

30 March 2026

Eyeopener

It's been a month since the war in Iran started

Today: March inflation figures for Germany and the European ESI index
The bills in the "CPN" package have passed through the legislative process
Friday's markets marked by a weaker zloty and rising bond yields

Today, we will see the first March estimate of HICP inflation in Germany. The March HICP reading for Spain, published on Friday, showed prices rising by 3.3% y/y, up from 2.5% y/y in February. In this case, the market consensus was more pessimistic than the actual outcome and had forecast inflation at 3.8%. In addition, today Eurostat will publish the March Economic Sentiment Indicators (ESI) for European economies, including Poland — the first to reflect the initial reaction to the attack on Iran.

On Friday, the parliament adopted and the President signed into law two bills forming part of a package of measures aimed at reducing fuel prices. One of these bills introduces the possibility of setting a maximum fuel price based on a formula that includes the average wholesale price on the domestic market plus excise duty, the fuel levy, a retail margin of PLN0.30 per litre, and VAT. This price will be announced by way of a notice issued by the minister responsible for energy, taking effect from the day following its publication. The second bill grants the Minister of Finance the authority to modify excise duty rates by regulation, with a sunset date for these powers set at 30 June this year. Decisions regarding reductions in VAT on fuels are also to be introduced by minister's regulation. The implementation of these measures is expected to lower fuel prices at petrol stations by PLN1.2 per litre, which could subtract around 0.8 pp from the inflation rate in April - assuming that oil prices do not rise further. This assumption, however, is becoming increasingly questionable given the lack of signals pointing to de-escalation in the Middle East.

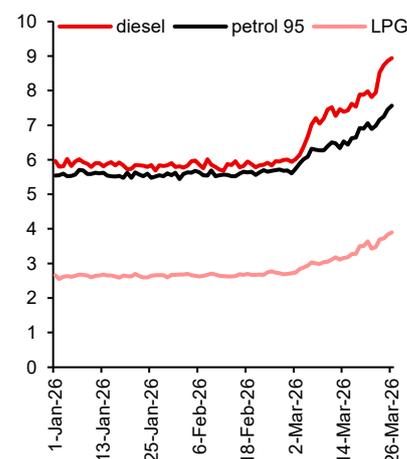
According to final data, the **University of Michigan index in the US stood at 55.3 pts in March**, compared with 56.6 pts in February. The current conditions index declined slightly, from 56.6 to 55.8 pts, while expectations deteriorated more sharply, with the index falling to 51.7 pts from 56.6 pts in February. One-year inflation expectations also increased to 3.8% from 3.4% previously, marking the largest monthly jump since April 2025.

Market sentiment at the end of the week was tense. Four weeks have passed since the start of the confrontation between the joint forces of US and Israel, and Iran — a period after which, according to Donald Trump's initial statements, the conflict was supposed to end. For now, however, there are no signs of a swift end to the war. Although the US President extended last week the suspension of attacks on Iran's energy infrastructure until 6 April, this failed to calm either commodity or financial markets. Rising Brent crude prices reached \$112 on Friday, while equity indices, including the WIG, were in negative territory. One of the few positive signals was a slight decline in natural gas prices in Europe, while metal prices remained relatively stable. This morning, oil prices are rising again (near \$115), partly in response to further Israeli attacks on Iran over the weekend, the declaration of Houtis to enter the war and fears of a possible ground invasion following Donald Trump's statement that he wants to "take" Iranian oil.

In the FX market, the US dollar strengthened, while currencies in CEE region weakened. By the end of Friday's European session, EURUSD was slightly above 1.15, while EURPLN rebounded from the 4.29 threshold and closed at 4.285. EURCZK ended the session at 24.52, while EURHUF stalled just below 390. We expect EURPLN to remain within the 4.25–4.30 range this week, and a break out of this band would likely require either further escalation of the conflict (e.g. a ground invasion) or a credible signal of de-escalation confirmed by the Iranian side.

