

23 March 2026

Eyeopener

February retail sales may slightly disappoint

Today, data on retail sales and money supply for February
 Polish firms assess their current situation more negatively, but their expectations remain optimistic
 Friday was calm on the FX market, although domestic yields continued to rise

Today, we will learn February data on retail sales and money supply. Financial results of non-financial enterprises for the whole of 2025 will also be published. Our forecast for the growth of retail sales (4% y/y) is clearly below the market median (around 6% y/y). We have based our forecast on an analysis of card-payment data from our bank's clients, which in recent months have been a fairly good indicator of retail-sales behaviour. If sales turn out weaker than the market expects, the data would add to the set of arguments for the MPC not to rush with a monetary-policy response to the commodity-price fluctuations – slowing wage and consumption dynamics would reduce the risk of so-called second-round effects. In any case, any monetary-policy changes before July currently appear very unlikely.

The March business-sentiment survey in Poland delivered rather surprising results. We expected that the ongoing crisis in the Middle East would translate into a clear deterioration in corporate sentiment; however, it turns out this was not entirely the case. The seasonally adjusted general-climate indicator deteriorated the most in the horeca sector, slightly in industry and transport, while in the remaining sectors changes were only marginally negative or slightly positive. Breaking the data down into diagnostic and forward-looking components, we see that assessments of the current situation worsened more frequently, whereas what improved the aggregate indicator was optimism regarding the outlook for the coming months. These data suggest that Polish firms remain cautious in assessing current conditions and, for the moment, are not losing hope for a positive turn of events globally and thus for continued economic growth.

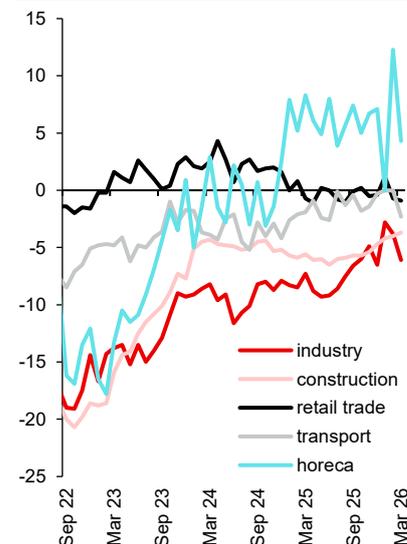
The rating agency Moody's maintained Poland's credit rating at A2. The rating outlook remained negative. According to the agency, the negative outlook reflects a significant deterioration in the prospects of public finances, with key risks stemming from the gridlock between the government and the president, as well as from a possible increase in spending ahead of the 2027 parliamentary elections. Among the factors that could lead to a downgrade, Moody's mentioned, among others, an increase in debt burden and a worsening of regional security. In addition, Moody's raised its forecast for Poland's GDP growth in 2026 to 3.7% from 3.2%. In 2027 the agency expects growth to slow to 3%.

After strong commodity-price swings during the week, **on Friday Brent crude prices settled near the high level of USD110/barrel (+10% week-on-week), while TTF gas prices hovered around EUR60/MWh (+20%).** Rising fuel prices are prompting governments to announce and/or take measures to cushion the impact of higher prices for end-users. On Friday, **the Spanish government announced a package worth EUR5bn, including a cut in fuel VAT from 21% to 10%**, a 60% reduction in electricity taxes and excise-duty cuts to mitigate the effects of the surge in energy prices following events in the Middle East. **Prime Minister Donald Tusk stated that the Polish government is keeping a VAT cut on fuels "in reserve"** should the conflict in Iran escalate.

