

17 March 2026

## Eyeopener

### Low core CPI and a surplus in trade balance

Today Germany's ZEW index and US housing market data  
Core inflation in February came in at 2.5% y/y, below expectations  
The current account balance in January surprised with a surplus  
Minor fluctuations in the zloty, domestic bonds strengthened

**Today**, we will see Germany's March ZEW index and February data on the number of home sales contracts in the US. The Reserve Bank of Australia raised interest rates today by 25 bp.

**Core inflation (CPI excluding food and energy prices) fell in February to 2.5% y/y from 2.7% y/y recorded over the previous three months.** The outcome was 0.2 pp below our forecast and 0.1 pp below the market consensus. Among the three alternative measures of the inflation trend, only the 15-percent trimmed mean declined in February, to 2.2% from 2.4% y/y. The other two remained unchanged after posting significant declines in January: inflation excluding administered prices eased to 1.6% y/y from 1.8% y/y in December, while inflation excluding the most volatile prices fell to 2.6% y/y from 3.1% y/y. At the same time, the main core inflation measure remained relatively high on a m/m basis, at 0.5% in January and 0.3% in February. Although the stronger-than-expected decline in core inflation in February is positive, its importance for the future inflation path is likely to be limited given the high uncertainty surrounding non-core components, especially energy and food prices.

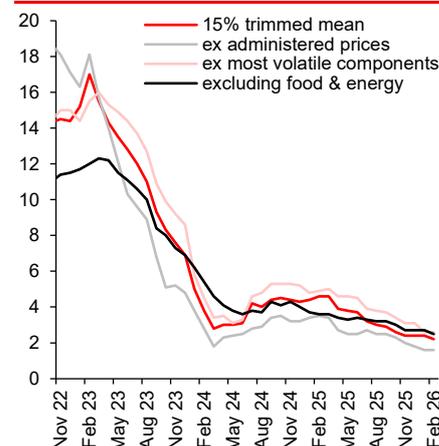
**In January, the current account recorded a surplus of almost EUR1.15bn, strongly surprising both us and the market.** We had expected a deficit of around EUR0.5bn, compared with a market consensus of -EUR0.3bn. In absolute terms, both imports and exports performed relatively weakly, which according to the NBP stemmed from a negative y/y working day difference. Imports, however, fell more sharply (-7.1% y/y) than exports (-1.8% y/y), resulting in a small trade surplus of EUR0.4bn, whereas we had expected a deficit of more than EUR1.1bn. The balances on services and income were broadly in line with our forecast, at EUR3.3bn and -EUR2.5bn, respectively. The NBP reported a decline in exports of capital goods, intermediate goods and transport equipment, as well as agricultural products (due to lower global prices). Imports, in turn, fell mainly in fuels (reflecting lower oil prices), intermediate goods and capital goods. The cumulative 12-month current account deficit narrowed in January to 0.5% of GDP, from 0.7% in December. In the current environment – with higher oil prices and risks of supply disruptions – the outlook for the current account is deteriorating, as fuel and energy import costs are rising and the risk of broader increases in import prices is growing, while the effect of a weaker zloty is unlikely to offset such a cost shock.

According to preliminary data from the Ministry of Finance, **the state budget deficit after February this year amounted to PLN48.5bn and was around PLN12bn higher than in the corresponding period last year.** In February alone, budget revenues totalled PLN22.8bn, down almost 20% y/y, mainly due to weak VAT receipts. These, according to our estimates, fell by around 24% y/y, while on a 12-month rolling basis their growth slowed to 8.7% y/y from 13.4% a month earlier. Budget expenditure in February amounted to PLN67.5bn, i.e. it rose 9.9% y/y. According to the budget act, the deficit this year should remain within the PLN272bn limit.

Yesterday, **EURPLN traded around the level at which it closed last week, i.e. 4.27.** On the dollar, following a marked strengthening on Friday, a slight correction occurred yesterday, with EURUSD moving up to 1.15. We believe that in the absence of any breakthrough news regarding Iran, EURPLN may remain in the 4.25–4.30 range in the near term. Oil traded yesterday between USD100 and USD105 per barrel, while intensified Iranian attacks on extraction infrastructure in the Persian Gulf region pose a risk of further increases in the price of the commodity.

