31 March 2026

Eyeopener

March inflation data today

Today we will see the first estimates of March inflation in Poland and the eurozone
According to ESI indicators, sentiment in Poland did not deteriorate significantly in March
Weakening of the zloty and domestic bonds, further rise in oil prices

Today, the flash estimate of CPI inflation for March will be released, providing the first information on how the war in the Middle East and the resulting rise in commodity prices have affected price levels in Poland. It is widely expected that inflation increased from 2.1% y/y in February to around 3% y/y. The forecasts collected by Bloomberg range from 2.9% y/y to 3.5% y/y, with a median of 3.2% y/y. Our estimates point to 3.1% y/y. Initial data on March inflation will also be released in the euro area, where the median forecast suggests an acceleration in price growth to 2.6% y/y. In Czechia, a new estimate of GDP growth for 4Q25 will be published, while in the US the March print of the Conference Board consumer confidence indicator will be released.

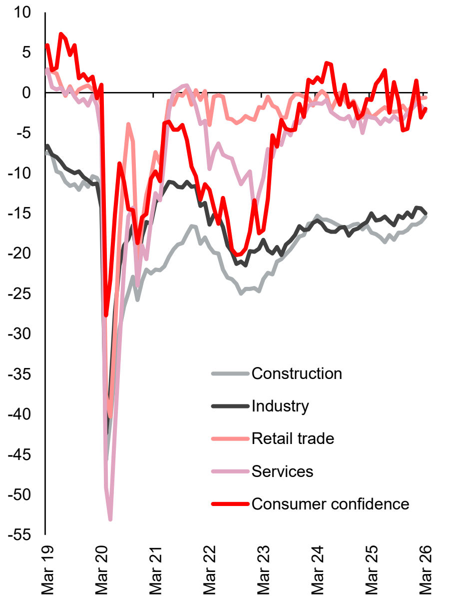
Despite the war in Iran and rising commodity prices, the Economic Sentiment Indicators did not signal a deterioration in sentiment among Polish businesses and consumers in March. The overall ESI for Poland slipped in March by only 0.3 pts to 100.8 pts. The decline resulted solely from a slight weakening in conditions in the industrial and services sectors, whose indices fell by 0.6 pts and 0.7 pts respectively. Other sectoral indicators recorded modest increases, including the consumer confidence indicator, which rose by 1.1 pts to -2.0 pts. Detailed results of the consumer survey showed improvements, among other things, in expectations regarding the future economic situation and respondents' own financial situation. On the other hand, the survey also indicated a marked rise in inflation expectations (to the highest level since August 2024) and, to a slightly lesser extent, expectations regarding the future level of unemployment. Assessments of the ability to make major purchases and to save also deteriorated (despite the aforementioned improvement in expectations regarding respondents' own financial situation). If there is no clear, positive breakthrough in the Middle East in April, it cannot be ruled out that subsequent sentiment surveys will point more clearly to a deterioration.

Although oil prices started the new week above the level seen last Friday, they remained relatively stable for most of the day. No strong market reaction was triggered, among other things, by a new post from US President Donald Trump, which on the one hand reiterated assurances of significant progress in talks with Iran and, on the other, included further warnings to strike Iranian power plants if Iran does not open the Strait of Hormuz. News reported overnight by The Wall Street Journal that Donald Trump told advisers he is ready to end the war with Iran even if the Strait of Hormuz remains closed did not improve market sentiment, as a sudden US withdrawal leaving control of the strait to Iran could mean that the reopening of shipping routes would not be swift. Moreover, market participants remember that earlier signals regarding possible de-escalation had proved misleading. In addition, news emerged in the morning that a Kuwaiti tanker had been hit by an Iranian drone near Dubai. As a result, the price of Brent crude stood at around $113 per barrel this morning.

After falling below 4.28 on Friday evening, EURPLN rose back towards the 4.29 level on Monday. EURCZK behaved similarly, trading above 24.5 by the end of the European session. EURHUF remained relatively stable near 389. The relatively limited moves in regional currencies were observed alongside a further strengthening of the US dollar against the euro, which pushed EURUSD down to around 1.146.

Polish government bonds weakened further, translating into a rise in yields of 6–7 bp, alongside a steepening of the curve by just under 2 bp. Domestic IRS rates and FRA rates also increased, albeit by slightly less, by 4–7 bp and 0–4 bp respectively. Bonds in core markets gained, resulting in a decline in yields on German Bunds by 4–5 bp and a fall in US Treasury yields by 8–9 bp. US bonds strengthened further in the evening following comments by J. Powell, which were interpreted as relatively dovish.

