27 February 2026

Weekly Economic Update

Will the new projection allow for another rate cut?

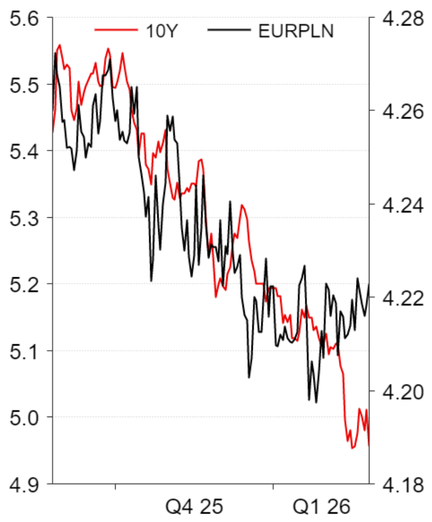
Economy next week

- The coming week in Poland will be sponsored by letters: PMI, GDP, MPC.
- On Monday morning, we will see the February reading of **the manufacturing PMI**. We expect the index to rise to 49.6 pts, following improvements in comparable business sentiment indicators for the euro area and Germany (the latter moved above 50 pts in February for the first time since July 2022).
- An hour later, Statistics Poland (GUS) will release **detailed GDP data** for 4Q25. The flash estimate showed growth of 4% y/y, confirming that the Polish economy has returned to its role as a growth leader in the EU. Based on previously published full-year 2025 data, we estimate that growth in private consumption and investment in 4Q came in slightly above 4% y/y.
- On Wednesday, **the Monetary Policy Council** will conclude its meeting. Before taking its interest rate decision, the Council will see the results of the new NBP projection. We assume that **the MPC will decide to cut interest rates again by 25bp**, in response to the slight decline in CPI inflation in January and to the projection results, which will most likely confirm the stabilisation of inflation in the coming quarters close to the 2.5% target (such conclusions are suggested, among others, by a recent statement from NBP Governor Adam Glapiński).
- On Thursday at 15:00, **the NBP Governor's press conference** will take place, which we usually expect to bring more guidance regarding the outlook for interest rates. We anticipate a tone similar to that of previous months: an emphasis on the fact that the scale of monetary easing to date has already been substantial, that room for further rate cuts is limited, and that future decisions will depend on incoming data.
- On Friday (most likely), **the Inflation Report** will be published, including the full NBP projection. In this edition, the forecast horizon will be extended to 2028 for the first time. We do not expect, however, that the models will incorporate the impact of the implementation of ETS2-related regulations, as these have still not been transposed into domestic law.
- Abroad, final PMI data for manufacturing and services will be released, along with GDP growth figures for many European countries, inflation data, and—at the end of the week—the monthly report on the situation in the US labour market.
- Today in the evening, **Fitch may announce the outcome of its review of Poland's sovereign credit rating**. As we have written before, we do not expect any change to the assessment.

Markets next week

- Another weekend of uncertainty lies ahead, related to whether the US president will decide to launch an attack on Iran. As a week ago, we believe that market sentiment after the weekend will largely be a function of geopolitical developments. We do not attempt to bet on specific scenarios (various variants are presented, among others, in an analysis by PISM), but once again we believe that a lack of escalation would likely provide an opportunity for a limited appreciation of the zloty and risk assets, while a US strike would be associated with an (at least temporary) increase in risk aversion.
- In the bond and rates market, a period of stabilisation continues following the marked rally in the first half of February, and we assume that in the absence of geopolitical escalation this situation may persist. In our view, domestic data should be neutral for the market. The MPC decision - provided it does not surprise - should also be neutral (analysts surveyed by Bloomberg are unanimous in expecting a 25bp cut). If there were to be a surprise, however, we believe the risks are highly asymmetric: a larger cut (50bp) is far less likely than leaving rates unchanged. The latter scenario could trigger a pronounced correction at the short end of the curve.

