

13 March 2026

# Weekly Economic Update

## Central banks facing uncertainty

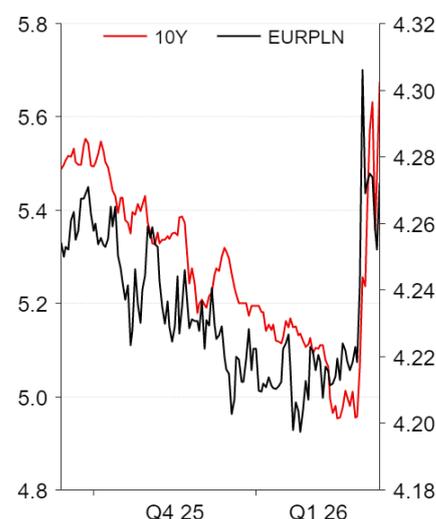
### Economy next week

- The war with Iran and its potential consequences remain the number-one topic commanding market attention. As a result, the importance of incoming historical data releases is diminishing in the near term — the state of the economy seen in the rear-view mirror matters less when a tornado has appeared on the horizon.
- Nevertheless, the coming week will bring a new batch of domestic data that we will be monitoring: **on Monday, core inflation for January–February and the January balance of payments; on Wednesday, March consumer confidence survey; on Thursday, wages and employment as well as industrial output and construction; and on Friday, business sentiment in the enterprise sector.**
- We expect that winter weather weighed on industrial and construction output in February, as it did in January, keeping output growth rates at low levels (industry just under 1% y/y, construction close to -8% y/y). In wages, we anticipate a slight rebound (to 6.6% y/y) following an exceptionally weak January reading. Core inflation was likely fairly stable in the first months of the year, at around 2.7% y/y. Consumer sentiment and business confidence indices are most likely to fall sharply in March in response to the outbreak of the war in Iran and rising fuel prices.
- **Abroad, it will be a week dominated by central banks.** Policy meetings are scheduled, among others, in the United States, Canada, Japan, Switzerland, Sweden, Czechia, the euro area, the United Kingdom, Australia and China. Of this group, only for Australia do analysts' expectations point to an interest rate hike. Markets will be scrutinising central bank communication for signals regarding the risk of a shift towards tighter monetary policy in response to the fuel price shock. The ECB and the Fed will present new economic projections, although it is unclear to what extent they incorporate the impact of higher commodity prices, while the FOMC will also publish the well-known dot plot, showing individual members' expectations for future interest rates.
- The week will conclude with **Moody's review of Poland's sovereign rating** on Friday evening. We do not expect any changes. A few days ago, a Moody's analyst said that the agency does not assume a significant impact of the war in Iran on Poland, provided the conflict does not last long.

### Markets next week

- Markets are still trying to cling to the hope that the conflict in the Middle East will not last longer than a few weeks, although sentiment is fluctuating sharply in response to incoming news. This means that there remains room both for a further increase in risk aversion (if signals emerge that raise the likelihood of a prolonged war) and for a rapid relief rally (if there are chances of de-escalation).
- The foreign exchange market remains the least sensitive to the current turbulence. We assume that EURPLN will remain in the 4.25–4.30 range in the coming week, while USDPLN will fluctuate around 3.70 — unless new information tilts the balance towards one of the alternative scenarios.
- The rates market has reacted strongly, but mainly through the channel of the pricing of the risk of interest rate hikes — the FRA/IRS curve is currently pricing-in rate increases of at least 50bp by the end of this year. Meanwhile, ASW spreads have so far widened only moderately (10Y below 100bp). In our view, this leaves considerable room for a correction of the aggressive pricing of rate hikes in a scenario of relatively rapid de-escalation, and poses a risk of further increases in bond yields should the assessed probability of a swift end to the conflict decline.