The bond and interest rate market fluctuated throughout the past week in response to incoming news. **On Friday, yields on Polish government bonds rose again, by 4–10 bp**, steepening the yield curve by 6 bp. IRS and FRA rates also increased by 4–8 bp, with stronger moves at the long end of the curve. Global bond markets remain under growing pressure from inflation expectations and fiscal concerns, which is automatically spilling over into volatility in the domestic market. This week we are likely to see a continuation of this trend, and a clear correction would require a credible signal that the conflict is nearing an end — which we do not see at present.

Retail fuel prices at petrol stations, PLN/ltr



Source: autocentrum.pl, Santander Bank Polska

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FX market

Today's opening			
EURPLN	4,2802	CZKPLN	0,1737
USDPLN	3,7173	HUFPLN*	1,0907
EURUSD	1,1514	RONPLN	0,8402
CHFPLN	4,6398	NOKPLN	0,3834
GBPPLN	4,9167	DKKPLN	0,5711
USDCNY	6,9062	SEKPLN	0,3911

*for 100HUF

Last session in the FX market						27.03.2026
	min	max	open	close	fixing	
EURPLN	4,2760	4,2902	4,2765	4,2849	4,2858	
USDPLN	3,7043	3,7287	3,7058	3,7188	3,7206	
EURUSD	1,1501	1,1547	1,1540	1,1518		

Interest rate market 27.03.2026

T-bonds on the interbank market**		
Benchmark (term)	%	Change (bps)
OK0128 (2L)	4,54	2
PS0131 (5L)	5,36	3
DS1035 (10L)	5,88	11

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4,30	1	4,05	-7	2,78	-3
2L	4,45	4	4,00	-7	2,91	-4
3L	4,50	5	3,95	-6	2,94	-2
4L	4,54	6	3,97	-3	2,95	-1
5L	4,58	6	4,00	-4	2,98	-1
8L	4,71	7	4,14	1	3,08	1
10L	4,82	8	4,21	2	3,17	3

WIBOR rates

Term	%	Change (bps)
O/N	3,74	3
SW	3,80	0
1M	3,81	-1
3M	3,86	2
6M	3,90	1

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3,89	1
3x6	4,10	-3
6x9	4,41	0
9x12	4,57	5
3x9	4,18	-6
6x12	4,50	0

