27 March 2026

Eyeopener

The government will intervene in fuel prices

March Michigan survey results due today in the US
Polish government announces a package of measures to cut fuel prices
Zloty stable, announcement of government intervention in fuel prices steepened the yield curve

Today, we will learn the final results of the March consumer sentiment survey in the US conducted by the University of Michigan – the preliminary data pointed to a slight decline vs. February. Today will also see the release of the preliminary estimate of March inflation in Spain - the first inflation reading from an EU country since the outbreak of the war in Iran and for which Bloomberg provides market expectations. The market expects pressure from rapidly rising energy commodity prices to have pushed Spanish HICP inflation up to 3.8% y/y from 2.5% in February (with the lowest forecast assuming a rebound of 0.6pp and the highest 1.6pp).

Prime Minister Donald Tusk convened an extraordinary cabinet meeting yesterday, at which a package of bills aimed at lowering fuel prices was adopted (called "CPN package"). The plan includes cutting VAT on fuels from 23% to 8% and reducing excise duty to the EU-mandated minimum, i.e. by PLN0.29 per litre for petrol and PLN0.28 per litre for diesel. In addition, a maximum retail fuel price will be introduced – set daily by the energy minister based on average wholesale prices and operating costs of the largest suppliers. The introduction of a windfall tax on oil companies was also announced, although it is not yet included in the current legislative package. **According to the government, the price effect at petrol stations is estimated at around PLN1.20 per litre** and should become visible fairly quickly once the measures come into force. According to the Prime Minister, this could happen even before Easter. This week, average prices of standard petrol reached PLN7.20–7.50 per litre, while diesel stood at PLN8.50–8.90 per litre, i.e. higher by around 28% and 45% than on the last day of February, respectively. A PLN1.20 reduction would therefore bring petrol prices down to around PLN6 per litre, slightly above February levels (around PLN5.70), and diesel prices to around PLN7.50 per litre, still above the PLN6 levels seen a month earlier. The proposals do not cover LPG, whose prices at petrol stations have risen by around 40%. According to our estimates, fuel prices at petrol stations rose by an average of around 15% in March, and the implementation of the government's proposals could reverse most of this move – with the final effect depending on the pace at which the measures are implemented and on current price development on global markets. Finance Minister Andrzej Domański said in the evening that **the estimated cost of the proposed measures amounts to around PLN1.6bn per month**, including around PLN0.9bn from the VAT cut and PLN0.7bn from the excise duty reduction. There is no predefined time horizon for the tax cuts – the Ministry of Finance reserves the right to adjust them flexibly depending on market conditions. The planned windfall tax is intended to offset these costs to some extent, but details of this solution are not yet known.

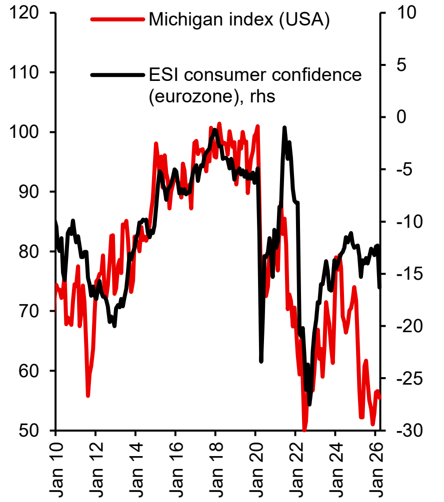
The European Bank for Reconstruction and Development (EBRD) estimates that persistently high oil prices and disruptions to commodity supplies could reduce global GDP growth by at least 0.4pp and push inflation up by more than 1.5pp. The EBRD notes that the effects of the conflict will be felt most strongly by economies heavily dependent on energy and food imports, including Lebanon, Jordan, Egypt, Turkey, Moldova and North Macedonia.

