

20 February 2026

Eyeopener

Cold January full of downside surprises

Today flash PMI readings for February, 4Q GDP and the December PCE inflation in the US
 Sub-zero industrial and construction output growth in January, below expectations
 Slower-than-expected wage growth, a stronger fall in producer prices
 Weaker zloty, market rates edged higher

After yesterday's data-heavy day for the Polish economy, **today** brings a large batch of foreign releases, while from GUS we will only get the results of the February business tendency survey. In the first part of the day, preliminary February PMI readings for Germany and the euro area will be published, while the afternoon will be dominated by US indicators. Personal income and spending, the PCE price index and new home sales will be released — all for December last year; in addition, the first estimate of GDP for 4Q will be published, followed by the final February reading of the Michigan index monitoring consumer sentiment.

January data from the economy turned out weaker than our already rather pessimistic assumptions. Negative surprises came both from real activity indicators (industrial and construction output, employment) and from nominal variables (wages, PPI inflation). Employment fell by 0.8% y/y versus a forecast of -0.7% y/y (with the January reading being heavily affected by the annual revision of the statistical sample and typically characterised by high volatility). Wage growth also surprised to the downside, coming in at 6.1% y/y versus our forecast and the market consensus slightly above 7% y/y. Although the slowdown from 8.6% y/y in December was widely expected, it turned out to be somewhat stronger than assumed. Weaker wage dynamics can be observed across most sectors: wages excluding mining slowed to 6.2% y/y from 9.0% y/y, while wages in services eased to 6.5% y/y from 9.0% y/y. Industrial output fell by 1.5% y/y. The market had expected a slowdown from +7.3% y/y in December to +1.7% y/y, while our forecast stood at +2.8% y/y. This marks the third consecutive month in which we have seen a historically large deviation of output growth from market expectations: the November reading was almost 4 pp worse than expected, December turned out surprisingly strong (by 4.3 pp above the market median), and now — in January — the miss relative to market expectations again amounted to 4.3 pp. Meanwhile, construction and assembly output growth dropped in January to -12.8% y/y from 4.5% y/y in December, clearly below both our forecast of a decline to -2.5% y/y and the market consensus pointing to a fall to -5.0% y/y. On a month-on-month basis and after seasonal adjustment, construction and assembly output fell by 8.9%. The number of dwellings completed in January amounted to 14.7k and was around 8% (1.3k) lower than in January 2025. We also received preliminary producer price inflation data: PPI inflation declined in January to -2.6% y/y from -2.5% y/y in December, slightly below our forecast (-2.5% y/y) and the market consensus (-2.3% y/y). Lower PPI inflation was supported by a stronger zloty, despite somewhat higher crude oil prices on global markets compared with a month earlier. PPI inflation continues to surprise to the downside, which should be conducive to subdued CPI inflation in the coming quarters.

In our view, the weak January results are to a large extent the outcome of one-off factors, which does not undermine the medium-term positive trend in the economy, as indicated, among other things, by still solid and even improving optimism surveys among consumers and businesses. We therefore expect an improvement in the coming months, although February will still be affected by harsh weather conditions. Today's data, in our opinion, increase the likelihood of an interest rate cut at the MPC's upcoming meeting in March. More on yesterday's data can be found in our [Economic Comment](#).

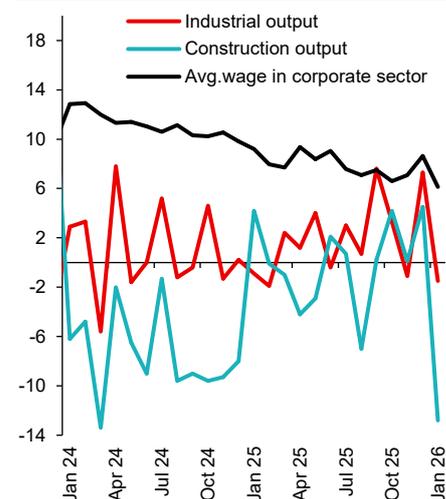
MPC's Marcin Zarzecki, in an interview with [analyzer.pl](#), pointed to still elevated core inflation and, in his view, surprisingly strong wage growth, which under conditions of robust economic growth may lead to second-round inflationary effects. Zarzecki sees some justification for a potential 25 bp rate cut, but not for a rapid 50 bp cut.

