumption and moderate investment



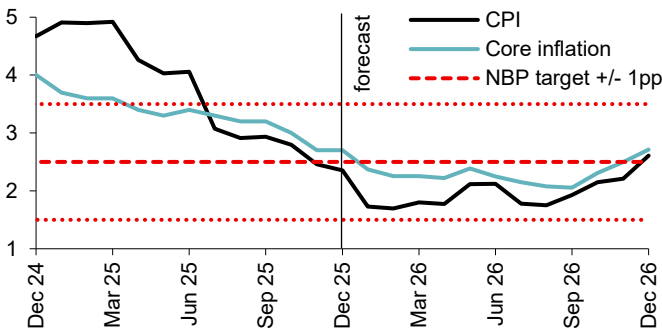
December real economy data were pretty strong



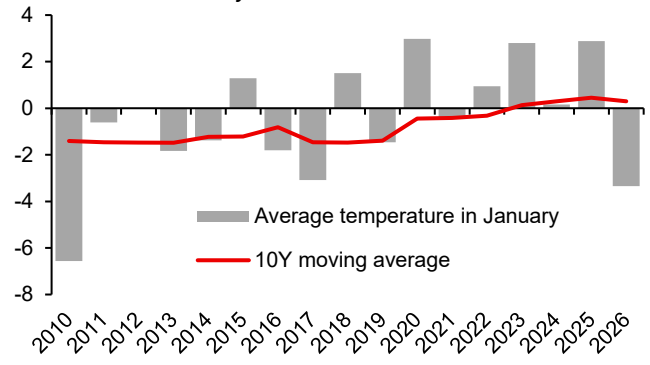
Wages accelerated visibly at the year-end, in our view only temporarily



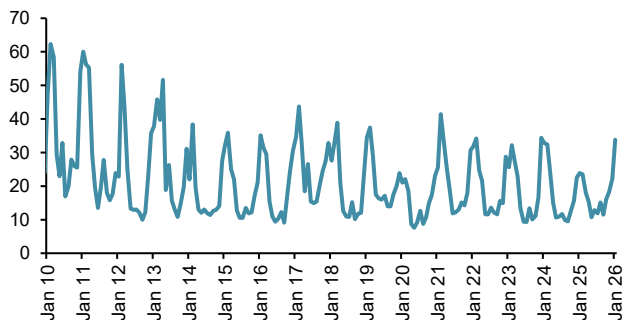
Which helped the MPC leave rates unchanged in February. However, later CPI is likely to slide below 2%



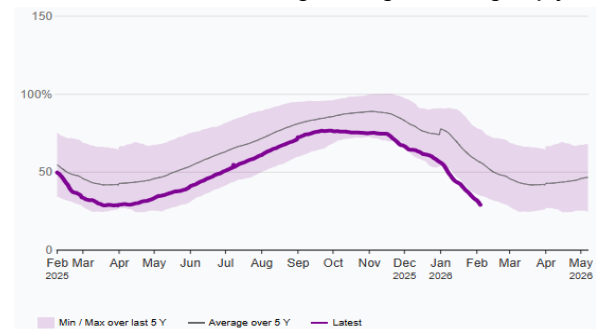
This January has been the coldest since 2010



Construction companies pointed to weather condition as a growth barrier much often than a year before, but similarly as earlier