### 10Y bond yield (lhs) and EURPLN (rhs)

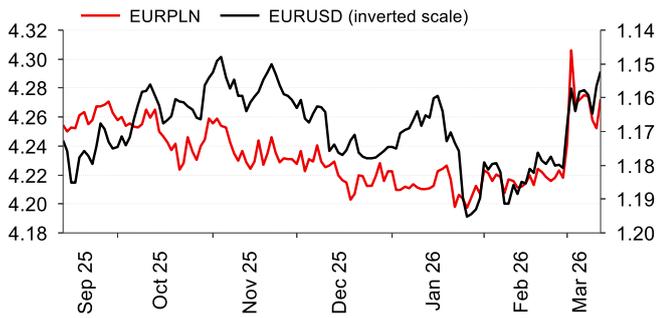


Source: LSEG Datastream, Santander Bank Polska

### Economic Analysis Department:

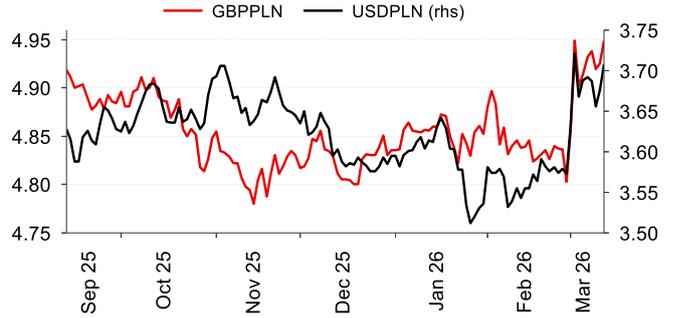
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**EURPLN and EURUSD**



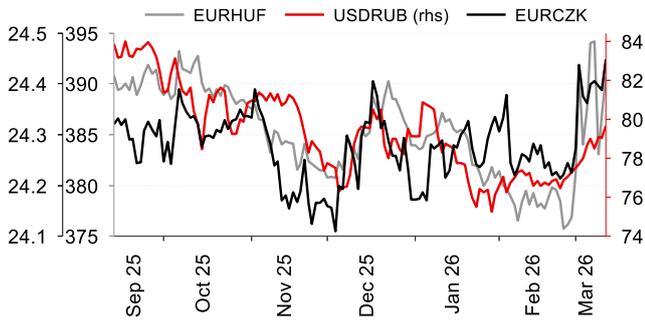
Source: LSEG Datastream, Santander

**GBPPLN and USDPLN**



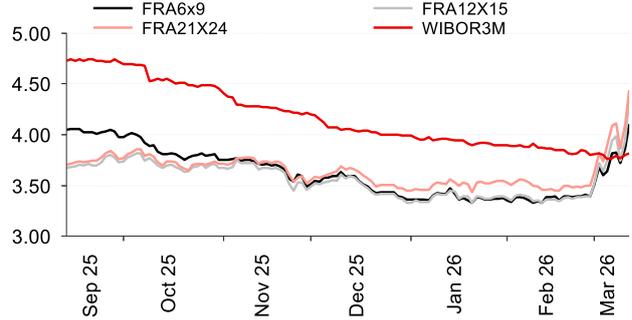
Source: LSEG Datastream, Santander Bank Polska

**EURCZK, EURHUF and USDRUB**



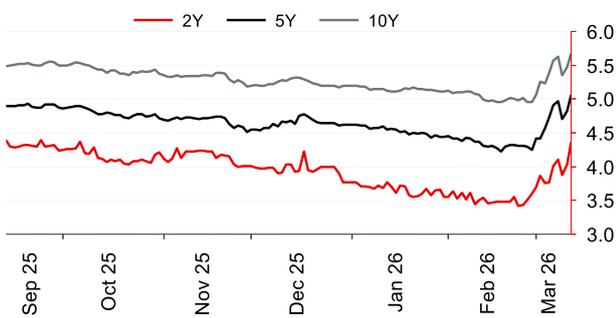
Source: LSEG Datastream, Santander Bank Polska

**PLN FRA and WIBOR3M**



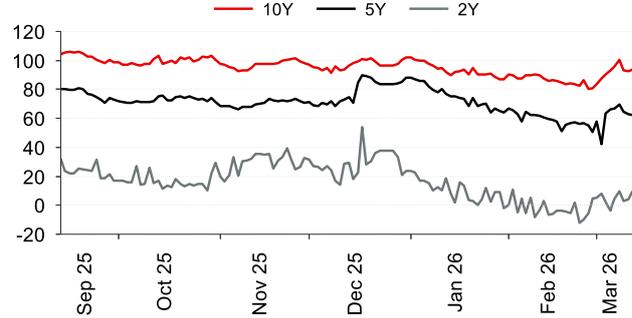
Source: LSEG Datastream, Santander Bank Polska

