

26 February 2026

Eyeopener

A modest decline in Poland's HICP inflation in January

Today, the Economic Sentiment Indicators for EU countries
 Dąbrowski of the MPC: 3.5% is a good target level for the NBP rate
 Poland's HICP inflation fell in January to 2.5% y/y; in the euro area it declined to 1.7% y/y
 A temporary weakening of the zloty; 10-year domestic bonds slightly stronger

Today we will learn the February readings of the Economic Sentiment Indicators, describing business and consumer conditions in individual EU countries as well as in the euro area and the Union as a whole. A further slight improvement in the headline index for the euro area is expected.

Ireneusz Dąbrowski of the MPC said yesterday, in comments to the Subiektywnie o Finansach portal, that 3.5% was a good target level for the NBP's main policy rate (currently 4%). He assessed a move below that level as very difficult and requiring in-depth analysis. In particular, he pointed to the need for inflation to become anchored in the lower half of the target band, i.e. between 1.5% and 2.5% y/y, before—in his view—it would be possible to discuss rate cuts going deeper than 3.5%.

In Poland, HICP inflation stood at 2.5% y/y in January, one notch lower than in December last year. This was the lowest reading since November 2019. Core HICP inflation remained unchanged for the third consecutive month at 2.2% y/y. The detailed data published by Eurostat showed that in January inflation accelerated markedly in subscriptions and RTV fees (to 10.4% y/y from 0.0% y/y in December, which pushed the entire "information and communication" category up to 3.4% y/y from 1.0% y/y previously), audiovisual media carriers (+7.0% y/y, previously -1.5% y/y), berries (+6.5% y/y after -7.0% y/y), and jewellery and watches (8.8% y/y, versus 5.0% y/y in December). By contrast, a sharp decline in inflation was recorded in air fares (-36.2% y/y, previously -9.0% y/y), passenger transport fees (+3.3% y/y after +23.7% y/y), photographic equipment (-22.3% y/y after -15.0% y/y), software (-0.1% y/y after +5.9% y/y), and butter (-17.3% y/y, previously -11.6% y/y). It is worth noting that in many categories of consumer electronics, household appliances, RTV and IT equipment, relatively large y/y price declines persisted, albeit somewhat smaller than in December. This time, the decline in vehicle prices did not deepen (-6.3% y/y).

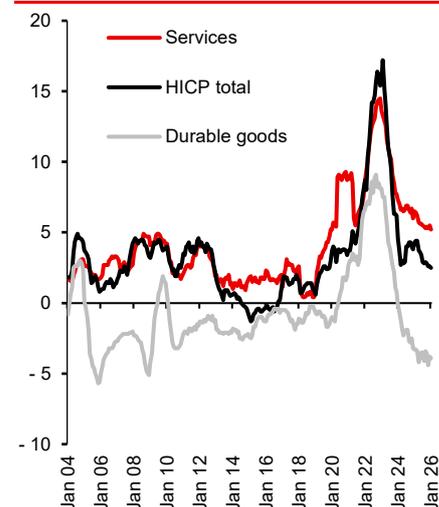
In the euro area, inflation fell to 1.7% y/y from 2.0% y/y in December, in line with the flash estimate. Across EU countries, HICP inflation ranged from 0.4% y/y (France) to 8.5% y/y (Romania). In the CEE region, the lowest inflation was recorded in the Czech Republic at 1.2% y/y. **Poland posted the ninth-highest overall HICP inflation rate in the EU**, exceeding the EU average by 0.5 pp and the euro-area average by 0.8 pp. At the same time, Poland stood out against the rest of the EU for the pace of declines in non-energy industrial goods prices, at -1.1% y/y (with only Cyprus recording a lower figure). This reflected falls in prices of durable goods (-3.9% y/y, the lowest result in the EU) and semi-durable goods (-1.9% y/y, the fourth-lowest). Poland was on the high side in terms of services inflation (+5.2% y/y, the seventh-highest reading, 2 pp above the euro-area figure), although this was also the lowest domestic reading since late 2019.

Similarly to Donald Trump during Tuesday's address to Congress, yesterday **the US Trade Representative, Jamieson Greer, announced the administration's efforts to restore import tariffs to the levels prevailing before the Supreme Court ruling** that invalidated the so-called reciprocal tariffs imposed in early April last year. This would be pursued via formal proceedings concerning the use of unfair practices by trading partners. While he did not directly point to the EU as a partner that would be subject to one of the proceedings, among the actions to be examined he mentioned the introduction of internal barriers to the operations of US companies in the digital technology sector—an area of dispute precisely with the EU.