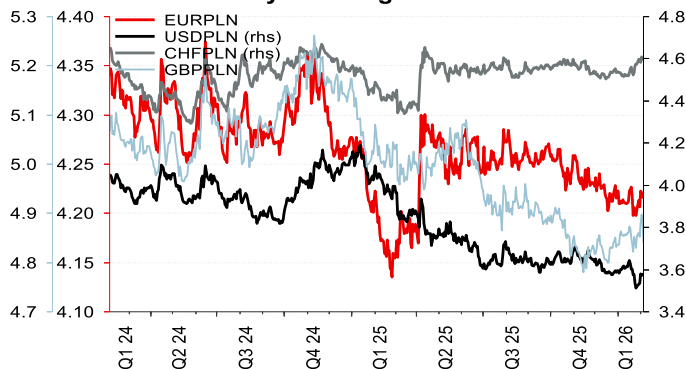


But German natural gas storage is running empty



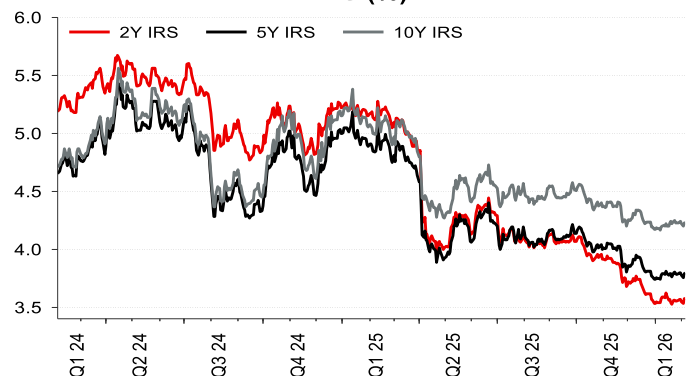
Markets in charts

Zloty exchange rates



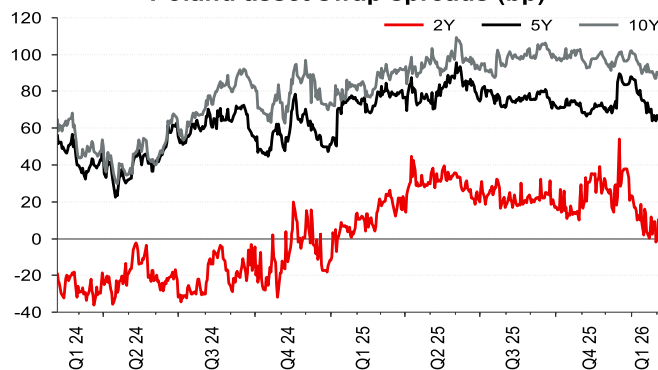
Source: LSEG Datastream, Santander

IRS (%)



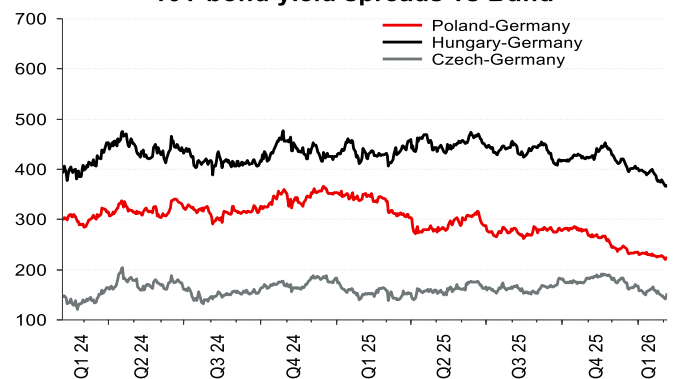
Source: LSEG Datastream, Santander

Poland asset swap spreads (bp)



