24 March 2026

Eyeopener

Hopes for a de-escalation of the Middle East conflict

Today: GUS Statistical Bulletin and flash March PMIs for the euro zone
Retail sales up by 5% y/y in February, rebound in large-company investment in 4Q25
Higher-than-expected rise in money supply, pickup in lending in February
Market optimism after Donald Trump's declaration of a halt in attacks on Iran

Today, GUS will publish the February Statistical Bulletin with a full set of data on the Polish economy, including final figures on registered unemployment. Abroad, S&P Global will release preliminary results of the March PMI surveys for Germany and the euro area. Meanwhile, the Hungarian central bank will decide on interest rates and publish a new inflation and GDP projection.

In February, retail sales in constant prices rose by 5.0% y/y, marking an acceleration from 4.4% y/y in January. The market had expected a reading of 6.1% y/y, while we had forecast 4.0% y/y. Sales of durable goods rebounded to 4.8% y/y after a weak January reading of 2.4% y/y. Sales of other goods increased by 5.0% y/y compared with 4.8% y/y in January. If the conflict in the Middle East is relatively quickly de-escalated, average real retail sales growth of around 4% can be expected this year. **Financial results of non-financial enterprises** showed that in 4Q25, revenues of large and medium sized firms increased by 3.0% y/y, while costs rose by 2.5% y/y. The four quarter average margin was also slightly higher (4.6% after 4.5% in 3Q25). Investment, in turn, showed a clear acceleration to 8.8% y/y from 2.9% y/y in 3Q25 in real terms. Sectors more dependent on EU funding recorded an acceleration to 16.2% y/y from 14.2% y/y, while other sectors accelerated to +6.3% y/y from 2.6% y/y. More in our Economic comment.

Growth in the M3 money supply accelerated to 10.6% y/y in February from 10.0% y/y in January, clearly above both our and market expectations (10.0% y/y). The growth rate of currency in circulation increased to 15.3% y/y from 14.6% y/y in January, while deposit growth accelerated to 9.6% y/y from 8.9% y/y. The growth rate of demand deposits was unchanged (10.5%), while term deposits accelerated (to 7.1% y/y from 4.9% y/y). Growth in total loans adjusted for exchange rate changes accelerated to 6.6% y/y from 6.1% y/y a month earlier, including household loans rising to 5.4% y/y from 5.1% y/y and corporate loans to 11.4% y/y from 10.6% y/y. PLN denominated consumer loans continued a gentle upward trend in growth (8.9% y/y after 8.7% y/y in January), as did PLN denominated mortgage loans (8.5% y/y after 8.2% y/y). We expect that, provided there is no drastic deterioration in the market environment combined with a tightening of monetary policy (which we currently consider unlikely), solid credit growth in the economy will continue in the coming months, driven among other factors by incoming EU funds, rising investment and past interest rate cuts.

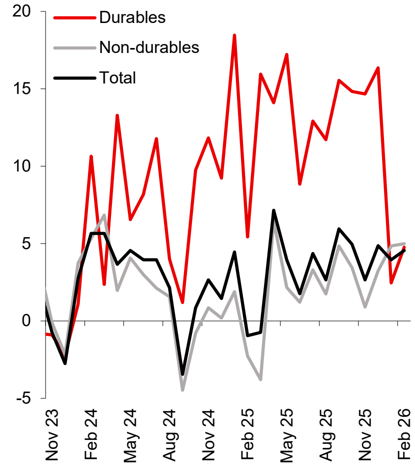
Adam Glapiński, in an interview with The Wall Street Journal, stated that although higher energy prices may push inflation up in the short term, weaker demand, slower wage growth and inflows of cheap imports from China will support inflation remaining close to target. Glapiński stressed that the NBP will take decisions based on incoming data and will not pre commit to a reaction path in response to the currently emerging supply shock in markets. Ludwik Kotecki, in turn, said that the Monetary Policy Council would remain in wait-and-see mode for the coming months, and that the March rate cut was likely the last one this year, even if the war in Iran comes to an end.

Yesterday, the turning point in markets came at 12:00 CET. At that moment, Donald Trump announced on the Truth Social platform that the US is engaged in promising negotiations with Iran regarding an end to the conflict. At the same time, the ultimatum on reopening the Strait of Hormuz, which was due to expire overnight and under which the US president had threatened strikes on Iranian energy infrastructure, was extended by five days, during which the US military is not to attack Iran. Brent crude prices fell from around USD114 to USD98–100, while gas prices on the European exchange declined from EUR62 to EUR54.