The number of new US jobless claims fell by 23k to 206k, clearly below the market consensus of 225k. Data in January and February are strongly affected by seasonality, while the four-week moving average of claims remained stable at around 219k. Meanwhile, the number of pending home sales contracts in the US fell by 0.8% m/m in January, versus -7.4% a month earlier — below expectations, as analysts had been looking for a 2.0% increase.

Rising geopolitical tensions around Iran appear to be supporting the dollar, which strengthened for another day, with EURUSD falling below 1.18. **The Polish zloty and the Hungarian forint weakened**, while the Czech koruna saw no significant change in value. At the close of the European session, EURPLN stood at 4.225 and EURHUF at 379.1. Today, market sentiment will be shaped by geopolitical tensions and the tone of incoming key data from the US and Europe.

In the debt market this week, we have observed alternating mild moves in both directions. **Yesterday, domestic yields edged up by 1–2 bp across the entire yield curve**. IRS rates rose by 1–3 bp, while FRA rates increased by 1–2 bp. Yields in core markets were flat yesterday, which is likely to change today following the US data. Yesterday, BGK conducted an auction of four series of FPC bonds worth PLN1.88bn, with demand of PLN2.7bn, and at the additional auction sold securities worth PLN333.5m.

Production and wages in corporate sector, %/y



Source: GUS, Santander Bank Polska

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FX market

| Today's opening | | | |
|-----------------|--------|---------|--------|
| EURPLN | 4.2243 | CZKPLN | 0.1720 |
| USDPLN | 3.5916 | HUFPLN* | 1.1026 |
| EURUSD | 1.1761 | RONPLN | 0.8289 |
| CHFPLN | 4.6232 | NOKPLN | 0.3746 |
| GBPPLN | 4.8249 | DKKPLN | 0.5627 |
| USDCNY | 6.9080 | SEKPLN | 0.3951 |

*for 100HUF

Last session in the FX market 19.02.2026

| | min | max | open | close | fixing |
|--------|--------|--------|--------|--------|--------|
| EURPLN | 4.2137 | 4.2249 | 4.2178 | 4.2221 | 4.222 |
| USDPLN | 3.5704 | 3.5971 | 3.5771 | 3.5899 | 3.578 |
| EURUSD | 1.1741 | 1.1807 | 1.1791 | 1.1760 | |

Interest rate market

19.02.2026

T-bonds on the interbank market**

| Benchmark (term) | % | Change (bps) |
|------------------|------|--------------|
| OK0128 (2L) | 3.48 | 0 |
| PS0131 (5L) | 4.29 | 7 |
| DS1035 (10L) | 4.98 | 2 |

IRS on the interbank market**

| Term | PL | | US | | EZ | |
|------|------|--------------|------|--------------|------|--------------|
| | % | Change (bps) | % | Change (bps) | % | Change (bps) |
| 1L | 3.57 | 1 | 3.71 | 0 | 2.16 | 0 |
| 2L | 3.52 | 1 | 3.56 | 0 | 2.19 | 1 |
| 3L | 3.58 | 2 | 3.54 | -1 | 2.27 | 1 |
| 4L | 3.65 | 2 | 3.57 | -1 | 2.35 | 1 |
| 5L | 3.73 | 3 | 3.63 | -1 | 2.43 | 1 |
| 8L | 3.98 | 3 | 3.83 | -1 | 2.64 | 0 |
| 10L | 4.14 | 3 | 3.94 | -1 | 2.76 | 0 |

