

Eyeopener

MPC to decide, NBP governor to speak

Today the MPC decides on interest rates, while NBP governor is to deliver his speech
 Inflation in Hungary lower than expected, decline in industrial output
 USA-Israel-Iran ceasefire boosted market optimism
 CEE currencies gained markedly, and so did the debt market

Today marks the second day of the MPC meeting, after which we will learn the Council's decision – according to all forecasts and expectations – to refrain from further interest rate cuts. Also today, at 15:00CET, a press conference by Governor Glapiński will take place, after which we expect an outline of the Council's policy for the coming months. According to our current baseline global scenario, interest rates will remain at their current level at least until the end of this year. In addition, a sizeable batch of foreign data will be released today, including industrial production in Czechia, and in the US, a new estimate of GDP growth for 4Q25, February data on personal income and spending and the PCE price index. The German export and industrial production data published this morning were mixed – exports surprised to the upside, while production disappointed.

According to the World Bank, Poland's GDP will grow by 3.1% y/y this year and by 2.6% y/y next year. This implies a downward revision compared with the forecasts presented in January, by 0.1 pp for 2026 and by 0.3 pp for 2027. In our view, despite the high uncertainty related to the geopolitical situation, GDP growth this year will come in just below 4%.

Hungary's March CPI inflation turned out lower than market expectations. Prices in the Hungarian economy increased by 1.8% y/y, compared with a market forecast of 2.2% y/y, following 1.4% y/y recorded in February. Core inflation declined from 2.1% to 1.9% y/y. At the same time, Hungary's industrial performance disappointed – industrial production in February fell by 1.5% y/y, against expectations of stability in annual terms.

Eurostat data on **euro area retail sales for February pointed to a decline of 0.2% m/m**, following no change in the previous month, in line with the market consensus. Compared with the corresponding month of 2025, retail sales increased by 1.7% y/y, after 2.1% y/y in January.

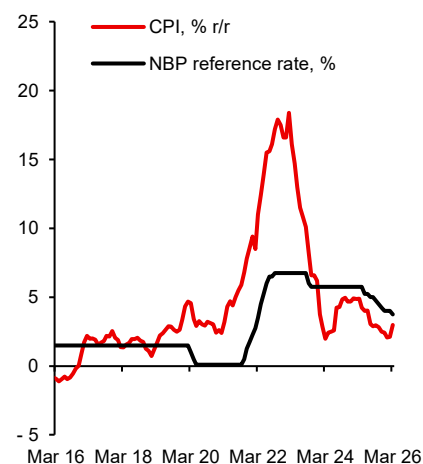
The minutes of the March FOMC meeting indicated that some US central bankers considered an interest rate hike in the face of inflation exceeding the target and the inflationary impact of the war in the Middle East. On the other hand, attention was also drawn to the risk of a deterioration in labour market conditions, which could, in turn, require interest rate cuts.

As expected, the ceasefire in the Middle East brought a strong wave of enthusiasm to the markets. The spot price of Brent crude oil dropped sharply by more than 15%, to USD90–95 from around USD110 on Monday. European natural gas (TTF) prices also fell markedly, from EUR52/MWh to around EUR43, marking the lowest level since the start of the war (28 February). Equity indices rebounded strongly as well, with Poland's WIG rising by nearly 4%. Despite these positive market reactions and the renewed hope for de-escalation, the situation appears highly tense, with both sides presenting conflicting information regarding the arrangements and concessions made. Israel has announced that it does not intend to halt fighting with Hezbollah in Lebanon, prompting Iran to threaten to withdraw from the agreement. In the meantime, Donald Trump also threatened to impose 50% tariffs on countries supplying weapons to Iran (implicitly mainly China and Russia). Peace talks between US and Iranian delegations are scheduled to take place in Pakistan on Saturday.

The main correction in the FX market had already taken place at the beginning of yesterday's session, with only relatively minor fluctuations observed later in the day. Compared with Monday's close, EURPLN declined by around 0.5%, moving from the 4.27–4.28 range to 4.25–4.26. EURCZK fell by around 0.4% and slipped below 24.4, while EURHUF dropped by about 1.5% to around 376. As in previous episodes of de-escalation, the US dollar weakened, with EURUSD rising by around 1% within a single day to 1.17.