The US dollar retreated yesterday, losing 0.3% against the euro and ending the day above 1.18. Only the Japanese yen performed worse, following the new government's nomination of two dovish members to the country's nine-member monetary policy board, replacing hawkish members. **The zloty experienced a temporary and fully reversed bout of weakness during the day**. As a result, EURPLN remains close to this week's lows. The best-performing emerging-market currency yesterday was the forint, which gained around 1% against the euro (EURHUF fell throughout the session, to 375). In the absence of local data releases or significant statements, the appreciation may have been linked to opinion-poll results ahead of the April parliamentary elections.

There were no major valuation changes in the domestic bond market. Only 10-year bonds saw their yields fall by 2 bp, continuing the gradual narrowing of the asset-swap spread, which has already dropped below 80 bp. FRA and IRS rates recorded negligible day-on-day changes. Little changed in core debt markets as well.

Poland, HICP inflation, % y/y



Source: Eurostat, Santander Bank Polska

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FX market

Today's opening			
EURPLN	4,2182	CZKPLN	0,1720
USDPLN	3,5715	HUFPLN*	1,1116
EURUSD	1,1810	RONPLN	0,8289
CHFPLN	4,6217	NOKPLN	0,3737
GBPPLN	4,8384	DKKPLN	0,5627
USDCNY	6,8402	SEKPLN	0,3955

*for 100HUF

Last session in the FX market						25.02.2026
	min	max	open	close	fixing	
EURPLN	4,2133	4,2255	4,2153	4,2178	4,2183	
USDPLN	3,5688	3,5888	3,5718	3,5731	3,5785	
EURUSD	1,1770	1,1807	1,1799	1,1803		

Interest rate market

25.02.2026

T-bonds on the interbank market**		
Benchmark (term)	%	Change (bps)
OK0128 (2L)	3,55	14
PS0131 (5L)	4,30	0
DS1035 (10L)	5,01	3

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	3,58	2	3,75	0	2,16	-1
2L	3,54	0	3,57	2	2,19	0
3L	3,58	-1	3,53	3	2,26	0
4L	3,65	-1	3,55	3	2,33	0
5L	3,73	-1	3,61	2	2,40	0
8L	3,98	-1	3,80	2	2,60	-1
10L	4,14	-1	3,92	2	2,73	0

WIBOR rates

Term	%	Change (bps)
O/N	3,91	9
SW	4,04	-2
1M	3,94	0
3M	3,85	3
6M	3,71	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3,72	-1
3x6	3,53	0
6x9	3,39	0
9x12	3,35	-1
3x9	3,50	0
6x12	3,39	-1