Polish Economic Sentiment Indicators, pts



Source: Eurostat, Santander Bank Polska

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FX market

Today's opening

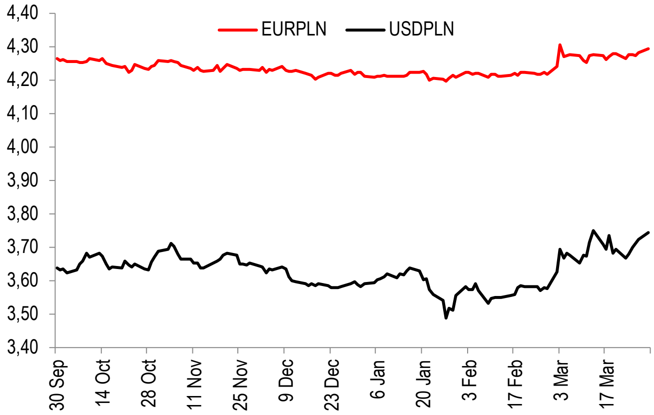
EURPLN	4,2851	CZKPLN	0,1743
USDPLN	3,7380	HUFPLN*	1,0911
EURUSD	1,1462	RONPLN	0,8407
CHFPLN	4,6756	NOKPLN	0,3830
GBPPLN	4,9338	DKKPLN	0,5733
USDCNY	6,9073	SEKPLN	0,3909

*for 100HUF

Last session in the FX market **30.03.2026**

	min	max	open	close	fixing
EURPLN	4,2755	4,2938	4,2814	4,2891	4,2832
USDPLN	3,7118	3,7522	3,7190	3,7451	3,7257
EURUSD	1,1442	1,1519	1,1513	1,1453	

Zloty exchange rate



Interest rate market **30.03.2026**

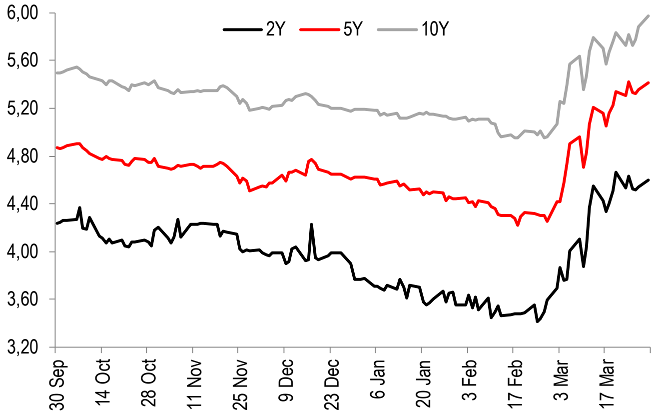
T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	4,60	7
PS0131 (5L)	5,41	5
DS1035 (10L)	5,97	9

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4,31	0	4,00	-5	2,76	-2
2L	4,47	2	3,92	-8	2,86	-6
3L	4,52	2	3,88	-7	2,89	-6
4L	4,57	3	3,89	-8	2,89	-6
5L	4,62	4	3,95	-5	2,91	-6
8L	4,78	7	4,06	-8	3,02	-6
10L	4,88	7	4,15	-7	3,12	-5

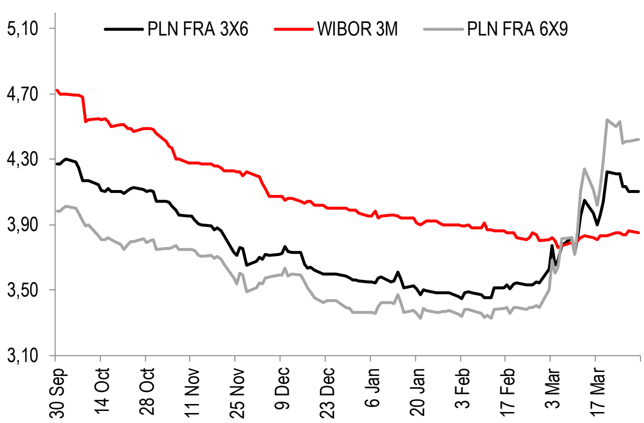
T-bonds yields



WIBOR rates

Term	%	Change (bps)
O/N	3,63	-11
SW	3,80	0
1M	3,77	-4
3M	3,85	-1
6M	3,89	-1

3M money market rates



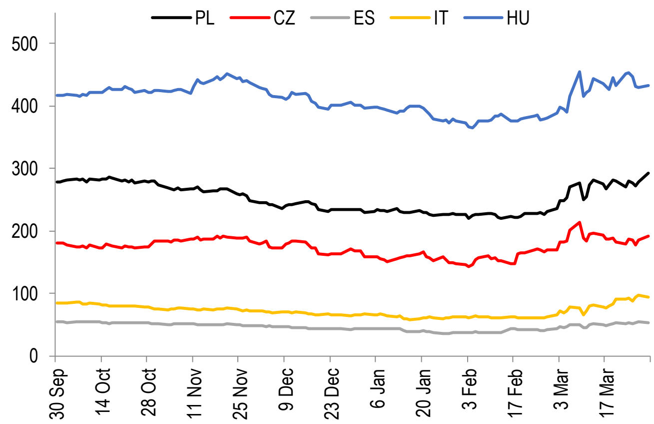
FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3,86	-3
3x6	4,10	0
6x9	4,42	1
9x12	4,59	2
3x9	4,22	4
6x12	4,52	2

CDS rates and 10Y yield spread vs. German Bund

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	64	0	293	15
France	17	0	73	-2
Hungary	112	0	432	2
Spain	21	0	53	-2
Italy	19	0	95	-2
Portugal	10	0	48	-3
Ireland	10	0	27	0
Germany	4	0	-	-

10Y spread vs. Bund



* 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 MARKET	FORECAST SANTANDER	ACTUAL VALUE	LAST VALUE*
			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		96.6	98.2
14:00	DE	HICP	Mar	% m/m	1.2		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*