Yields on Polish government bonds fell sharply – by 35–40 bp across the entire curve. IRS rates declined by around 32 bp, while FRA pricing fell by 20–38 bp, with smaller moves at the short end below the six-month horizon. German bond yields dropped by 15–25 bp over the same period, more strongly at the short end, while US yields declined by just 3 bp. Market behaviour in the coming days will be determined by whether, and how effectively, the ceasefire is maintained – any signal pointing to a risk of its collapse could quickly undermine global sentiment and revive risk aversion.

CPI inflation and NBP reference rate



Source: GUS, NBP, Santander Bank Polska

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FX market

Today's opening			
EURPLN	4.2525	CZKPLN	0.1742
USDPLN	3.6477	HUFPLN*	1.1251
EURUSD	1.1658	RONPLN	0.8352
CHFPLN	4.6054	NOKPLN	0.3803
GBPPLN	4.8831	DKKPLN	0.5690
USDCNY	6.8349	SEKPLN	0.3906

*for 100HUF

Last session in the FX market						08/04/2026
	min	max	open	close	fixing	
EURPLN	4.2450	4.2652	4.2522	4.2459	4.2623	
USDPLN	3.6251	3.6555	3.6417	3.6335	3.6489	
EURUSD	1.1667	1.1721	1.1674	1.1685		

Interest rate market 08/04/2026

T-bonds on the interbank market**		
Benchmark (term)	%	Change (bps)
OK0128 (2L)	4.21	-35
PS0131 (5L)	4.94	-36
DS1035 (10L)	5.53	-37

IRS on the interbank market**

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.19	8	3.97	-4	2.80	8
2L	4.34	11	3.88	-6	2.92	10
3L	4.40	11	3.84	-6	2.88	6
4L	4.45	11	3.85	-6	2.94	10
5L	4.50	10	3.88	-7	2.96	9
8L	4.67	9	4.05	-1	3.06	9
10L	4.78	9	4.11	-6	3.11	5

WIBOR rates

Term	%	Change (bps)
O/N	3.61	-1
SW	3.80	0
1M	3.80	1
3M	3.84	-1
6M	3.88	-2

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.85	-2
3x6	3.86	-17
6x9	3.92	-35
9x12	4.02	-38
3x9	3.92	-18
6x12	3.99	-36

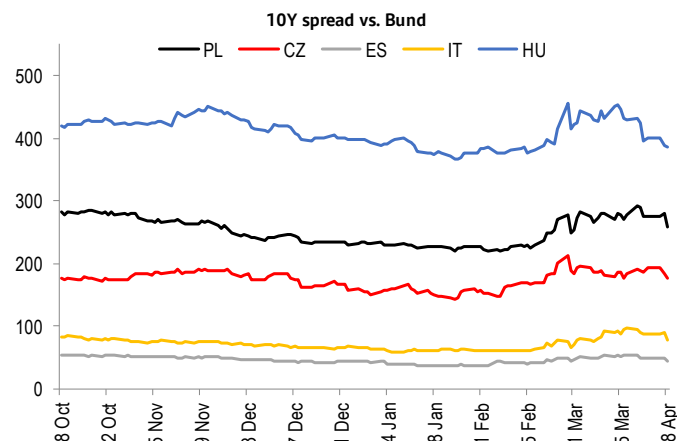
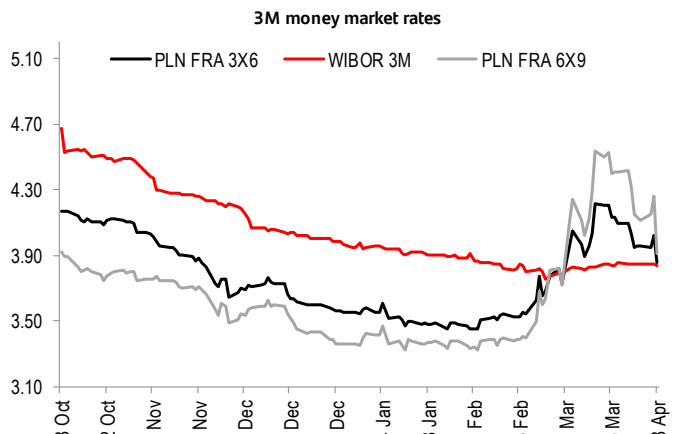
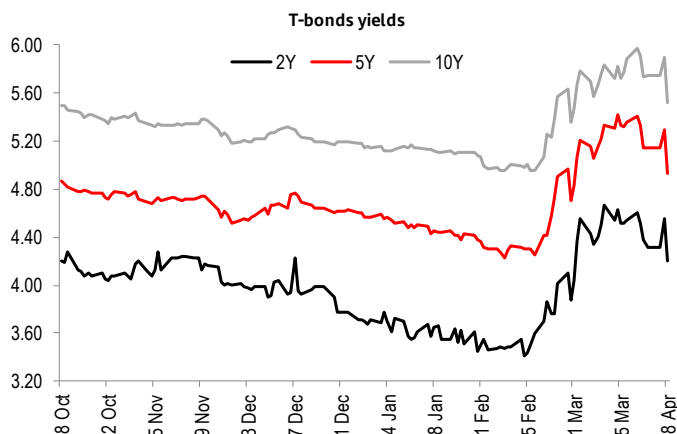
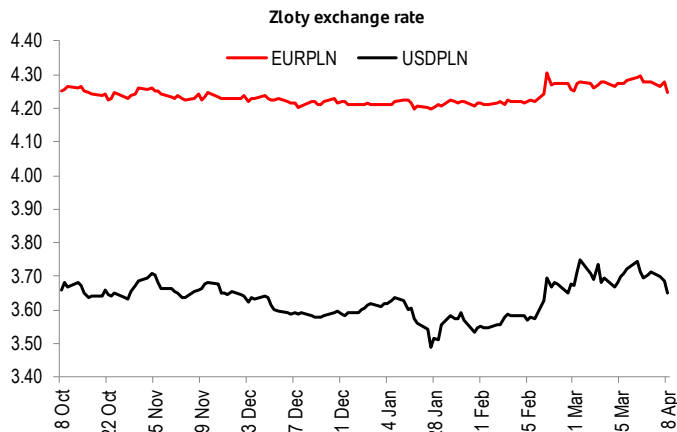
CDS rates and 10Y yield spread vs. German Bund

