1 April 2026

Eyeopener

Prices rose slightly less than expected in March

Today's March PMI reading for the Polish manufacturing sector
CPI inflation rose to 3.0% y/y in March, 0.2 percentage points below market expectations
Minor movements in EUR/PLN, with yields and money market rates falling

Today, we will see the March reading of Poland's manufacturing PMI, as well as the final manufacturing PMIs for Germany and the euro area. We expect that, due to increased uncertainty triggered by the war in the Middle East and rising fuel prices, the Polish index may record a slight decline to 46.7 pts from 47.1 pts in February. In addition, Eurostat will publish Labour Force Survey (LFS) unemployment data for February for EU countries, including Poland, while in the US the following will be released: the ADP report on private-sector employment in March, retail sales data for February, and the March reading of the ISM manufacturing index.

CPI inflation increased in March to 3.0% y/y from 2.1% y/y in February, slightly below our forecast (3.1% y/y) and the market consensus (3.2% y/y). As we had expected, the main factor pushing consumer prices higher in March was a surge in fuel prices – up 15.4% m/m – somewhat smaller than the 18% m/m increase we had assumed. Food prices remained stable (we had expected a slight decline of 0.2% m/m), while energy prices fell by 0.1% m/m, also in line with our assumptions. According to our estimates, core inflation, i.e. CPI excluding food, energy and fuel prices, stood at around 2.6–2.7% y/y, slightly above the 2.5% recorded in February, but still very close to the inflation target. In April, a slight decline in inflation is likely, although its scale will depend on developments in commodity prices in the coming weeks. Taking into account the situation in the Middle East, we currently assess that even in a scenario of relatively rapid de-escalation of the conflict, a return of commodity prices to lower levels would be gradual. As a result, the inflation path for the coming months has shifted upwards, which will most likely rule out any interest rate cuts this year. Read more in our Economic Comment.

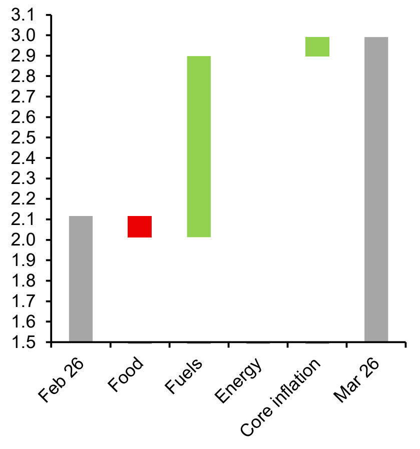
HICP inflation in the euro area rose in March to 2.5% y/y from 1.9% y/y in February, i.e. 0.1 pp less than indicated by the median market expectations. As in Poland, the increase in inflation stemmed from a global rise in commodity prices, which translated into a rebound in energy price dynamics in the euro area to 4.9% y/y from -3.1% y/y. Core inflation (excluding energy, food, alcohol and tobacco prices) edged down slightly, to 2.3% y/y from 2.4% y/y.

According to NBP data, **mortgage loan sales amounted to around PLN7.7bn in February, while consumer loan sales reached PLN10.3bn**, in both cases slightly higher than in January, by PLN0.8bn and PLN0.1bn, respectively. Corporate loan sales totalled PLN13.9bn, PLN1.4bn above the January figure. Overall, the February results did not point to any significant changes in demand, including relative to the average level of loan sales recorded last year. Larger changes may become visible in the March data, reflecting a potential response by borrowers to heightened uncertainty related to the conflict in the Middle East. Any such reaction may, however, be limited, which would be consistent, among other things, with the lack of deterioration in the overall consumer confidence index in the latest ESI survey.

EURPLN remained close to 4.29 on Tuesday and ended the European session slightly above this level. The Czech koruna recorded a slight appreciation against the euro, which translated into a decline in EURCZK to around 24.52. A larger drop, of around 0.8%, was seen in EURHUF, which ended the European session slightly below 385. At the same time, the US dollar corrected part of the appreciation against the euro recorded on Monday, pushing EURUSD up towards 1.152. Overnight, **global market sentiment improved**, driven by hopes of a rapid de-escalation of the conflict in the Middle East. This was supported by further remarks from Donald Trump, who stated, among other things, that the war could end within 2–3 weeks and that a deal with Iran would not be necessary for US withdrawal, and announced a national address later today regarding the situation in Iran. As a result, EURPLN is lower this morning, around 4.285.

Yields on domestic government bonds reversed part of their recent increases, falling on Tuesday by 7–9 bp, with the strongest declines in the middle of the curve. IRS and FRA rates also declined, by 4–7 bp and 9–12 bp, respectively. The strengthening of domestic bonds and the decline in the market-implied scale of interest rate hikes may have resulted from the slightly lower-than-expected March inflation reading, which likely reduced, in the eyes of market participants, the risk of a new inflationary episode. Movements in core markets were somewhat smaller. US Treasury yields fell by 4–6 bp, while German government bond yields recorded only minimal declines, of 0–1 bp.