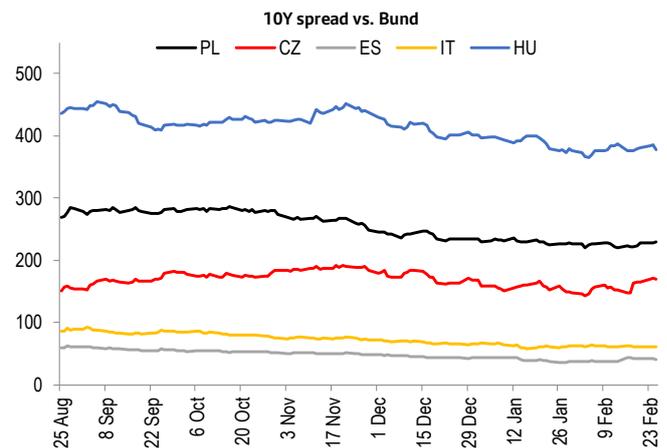
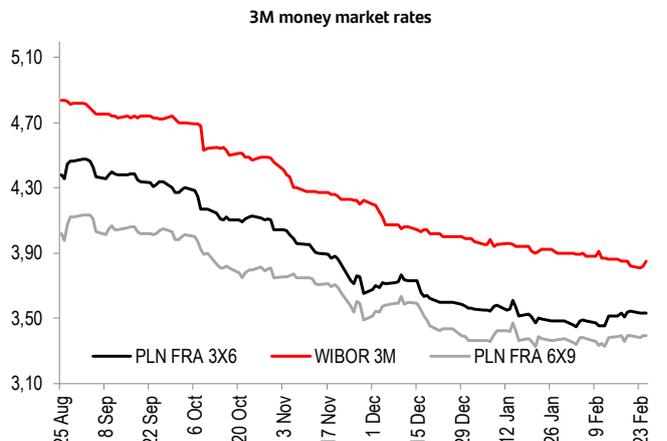
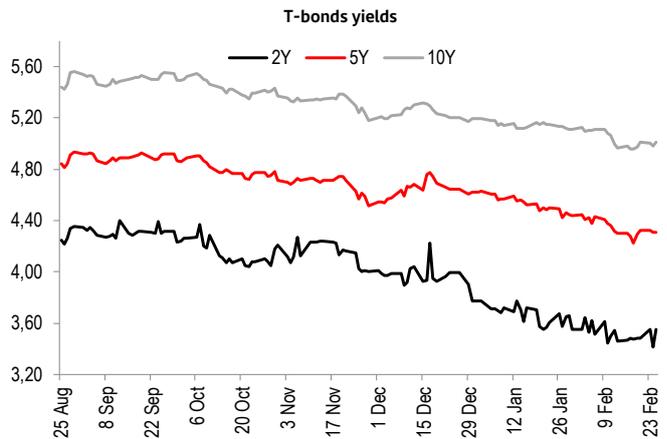
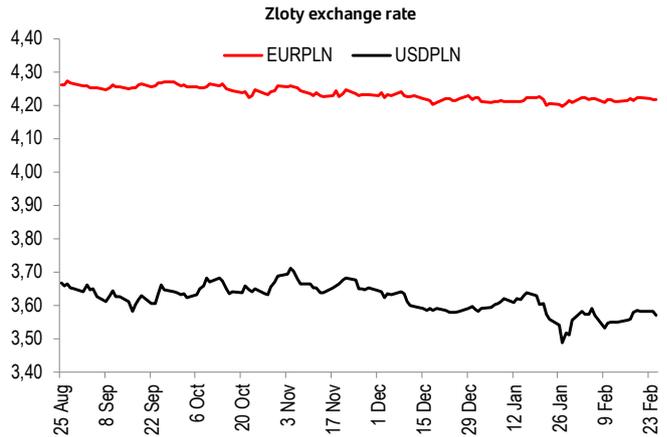
CDS rates and 10Y yield spread vs. German Bund

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	54	0	230	3
France	12	0	55	-1
Hungary	93	0	377	-8
Spain	14	0	40	-1
Italy	10	0	61	0
Portugal	8	0	34	-1
Ireland	8	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 (20 February)							
09:30	DE	Germany Manufacturing PMI	Feb	pts	49.5	50.7	49.1
09:30	DE	Markit Germany Services PMI	Feb	pts	52.4	53.4	52.4
10:00	EZ	Eurozone Manufacturing PMI	Feb	pts	50.0	50.8	49.5
10:00	EZ	Eurozone Services PMI	Feb	pts	51.9	51.8	51.6
14:30	US	GDP Annualized	4Q	% Q/Q	2.8	1.4	4.4
14:30	US	Personal Spending	Dec	% m/m	0.3	0.4	0.5
14:30	US	Personal Income	Dec	% m/m	0.3	0.3	0.3
14:30	US	PCE Deflator SA	Dec	% m/m	0.3	0.4	0.2
16:00	US	Michigan index	Feb	pts	57.3	56.6	56.4
16:00	US	New Home Sales	Dec	% m/m	0.0	-1.7	-0.1
MONDAY (23 February)							
10:00	DE	IFO Business Climate	Feb	pts	88.3	88.6	87.6
10:00	PL	Retail Sales Real	Jan	% y/y	3.1	2.0	4.4
14:00	PL	Money Supply M3	Jan	% y/y	10.4	10.5	10.0
16:00	US	Durable Goods Orders	Dec	% m/m	-2.0	-1.4	5.4
16:00	US	Factory Orders	Dec	% m/m	-0.6	-0.7	2.7
TUESDAY (24 February)							
10:00	PL	Unemployment Rate	Jan	%	6.0	6.0	5.7
14:00	HU	Central Bank Rate Decision	Feb	%	6.25	6.25	6.50
16:00	US	Consumer Conference Board	Feb	pts	88.0	91.2	89.0
WEDNESDAY (25 February)							
08:00	DE	GDP WDA	4Q	% y/y	0.4	0.4	0.3
11:00	E	HICP	Jan	% y/y	1.7	1.7	1.7
THURSDAY (26 February)							
11:00	EZ	ESI	Feb	pct.	99.8	-	99.4
14:30	US	Initial Jobless Claims	weekly	k	225	-	206
FRIDAY (27 February)							
	DE	Retail Sales	Jan	% m/m	-0.1	-	0.1
14:00	DE	HICP	Feb	% m/m	0.5	-	-0.1

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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