

18 March 2026

Eyeopener

Market awaits Fed decision

Today consumer confidence in March, Fed decision with a new projection
 Worse economic conditions expected in Germany according to ZEW survey
 Fitch: veto of SAFE programme highlights the risk of a political deadlock in Poland
 Minor strengthening of the zloty, further decline in domestic bond yields

Today, we will see results of the March consumer sentiment survey, likely marked by concerns about the consequences of the war in Iran. Final HICP inflation data for the euro area and US industrial orders will also be released. In the evening, the Fed will announce its interest rate decision along with an update of macroeconomic projections and FOMC members' expectations regarding the future path of interest rates (the so-called dot plot). The market expects the Federal Reserve to leave interest rates unchanged, although more important than the decision itself may be the tone of how the Fed assesses the outlook and the implications of the war in Iran. Investors currently assume that the first US rate cuts will come no earlier than September.

Yesterday we published our quarterly MACROscope report titled "One battle after another", in which we discuss in the state of the Polish economy. This was supposed to be a very good year for the Polish economy, with GDP growth close to 4%, the peak of the investment cycle, resilient consumption and a strong labour market, inflation stabilising close to the NBP's target, and slightly declining interest rates. We still see a chance that this scenario will materialise, although its success depends to a large extent on how persistent the disruption in commodity markets triggered by the US-Israeli attack on Iran proves to be. Since the beginning of the decade, the global economy has been fighting one battle after another, grappling with, among other things, the global pandemic, the energy crisis, rising geopolitical instability, a wave of economic protectionism, volatility in financial markets, and now a severe disruption in commodity markets. Our baseline scenario assumes that the conflict in the Middle East will ease within a relatively short period and will not lead to far reaching consequences. Under this variant, the impact of higher fuel prices on inflation would be temporary, while the effect on economic growth would be negligible. We encourage you to read the full report, available for download [here](#).

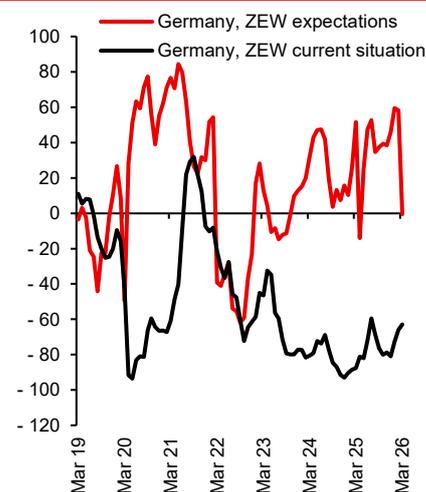
Fitch stated that the presidential veto of the SAFE programme reflects the political risks that stood behind assigning Poland a negative outlook by the agency last year, and which limit the country's ability to carry out reforms. According to the agency, the launch of the EU programme, offering more favourable financing terms than those currently available on the market, could help reduce debt servicing costs and extend maturities. In our view, Fitch's opinion increases the risk of a downgrade of Poland's credit rating. The next Fitch rating review is scheduled for 21 August.

The March ZEW index pointed to a collapse in expectations regarding economic developments in Germany, falling to -0.5 pts from +58.3 pts a month earlier. Despite this, the assessment of the current economic situation improved slightly, with the index standing at -62.9 pts, up by 3.0 pts from February and the highest level since July last year. Expectations of deterioration particularly concern energy-intensive sectors: chemicals and pharmaceuticals, automotive, and machinery. Around 80% of respondents expect inflationary pressure to intensify both in Germany and in the euro area.

Ahead of the Fed and ECB decisions, domestic and global equity indices posted gains yesterday. At the same time, the US dollar weakened against the euro, with EURUSD rising by 0.4% compared with Monday afternoon. Easing was also visible in the oil market, where Brent crude prices fell towards USD100 per barrel. Emerging market currencies benefited, although moves were moderate. EURPLN and EURHUF declined by 0.2%, while EURCZK remained virtually unchanged.

Yesterday, local bond yields continued to fall, as did market interest rates. Polish government bond yields declined by 9–14 pb, more so at the long end of the curve. IRS rates fell by 12–13 pb, while FRA rates declined by 5–19 pb. These declines, however, only partially offset last week's increases – both yields and rates remain 20–40 pb higher than last Tuesday.

German ZEW index (pts)



Source: ZEW, Santander Bank Polska

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FX market

Today's opening			
EURPLN	4.2589	CZKPLN	0.1742
USDPLN	3.6942	HUFPLN*	1.0842
EURUSD	1.1528	RONPLN	0.8368
CHFPLN	4.6983	NOKPLN	0.3853
GBPPLN	4.9327	DKKPLN	0.5699
USDCNY	6.8755	SEKPLN	0.3976

*for 100HUF

Last session in the FX market						17.03.2026
	min	max	open	close	fixing	
EURPLN	4.2558	4.2765	4.2742	4.2585	4.2666	
USDPLN	3.6886	3.7297	3.7234	3.6944	3.7046	
EURUSD	1.1465	1.1543	1.1480	1.1527		

Interest rate market 17.03.2026

T-bonds on the interbank market**		
Benchmark (term)	%	Change (bps)
OK0128 (2L)	4.34	-9
PS0131 (5L)	5.05	-11
DS1035 (10L)	5.57	-13