After the weekend, **the domestic government bond market recovered somewhat.** Yields on Polish bonds fell by 10–22 bs, with larger moves at the short end of the curve. IRS rates declined by 8–9 bs, while FRA rates fell by 6–15 bp, more strongly for contracts with a 1–2 year horizon. Yields in core markets also declined yesterday, both for German bonds (by 5 bs) and US Treasuries (by 3–5 bp). In addition to reactions to developments around Iran, rate markets will this week be influenced by responses to central bank decisions, particularly those of the Fed (Wednesday) and the ECB (Thursday).

Core inflation measures, % y/y



Source: NBP, Santander Bank Polska

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**FX market**

Today's opening			
EURPLN	4.2723	CZKPLN	0.1745
USDPLN	3.7176	HUFPLN*	1.0830
EURUSD	1.1494	RONPLN	0.8392
CHFPLN	4.7153	NOKPLN	0.3839
GBPPLN	4.9446	DKKPLN	0.5716
USDCNY	6.8875	SEKPLN	0.3969

\*for 100HUF

Last session in the FX market						16.03.2026
	min	max	open	close	fixing	
EURPLN	4.2610	4.2747	4.2697	4.2735	4.2694	
USDPLN	3.7075	3.7417	3.7339	3.7180	3.7287	
EURUSD	1.1413	1.1502	1.1434	1.1493		

**Interest rate market**

16.03.2026

**T-bonds on the interbank market\*\***

Benchmark (term)	%	Change (bps)
OK0128 (2L)	4.43	-12
PS0131 (5L)	5.16	-5
DS1035 (10L)	5.70	-9

**IRS on the interbank market\*\***

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.10	-8	3.88	-2	2.49	-3
2L	4.27	-11	3.76	-4	2.59	-7
3L	4.36	-11	3.71	-4	2.62	-8
4L	4.43	-9	3.72	-3	2.68	-7
5L	4.49	-9	3.77	-4	2.72	-6
8L	4.66	-8	3.92	-4	2.87	-6
10L	4.77	-8	4.03	-3	2.95	-6

**WIBOR rates**

Term	%	Change (bps)
O/N	3.81	-1
SW	3.83	1
1M	3.83	-1
3M	3.82	-1
6M	3.85	1

**FRA rates on the interbank market\*\***

Term	%	Change (bps)
1x4	3.85	-2
3x6	3.97	-8
6x9	4.11	-13
9x12	4.24	-15
3x9	4.02	-8
6x12	4.19	-11

