16 February 2026

Eyeopener

Inflation remained above 2%

Today Eurozone industrial production data
Polish CPI inflation was 2.2% y/y in January, less than in December, more than expected
Poland's current account deficit deepened to €1.7bn in December
Marginal changes in the foreign currency market, small rise in domestic market interest rates

Today, the economic calendar features only euro area industrial production for December. Markets in the US are closed due to a public holiday.

CPI inflation in January came in at 2.2% y/y, down from 2.4% y/y in December. The outcome was clearly above expectations: the market consensus stood at 1.9% y/y, while our forecast was 1.7% y/y. The detailed data show that food prices rose by 1.3% m/m (in line with our expectations), while fuel prices fell by 2.4% m/m and energy prices increased by 1.9% m/m. The latter two readings were slightly higher than we had assumed. Based on these data, we estimate that core inflation was close to its December level of 2.7% y/y, i.e. higher than we expected. Due to a change in the COICOP classification introduced with this CPI release, the precision of core inflation estimates is lower than usual. As January inflation data surprised to the upside, we believe that the probability of an interest rate cut in March has declined, although it remains our baseline scenario. More details can be found in our Economic Comment.

In December, the current account balance recorded a deficit of almost EUR1.7bn, compared with a deficit of EUR0.5bn in the previous month. We had expected an even deeper deterioration to around -EUR2.5bn, while the market anticipated a decline only to -EUR1.2bn. Once again, the key factor behind the discrepancy between forecast and outcome was the income balance, which posted a deficit EUR0.9bn smaller than we had projected. The goods balance was broadly in line with our forecast, although both export and import growth rates were slightly higher, at 9.7% y/y and 10.1% y/y respectively. The services balance stood at a surplus of EUR3.3bn, up by EUR0.4bn compared with November, slightly below our expectations. According to the NBP, exports of computers, various intermediate goods and aircraft engines rose strongly. Most imported goods recorded higher volumes as well and, as in the case of exports, this mainly concerned computers and intermediate goods. The cumulative 12-month current account deficit was unchanged from November and amounted to 0.7% of GDP. In 2026, we expect it to widen because of strong economic conditions and a firm zloty, in particular weighing on the goods balance.

According to Eurostat data, employment in Poland in 4Q25 increased by 0.7% y/y, the same pace as in the previous quarter. The definition of this employed population is close to that used in the LFS, which showed a 0.5% y/y increase in 3Q25. On this basis, we expect the LFS data for 4Q, to be released in the last week of February, to confirm an unchanged y/y growth rate, in line with our current forecast. For the first time in over three years, the agricultural sector recorded positive y/y growth. The published data indicate that the bulk of the increase in total employment stemmed from a higher number of self-employed workers, not only in agriculture but also in construction and services. As in previous periods, declines in paid employment were offset by stronger demand in other segments of the labour market.

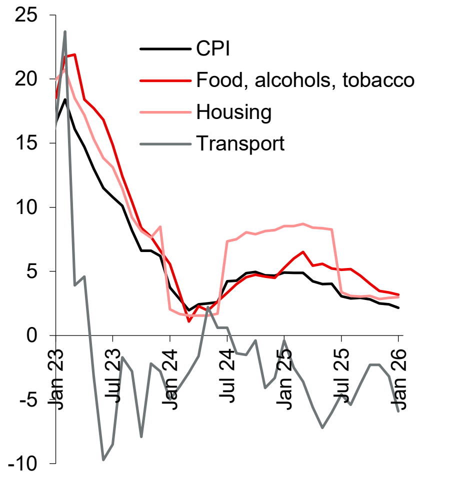
On Friday, the Sejm adopted the draft SAFE bill – an EU instrument providing preferential loans for defence purposes. According to the Ministry of Finance, the loans will be taken out by BGK for the benefit of a new FIZB fund, which will increase general government debt under the EU definition, but not public debt under the national definition. The Ministry of Finance stated that "to the extent that SAFE loans finance defence modernisation expenditure that had already been planned to be debt-financed, they will not lead to an increase in public debt relative to earlier projections." At the same time, the government assures that SAFE will not replace funding from the Armed Forces Support Fund. These mechanisms are intended to operate in parallel, which suggests that public debt (under the EU definition) may be higher than previously planned.