A rapid shift in trends was also seen in the FX market – the US dollar weakened, benefiting, among others, CEE currencies. Before noon, EURPLN was approaching 4.29, while after the above declaration – and further similar statements a few hours later – it fell to 4.25–4.26. EURCZK edged down from 24.54 to 24.45, while EURHUF declined from 395 to 387. Further market developments will depend on whether the credibility of the US president's declarations increases and on how other parties to the conflict respond.

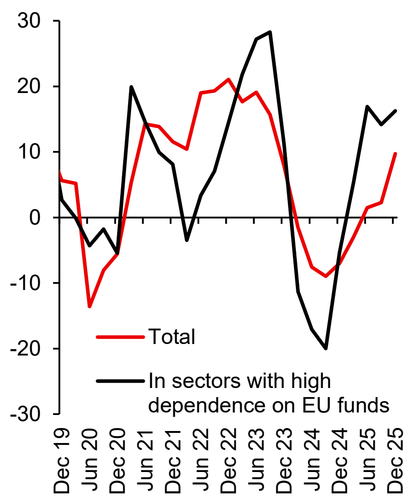
A sharp turnaround was also observed in the bond market. Yields on domestic government bonds fell by 12–23 bp, IRS rates by 12 bp and FRA rates by 10–20 bp. In core markets, German bond yields declined by 5–10 bp, while US yields fell by 4–5 bp. Fluctuations in global sentiment driven by reports related to the conflict in the Persian Gulf are likely to remain the key determinant of market direction, pushing current data releases into the background.

Retail sales in main categories (% y/y)



Source: GUS, Santander Bank Polska

Investment in large and medium-sized companies, % y/y, nominal



Source: GUS, Santander Bank Polska

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FX market

Today's opening

EURPLN	4.2595	CZKPLN	0.1739
USDPLN	3.6700	HUFPLN*	1.0868
EURUSD	1.1604	RONPLN	0.8365
CHFPLN	4.6625	NOKPLN	0.3763
GBPPLN	4.9285	DKKPLN	0.5700
USDCNY	6.8825	SEKPLN	0.3931

*for 100HUF

Last session in the FX market **23/03/2026**

	min	max	open	close	fixing
EURPLN	4.2495	4.2905	4.2813	4.2605	4.2867
USDPLN	3.6532	3.7353	3.7105	3.6740	3.7292
EURUSD	1.1483	1.1639	1.1533	1.1589	

Interest rate market **23/03/2026**

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	4.54	-13
PS0131 (5L)	5.31	-3
DS1035 (10L)	5.72	-11

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.33	-6	4.04	-5	2.69	-5
2L	4.45	-10	3.96	-5	2.78	-11
3L	4.48	-10	3.90	-4	2.80	-8
4L	4.51	-10	3.90	-4	2.82	-8
5L	4.55	-10	3.93	-2	2.85	-7
8L	4.66	-9	4.06	-1	2.96	-5
10L	4.72	-10	4.15	-1	3.04	-3

WIBOR rates

Term	%	Change (bps)
O/N	3.75	-4
SW	3.81	0
1M	3.81	-3
3M	3.85	2
6M	3.89	2

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.92	0
3x6	4.21	-1
6x9	4.50	-4
9x12	4.59	-7
3x9	4.29	-4
6x12	4.57	-6

CDS rates and 10Y yield spread vs. German Bund

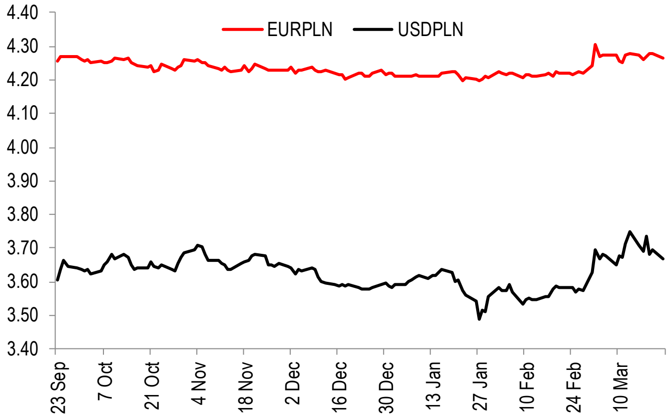
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	63	0	270	-9
France	16	0	71	1
Hungary	113	0	451	19
Spain	18	0	52	-1
Italy	16	0	91	0
Portugal	9	0	46	-1
Ireland	9	0	26	-3
Germany	4	0	-	-