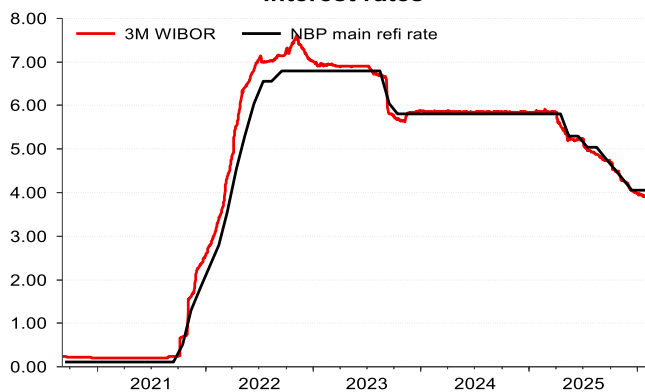
Source: LSEG Datastream, Santander

10Y bond yield spreads vs Bund



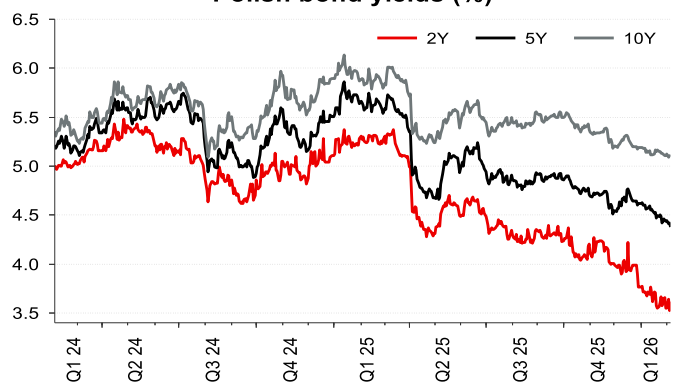
Source: LSEG Datastream, Santander

Interest rates



Source: LSEG Datastream, Santander

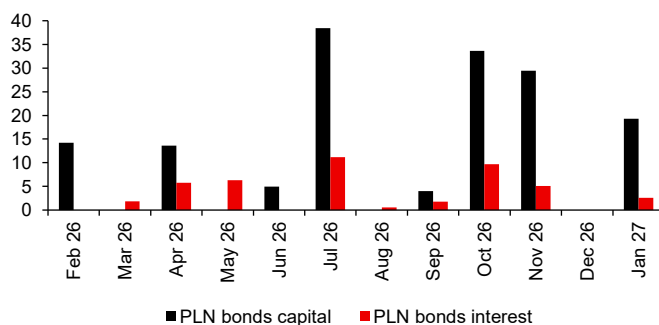
Polish bond yields (%)



Source: LSEG Datastream, Santander

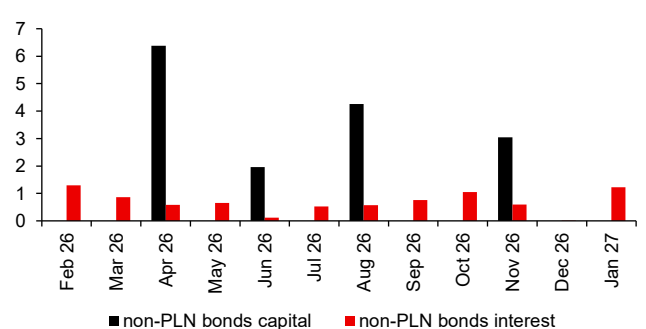
Principal and interest payments

PLN-denominated bond redemptions and interest payments, PLNbn



Source: Ministry of Finance, Santander

FX denominated bond redemptions and interest payments, PLNbn



Source: Ministry of Finance, Santander

Economic Calendar

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
2 February PL: PMI manufacturing (Jan) DE: PMI manufacturing – fin. (Jan) EZ: PMI manufacturing – fin. (Jan) US: ISM manufacturing (Jan)	3 No releases	4 PL: MPC rate decision DE: PMI services – fin. (Jan) EZ: PMI services – fin. (Jan) EZ: HICP inflation (Jan) US: ISM services (Jan)	5 DE: Factory orders (Dec) EZ: Retail sales (Dec) EZ: ECB rate decision	6 PL: MPC minutes DE: Industrial output (Dec) DE: Export (Dec) US: Nonfarm payrolls (Jan) US: Unemployment (Jan) US: Michigan index (Feb)