Milan Trajkovic from Fitch told money.pl that if there are no grounds to reject the scenario in which Poland's general government deficit reaches 7% of GDP this year, 6.3–6.5% in 2027 and below 6% in 2028, then despite the negative outlook (assigned by the agency in September last year), Poland's rating may not be downgraded until 2027 or even later. At the same time, he noted that Poland's GDP growth in 2025 exceeded the agency's forecast and the same could be the case in 2026.

After a calm Friday, the Polish zloty ended the week with EURPLN slightly above 4.21. Following a somewhat more volatile week, the Hungarian forint settled on Friday with EURHUF around 378.5, while EURCZK hovered close to 24.25. After the lower-than-expected US inflation reading, EURUSD temporarily rose by 0.1–0.2%. In the coming days, we expect EURPLN to remain in a sideways trend.

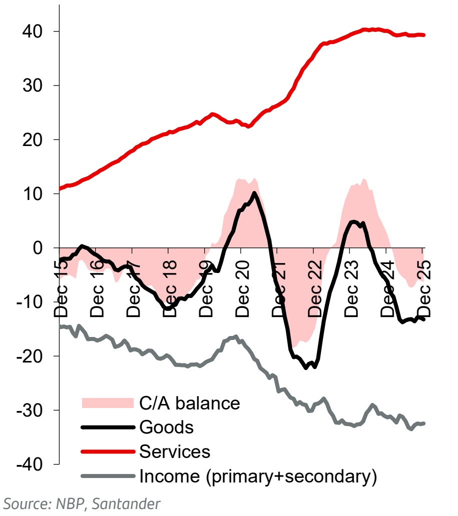
On Friday, IRS and FRA rates increased by 2–4 bp, reflecting reduced expectations regarding the pace of interest rate cuts by the NBP. IRS rates and longer tenor bond yields declined by 2–4 bp, indicating that over a longer horizon global trends and overall economic conditions exert a stronger influence. In the core markets, yields continued to fall by 1–2 bp. In the current week, we expect stabilisation in the bond market, particularly in the context of likely weaker January data releases.

CPI inflation, % y/y



Source: GUS, Santander

Balance of payments, 12-month moving sums, EUR bn



Source: NBP, 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 Białas +48 517 881 807
Adrian Domitrz +48 571 664 004
Marcin Luziński +48 510 027 662
Grzegorz Ogonek +48 609 224 857

FX market

Today's opening

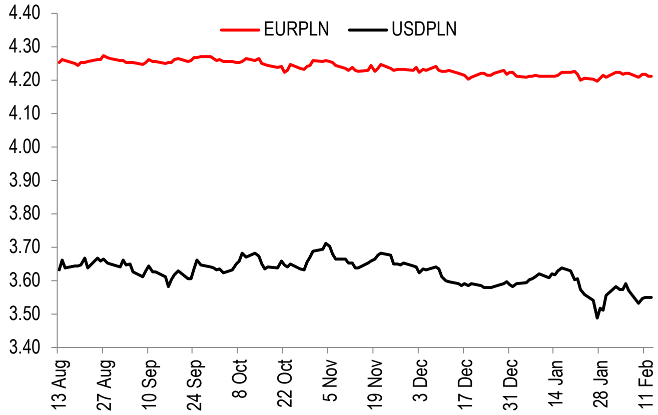
EURPLN	4.2085	CZKPLN	0.1720
USDPLN	3.5468	HUFPLN*	1.1106
EURUSD	1.1864	RONPLN	0.8267
CHFPLN	4.6063	NOKPLN	0.3744
GBPPLN	4.8398	DKKPLN	0.5627
USDCNY	6.9080	SEKPLN	0.3994