CPI – breakdown of change in annual growth rate, % y/y



Source: GUS, Santander Bank Polska

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FX market

Today's opening

EURPLN	4,2861	CZKPLN	0,1743
USDPLN	3,7064	HUFPLN*	1,0911
EURUSD	1,1562	RONPLN	0,8408
CHFPLN	4,6504	NOKPLN	0,3829
GBPPLN	4,9130	DKKPLN	0,5734
USDCNY	6,8832	SEKPLN	0,3922

*for 100HUF

Last session in the FX market **31.03.2026**

	min	max	open	close	fixing
EURPLN	4,2799	4,2969	4,2840	4,2951	4,2894
USDPLN	3,7185	3,7490	3,7360	3,7303	3,7408
EURUSD	1,1457	1,1540	1,1468	1,1516	

Interest rate market **31.03.2026**

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	4,51	-9
PS0131 (5L)	5,33	-8
DS1035 (10L)	5,91	-6

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4,23	-7	3,97	-3	2,71	-6
2L	4,40	-7	3,89	-3	2,80	-6
3L	4,46	-6	3,84	-4	2,84	-4
4L	4,52	-5	3,85	-3	2,86	-3
5L	4,58	-4	3,91	-4	2,88	-4
8L	4,75	-3	4,04	-2	2,99	-4
10L	4,86	-2	4,13	-1	3,06	-6

WIBOR rates

Term	%	Change (bps)
O/N	3,59	-4
SW	3,81	1
1M	3,81	4
3M	3,85	0
6M	3,89	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3,85	0
3x6	4,03	-7
6x9	4,31	-11
9x12	4,50	-9
3x9	4,13	-9
6x12	4,40	-13

CDS rates and 10Y yield spread vs. German Bund

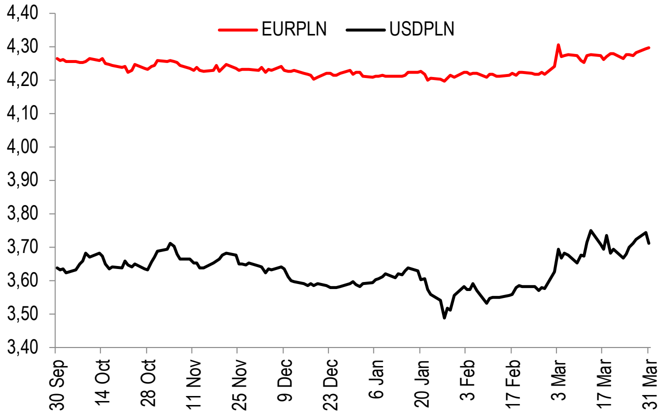
Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	64	0	290	-3
France	17	0	72	-1
Hungary	114	0	424	-8
Spain	22	1	50	-3
Italy	19	0	90	-4
Portugal	10	0	47	0
Ireland	10	0	25	-3
Germany	4	0	-	-

* 10Y treasury bonds over 10Y Bunds

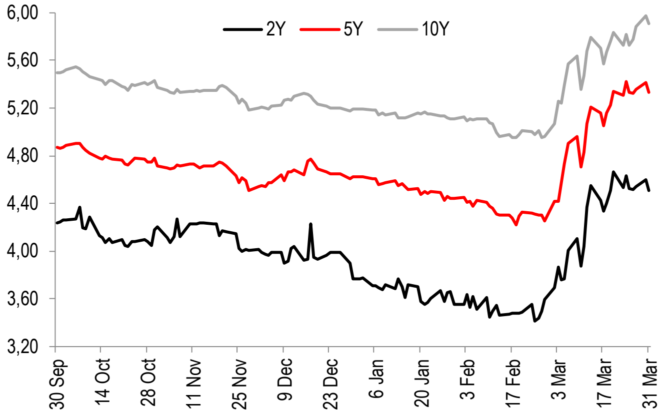
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

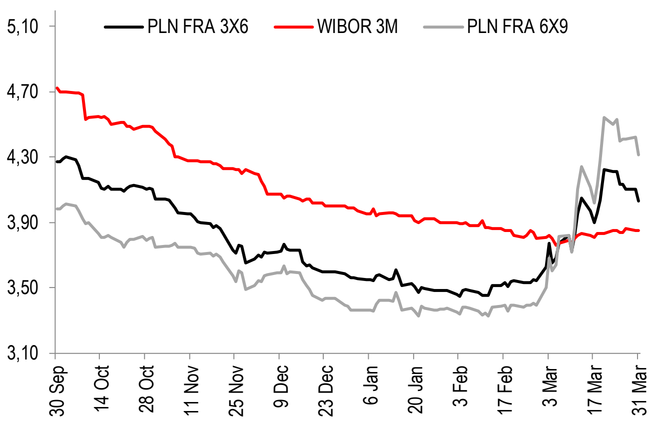
Zloty exchange rate



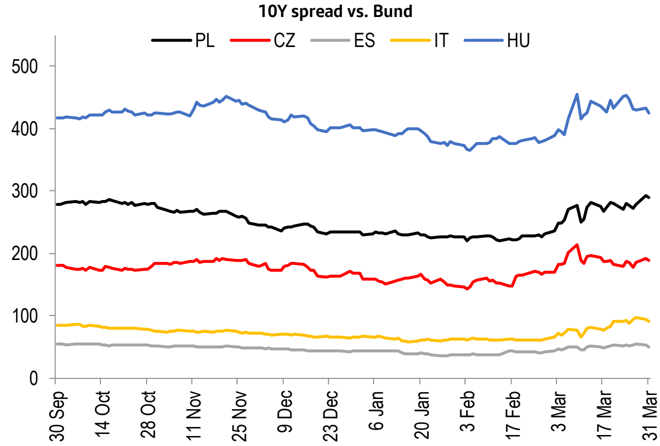
T-bonds yields



3M money market rates



10Y spread vs. Bund



Santander

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	0.3		-0.6	-1.0
09:00	CZ	GDP SA	4Q	% y/y	2.6		2.7	2.6
09:30	**PL**	**CPI**	**Mar**	**% y/y**	**3.2**	**3.1**	**3.0**	**2.1**
11:00	EZ	HICP	Mar	% y/y	2.6		2.5	1.9
16:00	US	Consumer Conference Board	Mar	pts	87.9		91.8	91.0
			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*