9 No releases	10 US: Retail sales (Dec)	11 US: CPI inflation (Jan)	12 PL: GDP 4Q25 HU: CPI inflation (Jan) US: Existing home sales (Jan)	13 PL: CPI inflation (Jan) PL: Balance of payments (Dec) CZ: CPI inflation – fin. (Jan) EZ: GDP 4Q25
16 EZ: Industrial output (Dec)	17 DE: CPI inflation – fin. (Jan) DE: ZEW (Feb) US: Retail sales (Jan)	18 PL: Consumer confidence (Feb) US: Durable goods orders (Dec) US: Housing starts (Dec) US: Building permits (Dec) US: Industrial output (Jan) US: FOMC minutes	19 PL: Wages (Jan) PL: Employment (Jan) PL: Industrial output (Jan) PL: Construction output (Jan) PL: PPI (Jan) EZ: Construction output (Dec) US: Pending home sales (Jan)	20 DE: PMI manufacturing (Feb) DE: PMI services (Feb) EZ: PMI manufacturing (Feb) EZ: PMI services (Feb) US: Personal income (Dec) US: Personal spending (Dec) US: PCE inflation (Dec) US: GDP 4Q25 US: New home sales (Dec) US: Michigan index – fin. (Feb)
23 PL: Retail sales (Jan) PL: Money supply (Jan) DE: Ifo index (Feb) US: Factory orders (Dec) US: Durable goods orders (Dec)	24 PL: Unemployment (Jan) HU: MNB rate decision US: Conference Board (Feb)	25 DE: GDP 4Q25 EZ: HICP inflation – fin. (Jan)	26 EZ: ESI (Feb)	27 PL: Fitch rating review DE: CPI Inflation (Feb)