*for 100HUF

Last session in the FX market **13.02.2026**

	min	max	open	close	fixing
EURPLN	4.2075	4.2153	4.2135	4.2116	4.214
USDPLN	3.5427	3.5573	3.5528	3.5481	3.5528
EURUSD	1.1845	1.1884	1.1857	1.1868	

Zloty exchange rate

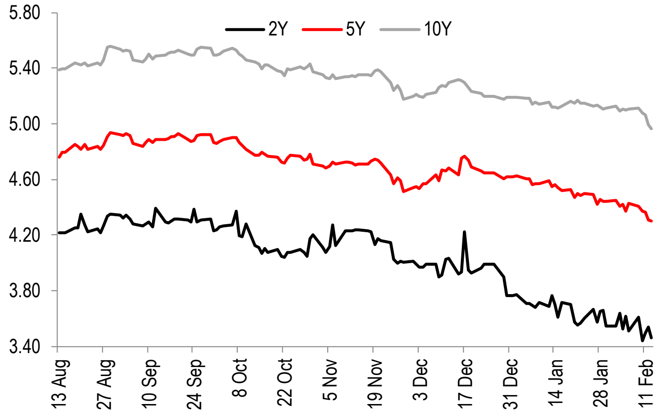


Interest rate market **13.02.2026**

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	3.46	-8
PS0131 (5L)	4.30	-1
DS1035 (10L)	4.96	-3

T-bonds yields



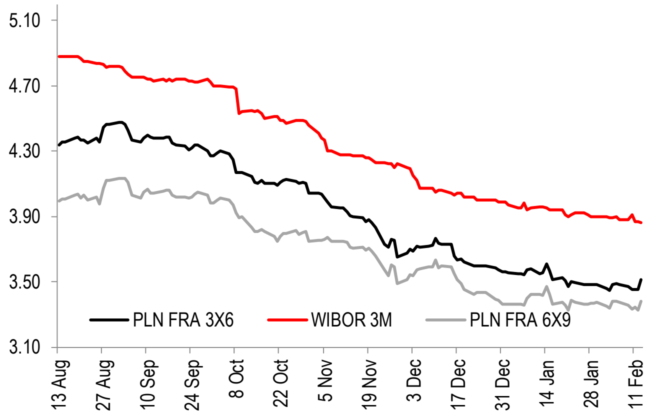
IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	3.57	3	3.67	-3	2.16	0
2L	3.53	2	3.50	-4	2.19	-1
3L	3.56	1	3.50	-5	2.27	0
4L	3.63	1	3.53	-5	2.35	-2
5L	3.70	0	3.59	-5	2.43	-2
8L	3.95	-1	3.80	-4	2.65	-2
10L	4.11	-1	3.92	-5	2.77	-1

WIBOR rates

Term	%	Change (bps)
O/N	4.02	-3
SW	4.03	-1
1M	3.96	-4
3M	3.86	-1
6M	3.75	-1

3M money market rates



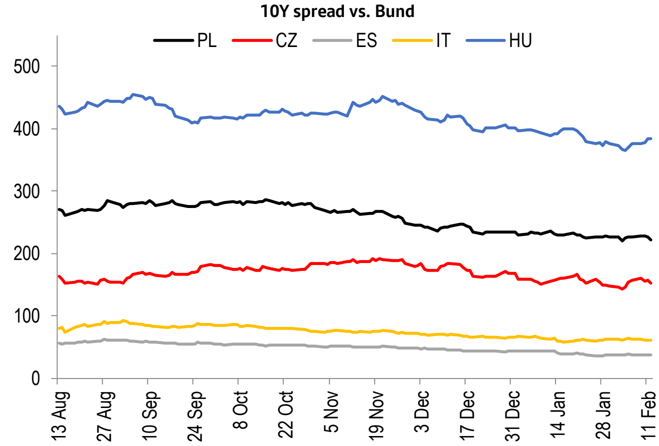
FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.73	1
3x6	3.51	5
6x9	3.38	5
9x12	3.35	4
3x9	3.48	5
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	222	-5
France	12	0	59	0
Hungary	97	0	384	0
Spain	16	0	38	1
Italy	11	0	62	0
Portugal	9	0	37	1
Ireland	9	0	10	0
Germany	4	0	-	-