According to Reuters, the US is considering sending several thousand additional troops to the Middle East, whose tasks would include securing tanker flows through the Strait of Hormuz. The same sources indicate that deployment of ground forces on Iran's coastline is also being considered. This information quickly strengthened the dollar in global markets. **The EURPLN exchange rate moved last week in the 4.25–4.28 range and was near the upper bound on Friday afternoon.** The Czech koruna ended the week with EURCZK at 24.25, and the Hungarian forint with EURHUF at 392–393. We assume, as we did a week ago, that EURPLN will remain in the 4.25–4.30 range, while USDPLN will fluctuate around 3.70 – unless new information tips the balance towards one of the alternative scenarios. **On Saturday evening, the US president announced that if Iran does not unblock the Strait of Hormuz within 48 hours, the US will hit Iranian power plants.** Iran responded that it would retaliate with strikes on the energy and water infrastructure of Gulf countries. Both statements pose a risk of further escalation, which may influence financial-market developments.

Polish government-bond yields ended the week with further increases. Two-year yields rose by 14bps and five-year yields by 8bps. Over the entire week, alternating rises and falls in government-bond prices brought yields roughly back to their levels of the previous Friday. Market IRS rates moved up by 3–10bps on Friday, and FRAs by 15–25bps. Week-on-week, short-end IRS were 13–18bps higher and FRAs 20–30bps higher. As a result, the market has already priced in three NBP rate hikes by year-end – such an aggressive pricing creates, in our view, room for a downward correction this week, although the ultimate direction will depend on developments in the Persian Gulf.

Sectoral business sentiment indices, SA



Source: GUS, Santander Bank Polska

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FX market

Today's opening			
EURPLN	4,2830	CZKPLN	0,1739
USDPLN	3,7160	HUFPLN*	1,0797
EURUSD	1,1524	RONPLN	0,8411
CHFPLN	4,6750	NOKPLN	0,3849
GBPPLN	4,9135	DKKPLN	0,5705
USDCNY	6,9107	SEKPLN	0,3940

*for 100HUF

Last session in the FX market						20.03.2026
	min	max	open	close	fixing	
EURPLN	4,2643	4,2834	4,2668	4,2765	4,2768	
USDPLN	3,6846	3,7156	3,6934	3,6989	3,7032	
EURUSD	1,1524	1,1580	1,1552	1,1559		

Interest rate market

20.03.2026

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	4,66	15
PS0131 (5L)	5,34	12
DS1035 (10L)	5,83	7

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4,40	18	4,09	9	2,75	13
2L	4,55	15	4,02	12	2,89	12
3L	4,58	14	3,94	11	2,88	15
4L	4,61	11	3,94	12	2,89	7
5L	4,65	10	3,96	11	2,91	6
8L	4,76	5	4,08	12	3,00	5
10L	4,83	3	4,16	8	3,07	12

WIBOR rates

Term	%	Change (bps)
O/N	3,79	1
SW	3,81	0
1M	3,84	3
3M	3,83	0
6M	3,87	1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3,93	5
3x6	4,22	19
6x9	4,54	26
9x12	4,65	22
3x9	4,32	22
6x12	4,63	27