* 10Y treasury bonds over 10Y Bunds

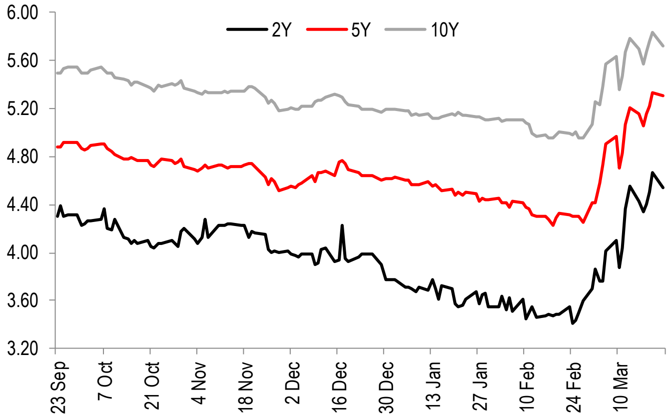
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

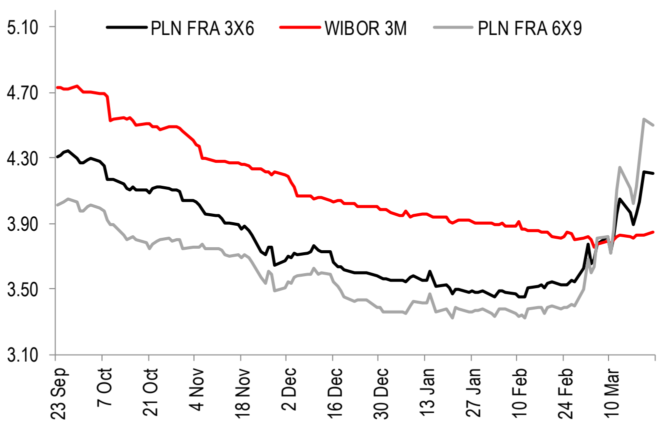
Zloty exchange rate



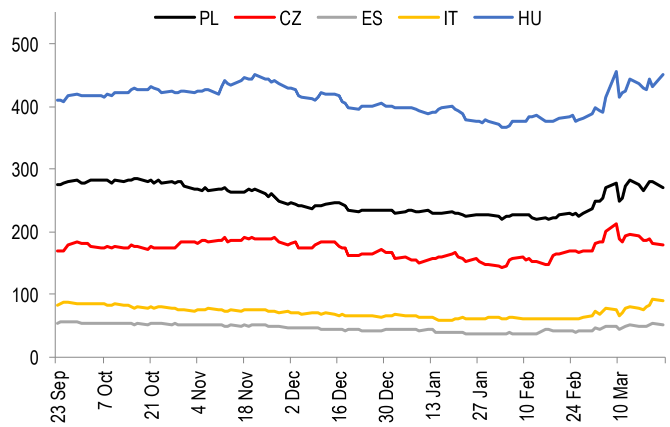
T-bonds yields



3M money market rates



10Y spread vs. Bund



Calendar of events and publications

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST MARKET	FORECAST SANTANDER	ACTUAL VALUE	LAST VALUE*
			FRIDAY (20 March)					
		no data releases						
			MONDAY (23 March)					
09:30	**PL**	**Retail Sales Real**	**Feb**	**% y/y**	**6.1**	**4.0**	**5.0**	**4.4**
14:00	**PL**	**Money Supply M3**	**Feb**	**% y/y**	**10.0**	**10.0**	**10.6**	**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*

Additional information is available on request. Please contact Santander Bank Polska S.A., Financial Management Division, Economic Analysis Department. al. Jana Pawła II 17, 00-854 Warsaw, Poland. phone +48 22 534 18 87, email ekonomia@santander.pl, http://www.santander.pl.