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	65	0	258	-23
France	16	0	64	-7
Hungary	113	0	386	-3
Spain	20	0	44	-5
Italy	18	0	77	-13
Portugal	10	0	40	-4
Ireland	10	0	21	-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 (3 April)							
03:45	CN	Caixin China PMI Services	Mar	pts	53.6	52.1	56.7
14:30	US	Change in Nonfarm Payrolls	Mar	k	65	178	-133
14:30	US	Unemployment Rate	Mar	%	4.4	4.3	4.4
MONDAY (6 April)							
16:00	US	ISM services	Mar	pts	54.8	54.0	56.1
TUESDAY (7 April)							
09:00	CZ	CPI	Mar	% y/y	2.0	1.9	1.4
09:55	DE	Markit Germany Services PMI	Mar	pts	51.2	50.9	53.5
10:00	EZ	Eurozone Services PMI	Mar	pts	50.1	50.2	51.9
14:30	US	Durable Goods Orders	Feb	% m/m	-1.2	-1.4	-0.5
WEDNESDAY (8 April)							
08:00	DE	Factory Orders	Feb	% m/m	3.0	0.9	-11.1
08:30	HU	Industrial Production SA	Feb	% y/y	0.1	-1.5	0.3
08:30	HU	CPI	Mar	% y/y	2.2	1.8	1.4
11:00	EZ	Retail Sales	Feb	% m/m	-0.2	-0.2	0.0
20:00	US	FOMC Meeting Minutes	Mar				
THURSDAY (9 April)							
	PL	MPC decision		%	3.75	-	3.75
08:00	DE	Exports SA	Feb	% m/m	1.5	-	-1.5
08:00	DE	Industrial Production SA	Feb	% m/m	0.6	-	-0.5
09:00	CZ	Industrial Production	Feb	% y/y	1.2	-	-0.1
14:30	US	GDP Annualized	4Q	% Q/Q	0.7	-	0.7
14:30	US	Initial Jobless Claims	weekly	k	212	-	202
14:30	US	Personal Spending	Feb	% m/m	0.5	-	0.4
14:30	US	Personal Income	Feb	% m/m	0.3	-	0.4
14:30	US	PCE Deflator SA	Feb	% m/m	0.4	-	0.3
FRIDAY (10 April)							
08:00	DE	HICP	Mar	% m/m	1.2	-	1.2
14:30	US	CPI	Mar	% m/m	1.0	-	0.3
16:00	US	Michigan index	Apr	pts	52.0	-	53.3
16:00	US	Factory Orders	Feb	% m/m	-0.2	-	0.1

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

* in the case of a revision the data is updated

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