Source: GUS, NBP, Ministry of Finance, Bloomberg

Calendar of MPC meetings and data releases for 2026

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ECB decision		5	19	30		11	23		10	29		17
Fed decision	28		18	29		17	29		16	28		9
MPC decision	14	4	4	9	6	10	8		2	7	4	2
MPC minutes	16	6	6	13	8	12	10	27		9	6	4
Flash GDP*		12										
GDP*			2									
CPI	15	13	13									
Core inflation	16											
PPI	22	19	19									
Industrial output	22	19	19									
Retail sales	26	23	23									
Gross wages, employment	22	19	19									
Foreign trade	16	16	13									
Balance of payments*			31									
Balance of payments	13	13	16									
Money supply	26	23	23	23	25							

Source: GUS, NBP, Ministry of Finance, * quarterly data

Economic data and forecasts for Poland

Monthly economic indicators

		Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26
PMI	pts	48.8	50.6	50.7	50.2	47.1	44.8	45.9	46.6	48.0	48.8	49.1	48.5	48.8	49.0
Industrial production	% y/y	-0.9	-1.9	2.4	1.2	4.0	-0.4	3.0	0.7	7.6	3.3	-1.1	7.3	2.8	3.9
Construction production	% y/y	4.2	-0.1	-1.0	-4.2	-2.9	2.1	0.7	-7.0	0.2	4.2	0.1	4.5	-2.5	-0.7
Retail sales (current prices)	% y/y	4.9	-0.5	-0.3	7.6	4.4	2.2	4.8	3.1	6.4	5.4	3.1	5.3	2.0	3.1
Unemployment rate	%	5.4	5.4	5.3	5.2	5.0	5.2	5.4	5.5	5.6	5.6	5.6	5.7	6.0	6.1
Gross wages in corporate sector	% y/y	9.2	7.9	7.7	9.3	8.4	9.0	7.6	7.1	7.5	6.6	7.1	8.6	7.2	7.4
Employment in corporate sector	% y/y	-0.9	-0.9	-0.9	-0.8	-0.8	-0.8	-0.9	-0.8	-0.8	-0.8	-0.8	-0.7	-0.7	-0.7
Exports (€)	% y/y	2.7	1.2	3.9	-0.6	5.5	3.3	3.5	-0.9	6.2	5.5	2.7	7.8	5.9	3.8
Imports (€)	% y/y	10.4	4.0	10.5	7.6	7.3	1.9	2.7	-1.0	7.4	2.9	3.1	8.6	6.5	4.9
Trade balance	EUR mn	-868	-620	-1 551	-1 509	-1 617	-113	-982	-2 075	-943	443	-1 087	-2 371	-1 105	-933
Current account balance	EUR mn	-35	115	-1 136	88	-711	-262	-1 571	-2 239	-408	2 053	-460	-2 534	-216	-156
Current account balance	% GDP	0.1	-0.1	-0.4	-0.5	-0.6	-0.7	-0.8	-0.8	-0.8	-0.6	-0.7	-0.8	-0.8	-0.8
CPI	% y/y	4.9	4.9	4.9	4.3	4.0	4.1	3.1	2.9	2.9	2.8	2.5	2.4	1.7	1.7
CPI excluding food and energy	% y/y	3.7	3.6	3.6	3.4	3.3	3.4	3.3	3.2	3.2	3.0	2.7	2.7	2.4	2.3
PPI	% y/y	-1.0	-1.3	-1.0	-1.6	-1.5	-1.5	-1.3	-1.3	-1.4	-2.2	-2.3	-2.5	-2.5	-2.3
Broad money (M3)	% y/y	9.4	9.1	10.3	10.4	10.3	10.5	10.8	11.1	11.1	10.6	10.6	10.4	10.5	10.2
Deposits	% y/y	9.1	8.8	10.2	10.1	9.8	10.3	10.3	10.6	10.4	9.8	9.7	9.6	10.1	9.7
Loans	% y/y	4.7	5.2	5.1	5.5	5.4	4.7	5.1	5.1	4.9	4.8	5.9	5.7	6.5	6.2
EUR/PLN	PLN	4.25	4.17	4.18	4.27	4.25	4.27	4.25	4.26	4.26	4.25	4.24	4.23	4.21	4.22
USD/PLN	PLN	4.10	4.01	3.87	3.80	3.77	3.70	3.64	3.67	3.63	3.65	3.67	3.61	3.59	3.57
CHF/PLN	PLN	4.51	4.43	4.38	4.55	4.55	4.55	4.56	4.54	4.56	4.58	4.56	4.53	4.54	4.59
Reference rate *	%	5.75	5.75	5.75	5.75	5.25	5.25	5.00	5.00	4.75	4.50	4.25	4.00	4.00	4.00
3M WIBOR	%	5.85	5.87	5.85	5.57	5.26	5.22	5.02	4.88	4.75	4.56	4.28	4.05	3.94	3.91
Yield on 2-year T-bonds	%	5.24	5.27	5.21	4.48	4.55	4.59	4.37	4.26	4.31	4.15	4.15	3.96	3.67	3.58
Yield on 5-year T-bonds	%	5.69	5.63	5.59	4.86	4.96	5.11	4.89	4.83	4.90	4.80	4.68	4.64	4.53	4.47
Yield on 10-year T-bonds	%	5.97	5.87	5.91	5.35	5.45	5.57	5.41	5.44	5.51	5.44	5.32	5.23	5.15	5.13

Note: * at the end of the period.

Source: GUS, NBP, Finance Ministry, Santander Bank Polska estimates.