**Polish bond yields**



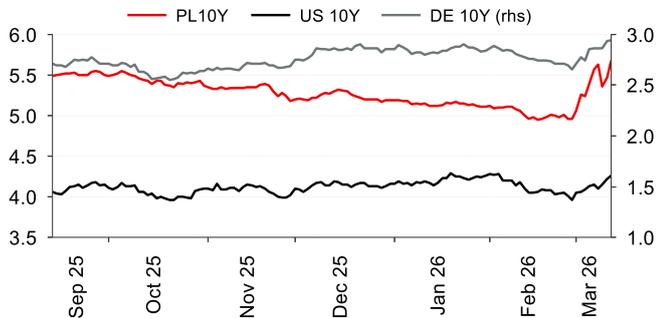
Source: LSEG Datastream, Santander Bank Polska

**Asset swap spreads**



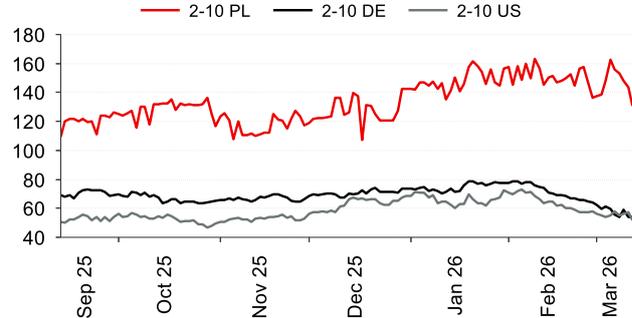
Source: LSEG Datastream, Santander Bank Polska

**10Y bond yields**



Source: LSEG Datastream, Santander

**Steepness of yield curves**



Source: LSEG Datastream, Santander Bank Polska

## Economic Calendar

TIME CET	COUNTRY	INDICATOR	PERIOD	FORECAST		LAST VALUE	
				MARKET	SANTANDER		
<b>MONDAY (16 March)</b>							
14:00	PL	CPI Core	Feb	% y/y	2.6	2.7	2.7
14:00	PL	Current Account Balance	Jan	€mn	-330	-470	-1 698
14:00	PL	Trade Balance	Jan	€mn	-1 013	-1 155	-2 298
14:00	PL	Exports	Jan	€mn	27 485	28 382	27 350
14:00	PL	Imports	Jan	€mn	28 652	29 537	29 648
14:15	US	Industrial Production	Feb	% m/m	0.1	-	0.7
<b>TUESDAY (17 March)</b>							
11:00	DE	ZEW Survey Current Situation	Mar	pts	-67.0	-	-65.9
15:00	US	Pending Home Sales	Feb	% m/m	-1.0	-	-0.84
<b>WEDNESDAY (18 March)</b>							
11:00	EZ	HICP	Feb	% y/y	1.9	-	1.9
15:00	US	Factory Orders	Jan	% m/m	-	-	-0.7
19:00	US	FOMC decision	Mar	%	3.75	-	3.75
<b>THURSDAY (19 March)</b>							
10:00	PL	Employment in corporate sector	Feb	% y/y	-0.8	-0.8	-0.8
10:00	PL	Average Gross Wages	Feb	% y/y	6.4	6.6	6.1
10:00	PL	Sold Industrial Output	Feb	% y/y	1.3	0.8	-1.5
10:00	PL	Construction Output	Feb	% y/y	-7.5	-7.7	-12.8
10:00	PL	PPI	Feb	% y/y	-2.4	-2.5	-2.6
13:30	US	Initial Jobless Claims	Weekly	k	215	-	213
14:15	EZ	ECB Main Refinancing Rate	Mar	%	2.15	-	2.15
14:30	CZ	Central Bank Rate Decision	Mar	%	3.50	-	3.50
15:00	US	New Home Sales	Jan	% m/m	-2.7	-	15.5
<b>FRIDAY (20 March)</b>							
No data releases							

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

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