WIBOR rates

| Term | % | Change (bps) |
|------|------|--------------|
| O/N | 4.04 | 2 |
| SW | 4.06 | 2 |
| 1M | 3.97 | 0 |
| 3M | 3.85 | 0 |
| 6M | 3.72 | -1 |

FRA rates on the interbank market**

| Term | % | Change (bps) |
|------|------|--------------|
| 1x4 | 3.74 | 2 |
| 3x6 | 3.54 | 3 |
| 6x9 | 3.39 | 4 |
| 9x12 | 3.34 | 1 |
| 3x9 | 3.49 | 1 |
| 6x12 | 3.40 | 2 |

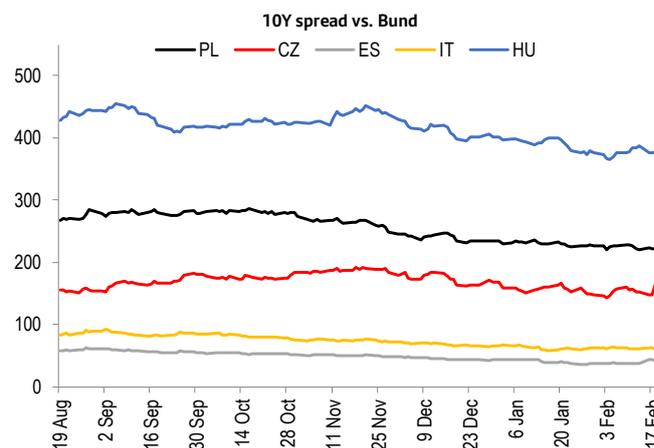
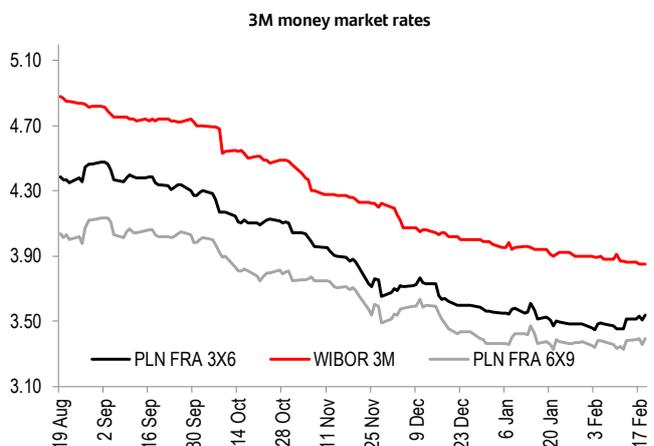
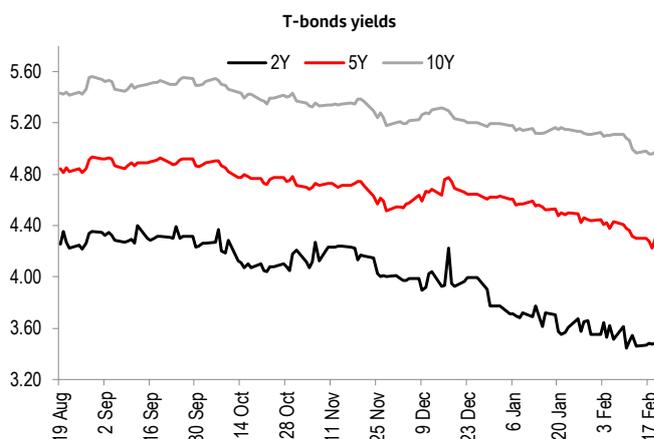
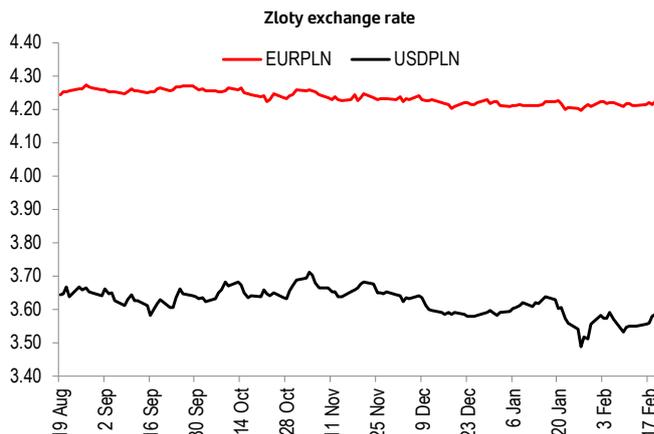
CDS rates and 10Y yield spread vs. German Bund