The lack of concrete information on progress in negotiations along the US–Israel–Iran line, combined with reports of continued heavy fighting on both sides, resulted yesterday in **oil prices rising by 6–7%** towards USD108–109. Gold, meanwhile, fell again, from USD4,600 to USD4,450 per ounce. In the meantime, Iran announced on a local TV station that the Strait of Hormuz is open to "friendly countries", currently China, Russia, India, Iraq and Pakistan. At the same time, the Iranian parliament is working on regulations introducing fees for ship transit through the strait. According to media reports, the US side is considering a ground offensive. In the evening, the US President announced an extension of the suspension of attacks on Iran by another 10 days, until 6 April, which markets reacted to positively, but only temporarily – this morning Brent crude prices are again close to USD109.

In the FX market, the dollar strengthened against the euro, with EURUSD falling to around 1.152–1.155. **The Polish zloty started the day slightly weaker, with EURPLN at 4.28, but later traded within the range around 4.275 seen over the previous two sessions**. EURCZK climbed towards 24.5 by the end of the day, while the forint lost 0.2% against the euro.

After several highly volatile sessions in the bond market, yesterday's changes in bond yields were smaller. The announcement of government intervention in fuel prices led to a 5bp decline in 2-year yields alongside a 7bp increase in 10-year yields. IRS rates were virtually unchanged, while FRA rates initially rose on the back of higher oil prices, only to erase the entire daily increase – which had reached 10bp on the 6x9 and 9x12 contracts – following the Prime Minister's declaration. In core markets, there was no clear change in yield curve slope comparable to that seen in Poland and driven by a local factor. Instead, we saw a parallel upward shift of the German curve by 12bps and the US curve by 8bp.

Consumer confidence indicators, pts



Source: Bloomberg, Santander Bank Polska

Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa
email: ekonomia@santander.pl
website: santander.pl/en/economic-analysis
Piotr Bielski +48 691 393 119
Bartosz Białas +48 517 881 807
Adrian Domitrz +48 571 664 004
Marcin Luziński +48 510 027 662
Grzegorz Ogonek +48 609 224 857

FX market

Today's opening

EURPLN	4,2775	CZKPLN	0,1743
USDPLN	3,7122	HUFPLN*	1,0910
EURUSD	1,1523	RONPLN	0,8398
CHFPLN	4,6594	NOKPLN	0,3835
GBPPLN	4,9441	DKKPLN	0,5723
USDCNY	6,9106	SEKPLN	0,3932

*for 100HUF

Last session in the FX market **26.03.2026**

	min	max	open	close	fixing
EURPLN	4,2670	4,2818	4,2792	4,2745	4,271
USDPLN	3,6923	3,7103	3,7024	3,7057	3,6948
EURUSD	1,1521	1,1566	1,1556	1,1535	

Interest rate market **26.03.2026**

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	4,52	0
PS0131 (5L)	5,33	0
DS1035 (10L)	5,78	5

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4,29	1	4,12	6	2,81	6
2L	4,41	1	4,07	9	2,95	11
3L	4,44	0	4,01	9	2,96	12
4L	4,48	0	4,00	10	2,96	12
5L	4,52	0	4,04	11	2,99	13
8L	4,64	1	4,12	8	3,08	13
10L	4,73	1	4,20	7	3,14	11

WIBOR rates

Term	%	Change (bps)
O/N	3,71	-5
SW	3,80	0
1M	3,82	-2
3M	3,84	0
6M	3,89	1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3,88	-1
3x6	4,13	0
6x9	4,41	1
9x12	4,52	0
3x9	4,24	2
6x12	4,50	2

CDS rates and 10Y yield spread vs. German Bund

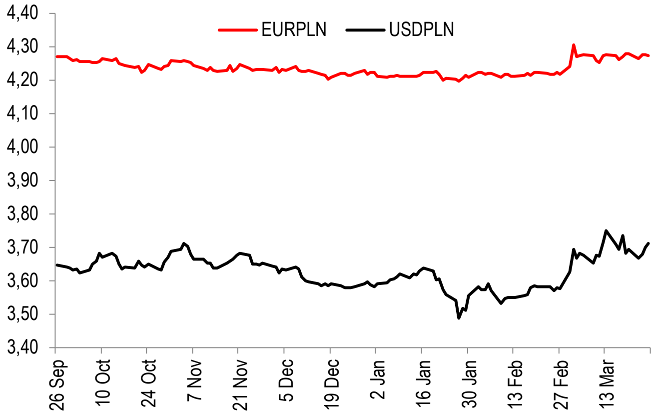
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	62	0	271	-6
France	15	0	72	3
Hungary	111	0	432	-16
Spain	21	0	53	2
Italy	16	0	94	6
Portugal	9	0	48	1
Ireland	10	0	29	1
Germany	4	0	-	-