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.02	-8	3.88	1	2.49	0
2L	4.16	-11	3.76	0	2.58	-1
3L	4.23	-12	3.71	0	2.63	1
4L	4.30	-12	3.71	-1	2.66	-2
5L	4.37	-12	3.75	-3	2.69	-2
8L	4.54	-12	3.90	-2	2.84	-3
10L	4.66	-11	4.01	-2	2.94	-1

WIBOR rates

Term	%	Change (bps)
O/N	3.77	-4
SW	3.84	1
1M	3.82	-1
3M	3.81	-1
6M	3.85	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.81	-4
3x6	3.90	-8
6x9	4.02	-9
9x12	4.11	-13
3x9	3.96	-6
6x12	4.09	-10

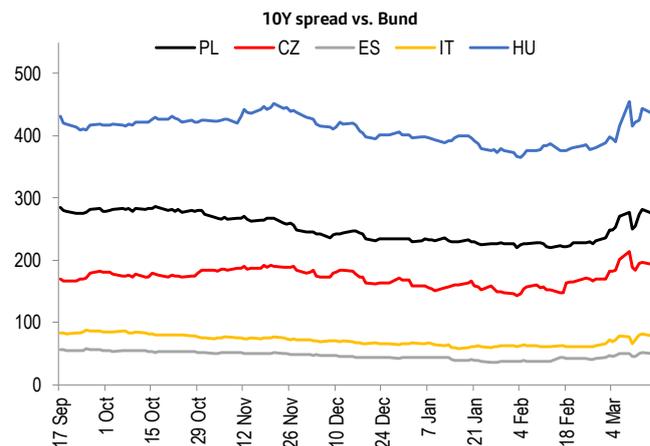
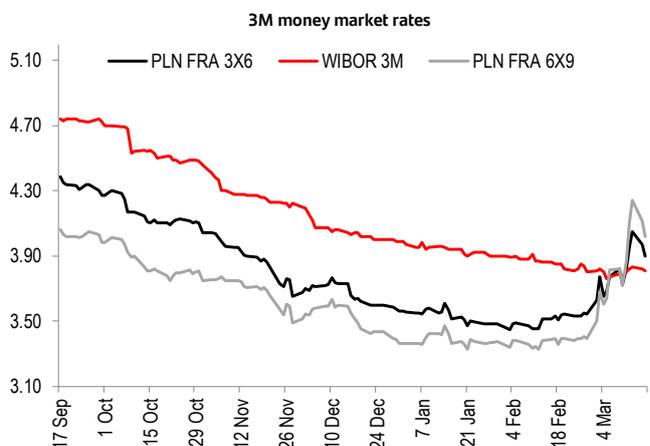
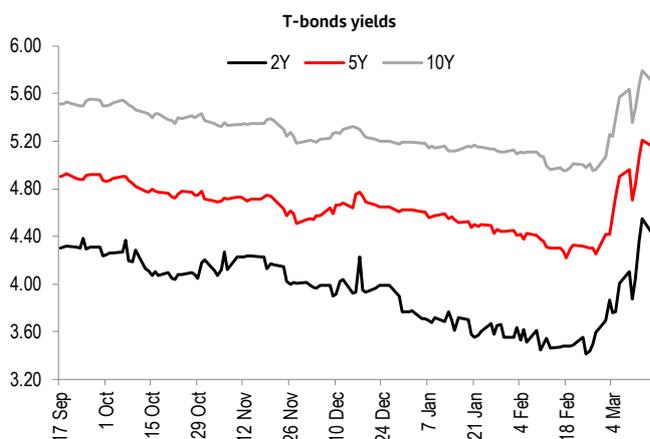
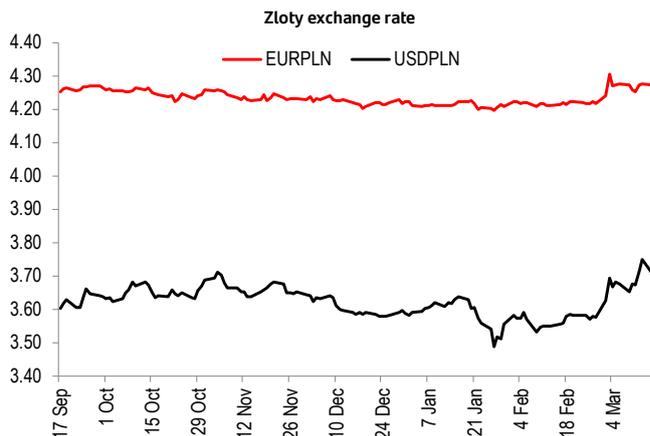
CDS rates and 10Y yield spread vs. German Bund

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	58	0	267	-9
France	14	0	66	-1
Hungary	103	0	431	-5
Spain	18	0	48	-1
Italy	14	0	76	-2
Portugal	8	0	42	-2
Ireland	9	0	28	-1
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		
FRIDAY (13 March)								
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
MONDAY (16 March)								
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
TUESDAY (17 March)								
11:00	DE	ZEW Survey Current Situation	Mar	pts	-67.0		-62.9	-65.9
15:00	US	Pending Home Sales	Feb	% m/m	-0.6		1.8	-1.0
WEDNESDAY (18 March)								
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
THURSDAY (19 March)								
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
FRIDAY (20 March)								
no data releases								

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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