Quarterly and annual economic indicators

		2023	2024	2025	2026	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
GDP	PLN bn	3,415.3	3,653.4	3,882.8	4,107.0	893.2	928.3	970.6	1,082.5	945.8	981.5	1,026.3	1,145.9
GDP	% y/y	0.2	3.0	3.6	3.9	3.2	3.3	3.8	3.9	4.1	3.9	4.0	3.8
Domestic demand	% y/y	-3.0	4.5	4.0	5.2	4.3	4.1	3.7	3.1	5.0	5.1	5.2	5.3
Private consumption	% y/y	-0.3	2.9	3.7	3.5	2.6	4.5	3.5	3.5	3.5	3.0	4.0	3.5
Fixed investments	% y/y	12.7	-0.9	4.2	11.0	6.4	-0.7	7.1	8.0	8.0	12.0	11.0	12.0
Industrial production	% y/y	-2.1	1.1	2.1	4.3	-0.1	1.6	3.9	2.9	3.7	4.0	3.4	5.8
Construction production	% y/y	4.8	-7.6	0.4	9.9	0.9	-1.4	-1.7	3.2	3.0	10.0	14.6	9.9
Retail sales (constant prices)	% y/y	-3.6	3.2	3.7	3.0	1.1	4.6	4.5	4.5	2.7	3.9	3.2	2.4
Unemployment rate *	%	5.1	5.1	5.7	5.6	5.3	5.2	5.6	5.7	5.9	5.5	5.5	5.6
Gross wages in the national economy	% y/y	12.8	13.7	8.6	6.2	10.0	8.8	7.5	8.1	7.0	6.2	6.3	5.5
Employment in the national economy	% y/y	0.6	0.2	-0.1	0.0	0.0	0.0	-0.3	-0.1	-0.1	-0.1	0.0	0.2
Exports (€)	% y/y	3.5	-0.7	3.4	3.0	2.6	2.7	3.0	5.1	4.2	2.2	0.9	4.6
Imports (€)	% y/y	-4.5	2.6	5.4	5.4	8.3	5.6	3.1	4.7	5.3	4.6	3.7	8.1
Trade balance	EUR mn	4,738	-6,184	-13,293	-22,523	-3,037	-3,238	-4,003	-3,015	-4,136	-5,510	-6,510	-6,367
Current account balance	EUR mn	11,591	2,616	-7,104	-16,638	-1,057	-885	-4,221	-941	-2,324	-3,066	-6,798	-4,450
Current account balance	% GDP	1.5	0.3	-0.8	-1.7	-0.4	-0.7	-0.8	-0.8	-0.9	-1.1	-1.4	-1.7
General government balance	% GDP	-5.2	-6.5	-6.9	-6.5	-	-	-	-	-	-	-	-
CPI	% y/y	11.6	3.6	3.6	2.0	4.9	4.1	3.0	2.5	1.7	2.0	1.8	2.3
CPI *	% y/y	6.2	4.7	2.4	2.6	4.9	4.1	2.9	2.4	1.8	2.1	1.9	2.6
CPI excluding food and energy	% y/y	10.2	4.3	3.3	2.3	3.6	3.4	3.2	2.8	2.3	2.3	2.1	2.5
PPI	% y/y	2.8	-6.7	-1.6	-1.1	-1.1	-1.5	-1.3	-2.3	-2.3	-1.6	-0.8	0.3
Broad money (M3) *	% y/y	8.5	9.3	10.4	7.7	10.3	10.5	11.1	10.4	10.1	8.6	7.8	7.7
Deposits *	% y/y	9.8	8.7	9.6	8.0	10.2	10.3	10.4	9.6	10.3	8.8	9.2	8.0
Loans *	% y/y	0.0	5.0	5.7	5.8	5.1	4.7	4.9	5.7	6.4	6.2	6.6	5.8
EUR/PLN	PLN	4.54	4.31	4.24	4.24	4.20	4.26	4.26	4.24	4.22	4.24	4.25	4.25
USD/PLN	PLN	4.20	3.98	3.76	3.66	3.99	3.76	3.65	3.64	3.58	3.62	3.69	3.76
CHF/PLN	PLN	4.68	4.52	4.53	4.51	4.44	4.55	4.55	4.56	4.57	4.53	4.49	4.45
Reference rate *	%	5.75	5.75	4.00	3.50	5.75	5.25	4.75	4.00	3.75	3.50	3.50	3.50
3M WIBOR	%	6.52	5.86	5.10	3.77	5.86	5.35	4.88	4.30	3.92	3.77	3.70	3.70
Yield on 2-year T-bonds	%	5.67	5.05	4.55	3.84	5.24	4.54	4.31	4.09	3.62	3.81	3.96	3.96
Yield on 5-year T-bonds	%	5.66	5.33	5.05	4.60	5.63	4.97	4.87	4.71	4.50	4.56	4.64	4.69
Yield on 10-year T-bonds	%	5.83	5.55	5.54	5.26	5.92	5.46	5.45	5.33	5.15	5.27	5.33	5.31

Note: * at the end of period. Source: GUS, NBP, Finance Ministry, Santander estimates.

This analysis is based on information available until 6.02.2026 has been prepared by:

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