* 10Y treasury bonds over 10Y Bunds

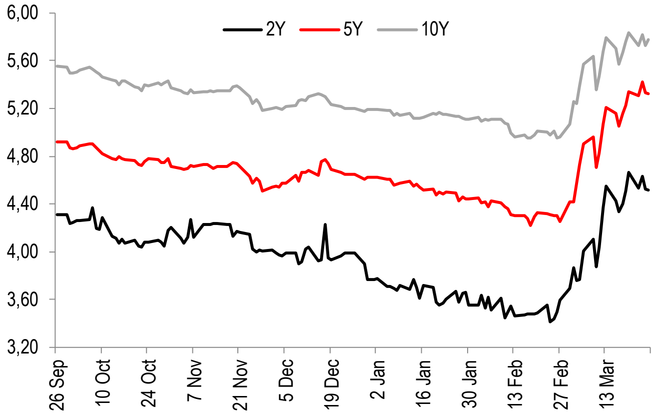
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

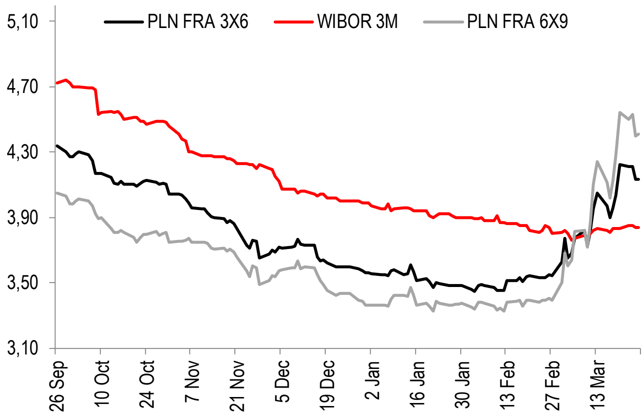
Zloty exchange rate



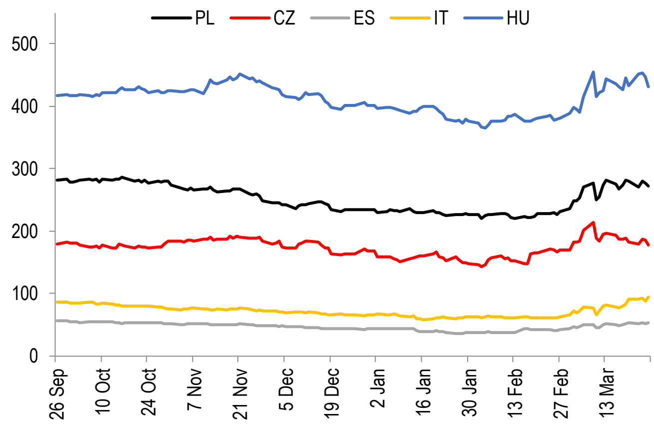
T-bonds yields



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	49.5		51.7	50.9
09:30	DE	Markit Germany Services PMI	Mar	pts	52.5		51.2	53.5
09:30	**PL**	**Unemployment Rate**	**Feb**	**%**	**6.1**	**6.1**	**6.1**	**6.0**
10:00	EZ	Eurozone Manufacturing PMI	Mar	pts	49.6		51.4	50.8
10:00	EZ	Eurozone Services PMI	Mar	pts	51.1		50.1	51.9
14:00	HU	Central Bank Rate Decision	Mar	%	6.25		6.25	6.25
			WEDNESDAY (25 March)					
10:00	DE	IFO Business Climate	Mar	pts	85.9		86.4	88.6
			THURSDAY (26 March)					
13:30	US	Initial Jobless Claims	week	k	210		210	205
			FRIDAY (27 March)					
15:00	US	Michigan index	Mar	pts	54.0		-	55.5

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg
** in the case of a revision the data is updated*