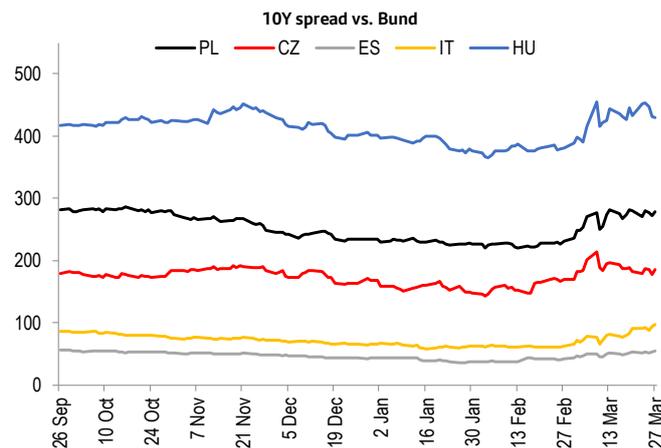
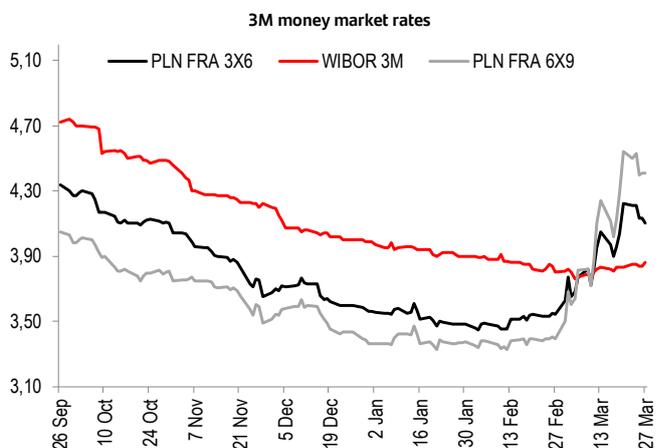
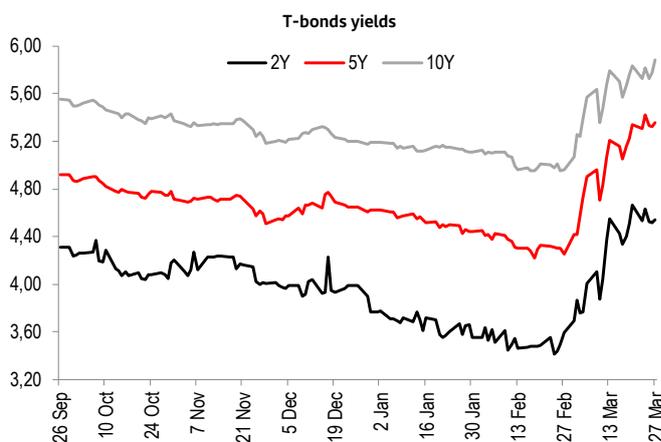
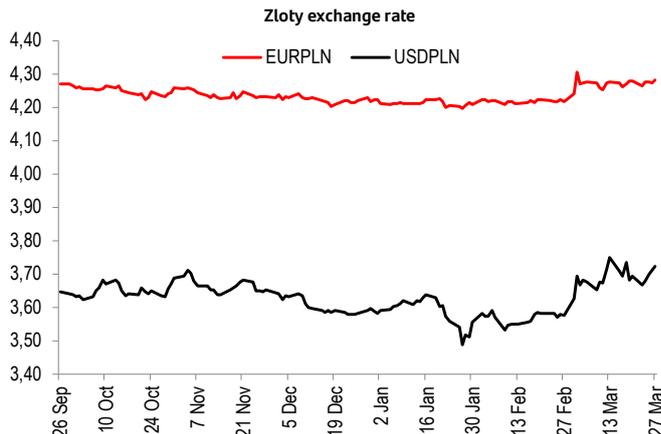
CDS rates and 10Y yield spread vs. German Bund

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	63	0	279	7
France	16	0	74	2
Hungary	112	0	430	-2
Spain	21	0	55	2
Italy	17	0	97	3
Portugal	9	0	50	2
Ireland	9	0	27	-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		
FRIDAY (27 March)							
15:00	US	Michigan index	Mar	pts	54.0	53.3	56.6
MONDAY (30 March)							
11:00	EZ	ESI	Mar	pct.	96.6	-	98.3
14:00	DE	HICP	Mar	% m/m	1.2	-	0.4
TUESDAY (31 March)							
08:00	DE	Retail Sales	Feb	% m/m	0.4	-	-1.0
09:00	CZ	GDP SA	4Q	% y/y	2.6	-	2.6
09:30	PL	CPI	Mar	% y/y	3.2	3.1	2.1
11:00	EZ	HICP	Mar	% y/y	2.6	-	1.9
11:00	EZ	Flash HICP	Mar	% y/y	2.6	-	1.9
16:00	US	Consumer Conference Board	Mar	pts	88.0	-	91.2
WEDNESDAY (1 April)							
09:00	PL	Poland Manufacturing PMI	Mar	pts	47.2	46.7	47.1
09:55	DE	Germany Manufacturing PMI	Mar	pts	51.7	-	51.7
10:00	EZ	Eurozone Manufacturing PMI	Mar	pts	51.4	-	51.4
11:00	EZ	Unemployment Rate	Feb	%	6.1	-	6.1
14:15	US	ADP report	Mar	k	40.0	-	63.0
14:30	US	Retail Sales Advance	Feb	% m/m	0.4	-	-0.2
16:00	US	ISM manufacturing	Mar	pts	52.3	-	52.4
THURSDAY (2 April)							
14:30	US	Initial Jobless Claims	Mar.26	k	210.0	-	210.0
FRIDAY (3 April)							
03:45	CN	Caixin China PMI Services	Mar	pts	53.6	-	56.7
14:30	US	Change in Nonfarm Payrolls	Mar	k	50.0	-	-92.0
14:30	US	Unemployment Rate	Mar	%	4.4	-	4.4

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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