| Country | CDS 5Y USD | | 10Y spread* | |
|----------|------------|--------------|-------------|--------------|
| | Level | Change (bps) | Level | Change (bps) |
| Poland | 55 | 0 | 221 | 0 |
| France | 12 | 0 | 57 | -1 |
| Hungary | 93 | 0 | 377 | 1 |
| Spain | 15 | 0 | 43 | -1 |
| Italy | 10 | 0 | 61 | -1 |
| Portugal | 9 | 0 | 36 | 0 |
| Ireland | 9 | 0 | 27 | 0 |
| Germany | 3 | 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



Calendar of events and publications

| TIME CET | COUNTRY | INDICATOR | PERIOD | | FORECAST | | ACTUAL VALUE | LAST VALUE* |
|--------------------------------|---------|--------------------------------|--------|-------|----------|-----------|-----------------|----------------|
| | | | | | MARKET | SANTANDER | | |
| 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 | | -1.4 | 0.3 |
| TUESDAY (17 February) | | | | | | | | |
| 08:00 | DE | HICP | Jan | % m/m | -0.1 | | -0.1 | -0.1 |
| 11:00 | DE | ZEW Survey Current Situation | Feb | pts | -65.7 | | -65.9 | -72.7 |
| WEDNESDAY (18 February) | | | | | | | | |
| 14:30 | US | Durable Goods Orders | Dec | % m/m | -2.0 | | -1.4 | 5.4 |
| 14:30 | US | Housing Starts | Dec | % m/m | 1.1 | | 6.2 | 3.9 |
| 15:15 | US | Industrial Production | Jan | % m/m | 0.4 | | 0.7 | 0.2 |
| 20:00 | US | FOMC Meeting Minutes | Jan.26 | | | | | |
| THURSDAY (19 February) | | | | | | | | |
| 10:00 | PL | Average Gross Wages | Jan | % y/y | 7.2 | 7.2 | 6.1 | 8.6 |
| 10:00 | PL | Employment in corporate sector | Jan | % y/y | -0.7 | -0.7 | -0.8 | -0.7 |
| 10:00 | PL | Sold Industrial Output | Jan | % y/y | 1.7 | 2.8 | -1.5 | 7.3 |
| 10:00 | PL | Construction Output | Jan | % y/y | -5.0 | -2.5 | -12.8 | 4.5 |
| 10:00 | PL | PPI | Jan | % y/y | -2.3 | -2.5 | -2.6 | -2.5 |
| 14:30 | US | Initial Jobless Claims | Feb.26 | k | 225 | | 206 | 229 |
| 16:00 | US | Pending Home Sales | Jan | % m/m | 1.3 | | -0.8 | -7.4 |
| FRIDAY (20 February) | | | | | | | | |
| 09:30 | DE | Germany Manufacturing PMI | Feb | pts | 49.5 | | - | 49.1 |
| 09:30 | DE | Markit Germany Services PMI | Feb | pts | 52.4 | | - | 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 | 3.0 | | - | 4.4 |
| 14:30 | US | Personal Spending | Dec | % m/m | 0.3 | | - | 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 | 57.2 | | - | 56.4 |
| 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

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