Yield of Polish 10Y bond (%, lhs) vs EURPLN exchange rate (rhs)



Source: LSEG Datastream, Santander

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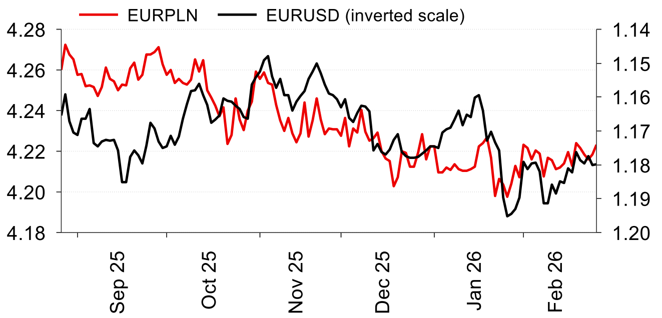
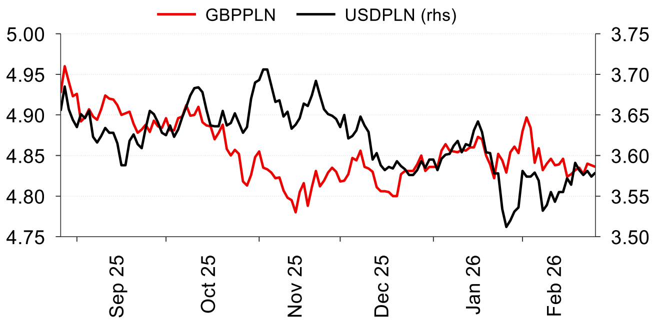
EURPLN and EURUSD



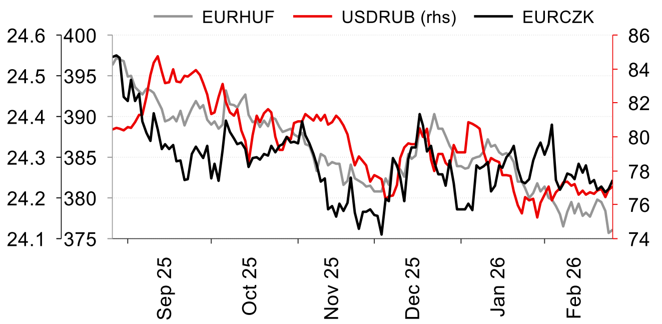
Source: LSEG Datastream, Santander

GBPPLN and USDPLN



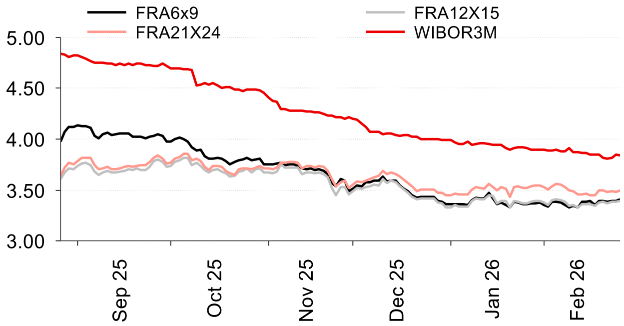
Source: LSEG Datastream, Santander Bank Polska

EURCZK, EURHUF and USDRUB



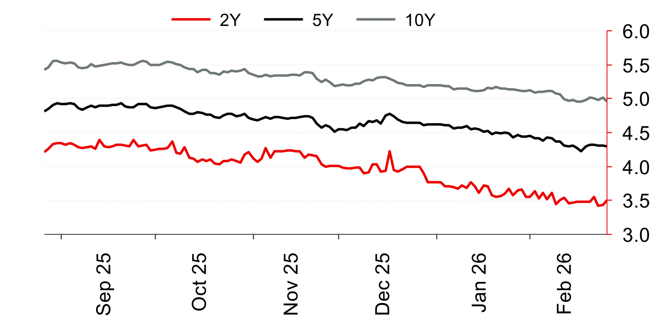
Source: LSEG Datastream, Santander Bank Polska

PLN FRA and WIBOR3M



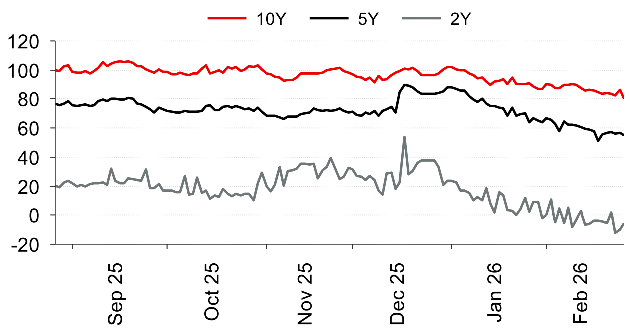
Source: LSEG Datastream, Santander Bank Polska