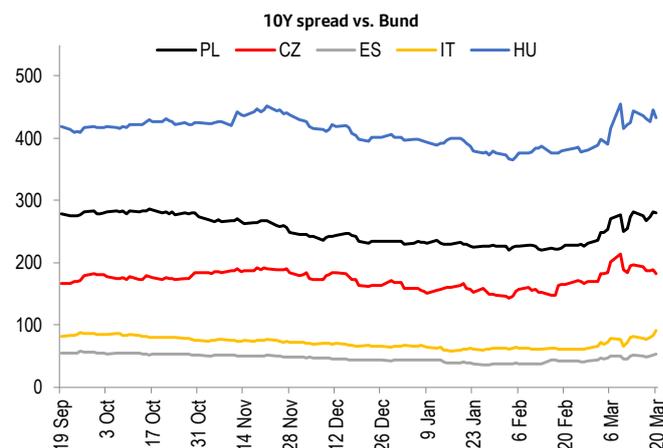
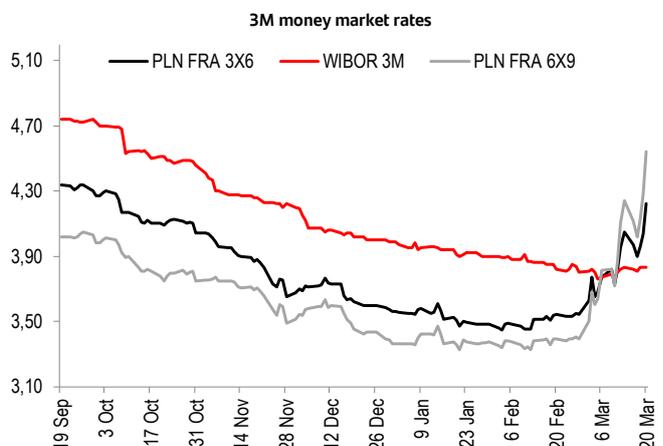
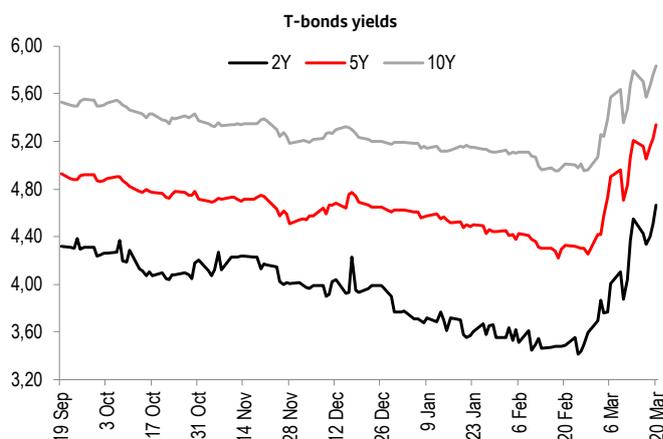
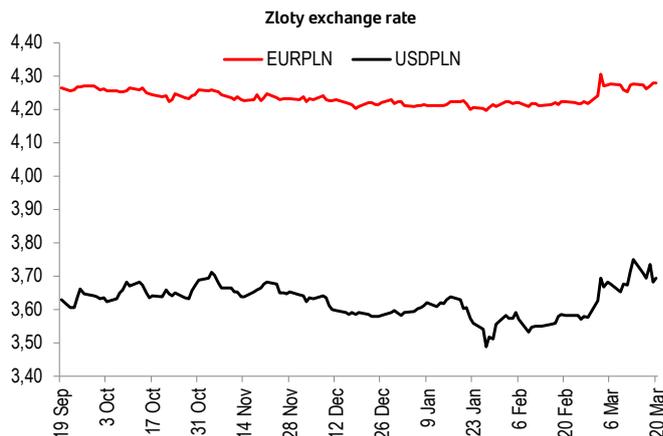
CDS rates and 10Y yield spread vs. German Bund

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	60	0	280	-1
France	14	0	71	3
Hungary	106	0	432	-13
Spain	18	1	53	2
Italy	14	0	91	8
Portugal	8	0	48	2
Ireland	8	0	29	1
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			
MONDAY (23 March)								
09:30	PL	Retail Sales Real	Feb	% y/y	6.1	4.0	-	4.4
14:00	PL	Money Supply M3	Feb	% y/y	10.0	10.0	-	10.0
TUESDAY (24 March)								
09:30	DE	Germany Manufacturing PMI	Mar	pts	49.4		-	50.9
09:30	DE	Markit Germany Services PMI	Mar	pts	52.4		-	53.5
09:30	PL	Unemployment Rate	Feb	%	6.1	6.1	-	6.0
10:00	EZ	Eurozone Manufacturing PMI	Mar	pts	49.2		-	50.8
10:00	EZ	Eurozone Services PMI	Mar	pts	50.8		-	51.9
14:00	HU	Central Bank Rate Decision	Mar	%	6.25		-	6.25
WEDNESDAY (25 March)								
10:00	DE	Ifo Business Climate	Mar	pts	85.9		-	88.6
THURSDAY (26 March)								
13:30	US	Initial Jobless Claims	week	k	215		-	205
FRIDAY (27 March)								
	DE	Retail Sales	Feb	% m/m	-		-	-1.0
15:00	US	Michigan index	Mar	pts	-		-	55.5

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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