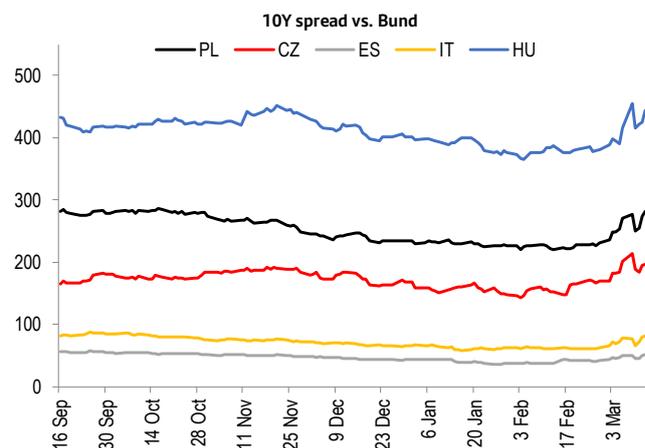
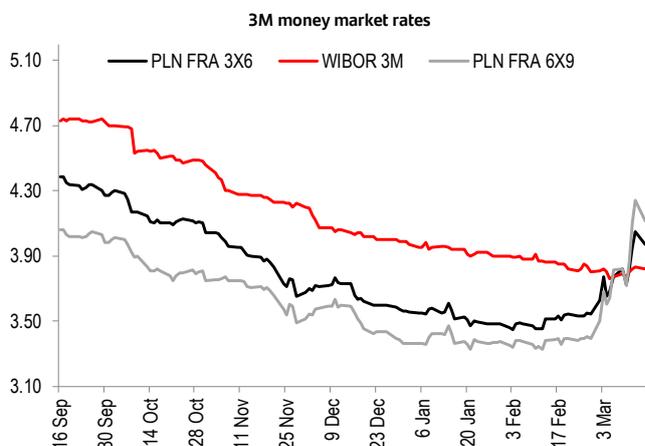
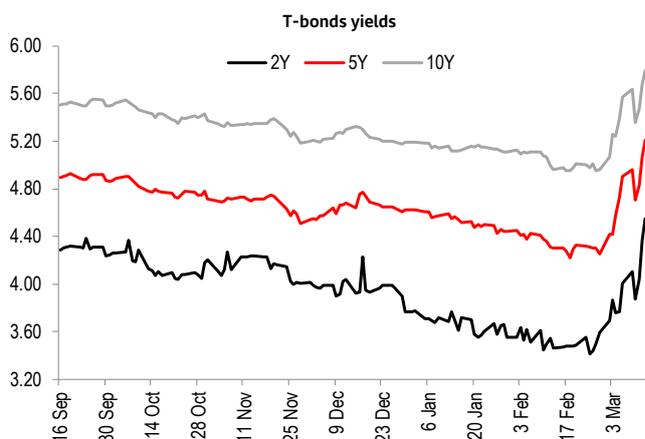
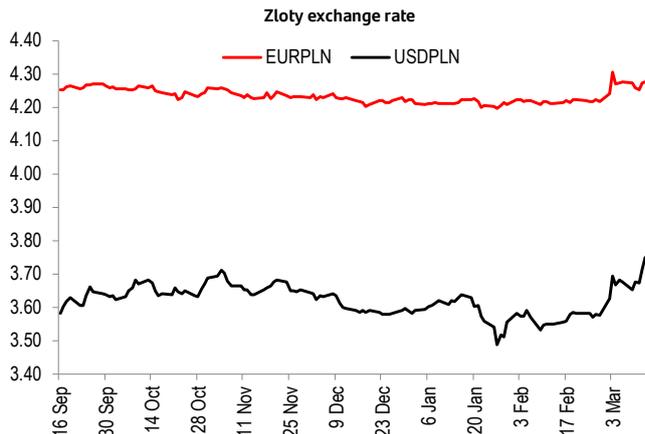
**CDS rates and 10Y yield spread vs. German Bund**

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	58	0	275	-6
France	14	0	67	-2
Hungary	104	0	436	-7
Spain	18	0	49	-2
Italy	15	0	78	-3
Portugal	8	0	44	-2
Ireland	9	0	29	-2
Germany	4	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		
<b>FRIDAY (13 March)</b>								
10:00	PL	CPI	Feb	% y/y	2.1	2.0	2.1	2.1
11:00	EZ	Industrial Production SA	Jan	% m/m	0.6		-1.5	-1.4
13:30	US	Durable Goods Orders	Jan	% m/m	1.1		0.0	-1.4
13:30	US	GDP Annualized	4Q	% Q/Q	1.4		0.7	1.4
13:30	US	Personal Spending	Jan	% m/m	0.3		0.4	0.4
13:30	US	Personal Income	Jan	% m/m	0.5		0.4	0.3
13:30	US	PCE Deflator SA	Jan	% m/m	0.3		0.3	0.4
15:00	US	Michigan index	Mar	pts	54.8		55.5	56.6
<b>MONDAY (16 March)</b>								
14:00	PL	CPI Core	Feb	% y/y	2.6	2.7	2.5	2.7
14:00	PL	Current Account Balance	Jan	€mn	-330	-470	1153	-1698
14:00	PL	Trade Balance	Jan	€mn	-1013	-1 155	378	-2298
14:00	PL	Exports	Jan	€mn	27485	28 382	27706	27350
14:00	PL	Imports	Jan	€mn	28652	29 537	27328	29648
14:15	US	Industrial Production	Feb	% m/m	0.1		0.2	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.26		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	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	-2.3	-2.5	-	-2.6
10:00	PL	Average Gross Wages	Feb	% y/y	6.5	6.6	-	6.1
13:30	US	Initial Jobless Claims	Mar.26	k	215.0		-	213.0
14:15	EZ	ECB Main Refinancing Rate	Mar.26	%	2.15		-	2.15
14:30	CZ	Central Bank Rate Decision	Mar.26		3.5		-	3.5
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

\* in the case of a revision the data is updated

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