Polish bond yields



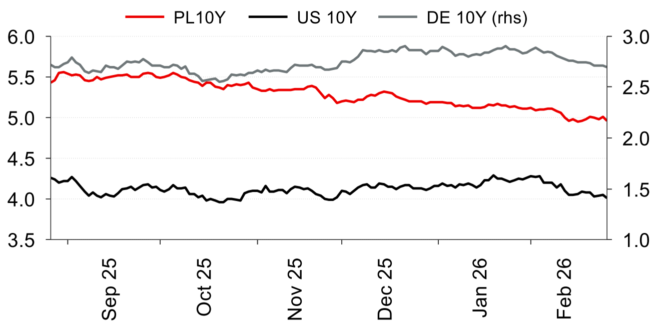
Source: LSEG Datastream, Santander Bank Polska

Asset swap spreads



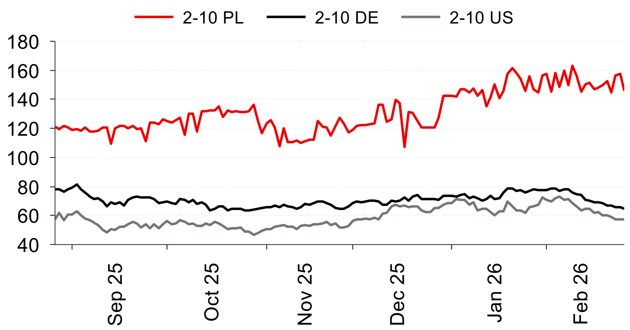
Source: LSEG Datastream, Santander Bank Polska

10Y bond yields



Source: LSEG Datastream, Santander

Steepness of yield curves



Source: LSEG Datastream, Santander Bank Polska

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Economic Calendar

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST MARKET	FORECAST SANTANDER	LAST VALUE
			MONDAY (2 March)				
08:00	DE	Retail Sales	Jan	% m/m	0.0		0.8
09:00	**PL**	**Poland Manufacturing PMI**	**Feb**	**pts**	**49.6**	**49.6**	**48.8**
09:55	DE	Germany Manufacturing PMI	Feb	pts	50.7		49.1
10:00	EZ	Eurozone Manufacturing PMI	Feb	pts	50.8		49.5
10:00	**PL**	**GDP**	**4Q**	**% y/y**	**4.0**	**4.0**	**3.8**
16:00	US	ISM manufacturing	Feb	pts	51.8		52.6
			TUESDAY (3 March)				
08:30	HU	GDP	4Q	% y/y	0.7		0.7
09:00	CZ	GDP SA	4Q	% y/y	2.4		2.4
11:00	EZ	HICP	Feb	% y/y	1.7		1.7
11:00	EZ	Flash HICP	Feb	% y/y	1.7		1.7
			WEDNESDAY (4 March)				
	PL	**MPC decision**		**%**	**3.75**	**3.75**	**4.00**
02:45	CN	Caixin China PMI Services	Feb	pts	52.4		52.3
09:00	CZ	CPI	Feb	% y/y	1.6		1.6
09:55	DE	Markit Germany Services PMI	Feb	pts	53.4		52.4
10:00	EZ	Eurozone Services PMI	Feb	pts	51.8		51.6
11:00	EZ	Unemployment Rate	Jan	%	6.2		6.2
14:15	US	ADP report	Feb	k	41.5		22.0
16:00	US	ISM services	Feb	pts	53.8		53.8
			THURSDAY (5 March)				
11:00	EZ	Retail Sales	Jan	% m/m	0.2		-0.5
14:30	US	Initial Jobless Claims	Feb.26	k	216.0		212.0
			FRIDAY (6 March)				
08:00	DE	Factory Orders	Jan	% m/m	-3.5		7.8
08:30	HU	Industrial Production SA	Jan	% y/y	-2.2		-1.0
11:00	EZ	GDP SA	4Q	% y/y	1.3		1.3
14:30	US	Change in Nonfarm Payrolls	Feb	k	60.0		130.0
14:30	US	Retail Sales Advance	Jan	% m/m	-0.3		0.0
14:30	US	Unemployment Rate	Feb	%	4.3		4.3

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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