10Y spread vs. Bund



* 10Y treasury bonds over 10Y Bunds

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

Source: LSEG, Datastream

Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST MARKET	FORECAST SANTANDER	ACTUAL VALUE	LAST VALUE*
			FRIDAY (13 February)					
09:00	CZ	CPI	Jan	% y/y	1.6		1.6	1.6
10:00	**PL**	**CPI**	**Jan**	**% y/y**	**1.9**	**1.7**	**2.2**	**2.4**
11:00	EZ	GDP SA	4Q	% y/y	1.3	-	1.3	1.3
14:00	**PL**	**Current Account Balance**	**Dec**	**€mn**	**-1137**	**-2534**	**-1698**	**-460**
14:00	**PL**	**Trade Balance**	**Dec**	**€mn**	**-1740**	**-2371**	**-2298**	**-1087**
14:00	**PL**	**Exports**	**Dec**	**€mn**	**27383**	**26883**	**27350**	**29859**
14:00	**PL**	**Imports**	**Dec**	**€mn**	**29238**	**29254**	**29648**	**30946**
14:30	US	CPI	Jan	% m/m	0.3		0.2	0.3
			MONDAY (16 February)					
11:00	EZ	Industrial Production SA	Dec	% m/m	-1.5		-	0.7
			TUESDAY (17 February)					
08:00	DE	HICP	Jan	% m/m	-0.1		-	-0.1
11:00	DE	ZEW Survey Current Situation	Feb	pts	-65.7		-	-72.7
			WEDNESDAY (18 February)					
14:30	US	Durable Goods Orders	Dec	% m/m	-1.7		-	5.3
14:30	US	Housing Starts	Dec	% m/m	6.3		-	-4.6
15:15	US	Industrial Production	Jan	% m/m	0.4		-	0.37
20:00	US	FOMC Meeting Minutes	Jan.26					
			THURSDAY (19 February)					
10:00	**PL**	**Average Gross Wages**	**Jan**	**% y/y**	**7.2**	**7.2**	**-**	**8.6**
10:00	**PL**	**Employment in corporate sector**	**Jan**	**% y/y**	**-0.7**	**-0.7**	**-**	**-0.7**
10:00	**PL**	**Sold Industrial Output**	**Jan**	**% y/y**	**1.7**	**2.8**	**-**	**7.3**
10:00	**PL**	**Construction Output**	**Jan**	**% y/y**	**-5.0**	**-2.5**	**-**	**4.5**
10:00	**PL**	**PPI**	**Jan**	**% y/y**	**-2.3**	**-2.5**	**-**	**-2.5**
14:30	US	Initial Jobless Claims	Feb.26	k	223.0		-	227.0
16:00	US	Pending Home Sales	Jan	% m/m	2.5		-	-9.34
			FRIDAY (20 February)					
09:30	DE	Germany Manufacturing PMI	Feb	pts	49.6		-	49.1
09:30	DE	Markit Germany Services PMI	Feb	pts	52.5		-	52.4
10:00	EZ	Eurozone Manufacturing PMI	Feb	pts	50.0		-	49.5
10:00	EZ	Eurozone Services PMI	Feb	pts	51.9		-	51.6
14:30	US	GDP Annualized	4Q	% Q/Q	2.8		-	4.4
14:30	US	Personal Spending	Dec	% m/m	0.4		-	0.5
14:30	US	Personal Income	Dec	% m/m	0.3		-	0.3
14:30	US	PCE Deflator SA	Dec	% m/m	0.3		-	0.2
16:00	US	Michigan index	Feb	pts	56.9		-	57.3
16:00	US	New Home Sales	Dec	% m/m	-0.3		-	-0.1

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg
** in the case of a revision the data is updated*