

MACROscope Lite

The longer it lasts, the worse it gets

■ In mid-March we published a [report](#) outlining three scenarios for the development of the economic outlook, depending on how prolonged and severe the commodity shock triggered by the war in Iran would prove to be. Three weeks later, we can conclude that the first scenario, which we had then considered the most likely, turned out to be overly optimistic, and the baseline scenario is shifting towards scenario number two: the conflict does not escalate further, but prolonged uncertainty and the damage already inflicted on infrastructure mean that commodity prices may remain at least 15–20% above their February levels for most of this year. Recent reports about an agreement on a two-week ceasefire are interpreted by us as a clear signal that neither the US nor Iran is interested in further escalation or a prolongation of the war. Nevertheless, the situation remains far from resolved and, should the conflict escalate after all and commodity prices rise further, more substantial revisions to the forecasts would likely be required.

■ We are adjusting our economic forecasts in line with the framework outlined in the previous report. Elevated fuel prices will weigh negatively on economic growth, albeit only to a limited extent. **We are revising this year's GDP growth forecast down from 3.9% to 3.8%.** We continue to believe that a key stabiliser of economic activity this year will be investment financed with funds from the Recovery and Resilience Facility, which should be relatively insensitive to fuel prices and geopolitical uncertainty. The slight weakening of economic growth is likely to manifest itself mainly through a deterioration in the foreign trade balance, while private consumption should not be visibly affected, given that the government has already decided at an early stage to shield households from the price shock.

■ The inflation forecast is shifting upwards, though by less than we had assumed in scenario two of the March report, owing to government measures mitigating fuel price increases. We assume that the temporary reduction in VAT and excise duty on fuels will be maintained until the end of this year, keeping **CPI inflation close to 3% y/y by year-end.** Without these measures, inflation would be almost 1 pp higher. We also assume no increase in natural gas prices from July, when the currently binding tariffs expire (a 10% rise would add a further 0.3 pp to CPI). Part of the inflationary impact of the closure of the Strait of Hormuz will materialise with a lag, including in the form of higher food prices, semiconductor prices, and second-round effects stemming from higher production and transport costs. Together with a pick-up in CPI inflation following the phasing-out of government support measures, this may imply that **inflation could remain above the 2.5% target also in 2027.**

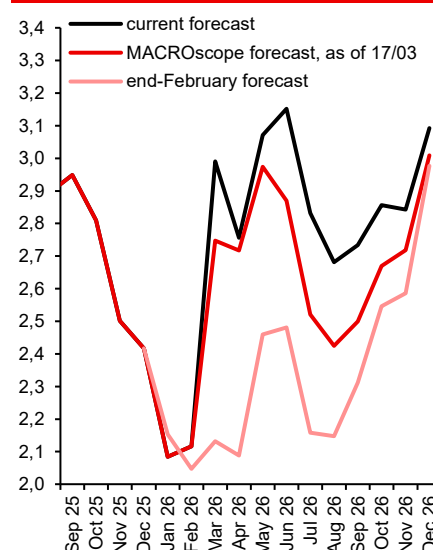
■ As a result, **we do not expect any changes in NBP interest rates either this year or next year.** The way towards rate cuts – more likely next year than this year – could be opened by a much stronger-than-assumed economic slowdown. By contrast, a tightening of monetary policy could occur in the event of a further sharp rise in commodity prices, which would push inflation into the 5% range or above.

■ As we wrote in the previous report, the impact of the war in Iran on public finances may be non-linear: slightly higher inflation combined with a limited scale of economic slowdown should not significantly affect the budget outcome, and it would only take a stronger and more persistent shock to lead to a marked widening of the deficit. The cost of fuel tax cuts (around 0.35% of GDP, assuming they are maintained until the end of this year) or a potential freeze of gas tariffs will be partly shifted onto state-owned companies (including with the help of the planned windfall-profit tax), and **the fiscal deficit should not exceed 7% of GDP.**

■ Following a sharp rise in bond yields during the first weeks of the conflict in the Middle East, a strong correction took place after the announcement of a two-week ceasefire between the US and Iran. In our view, over the coming months yield curves will remain clearly above the January–February levels, firstly because the market will not quickly return to pricing in further NBP rate cuts, and secondly because the government's willingness to rush to consumers' aid will likely increase the credit-risk spreads required by investors. Towards the end of the year, however, we assume that yields will return to levels close to those envisaged in the previous report.

■ The FX market has remained moderately stable in recent weeks and we assume this will continue. In the coming months **we expect EURPLN to stabilise around 4.25**, provided there is no renewed escalation of geopolitical risk.

CPI inflation – our forecasts, % y/y



Source: GUS, Santander

Recently released Economic Comments:

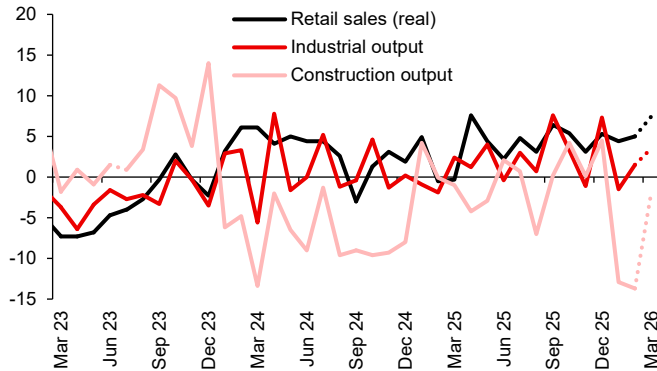
- [Geopolitics Trumps the Doves](#)
- [Inflation jumped to 3% in March](#)
- [Sales up 5% y/y, investment rebound in 4Q](#)
- [Solid industrial output, wages below forecasts](#)
- [Inflation at 2.1% in both January and February](#)
- [Clouds gathered over rate cut scenario](#)

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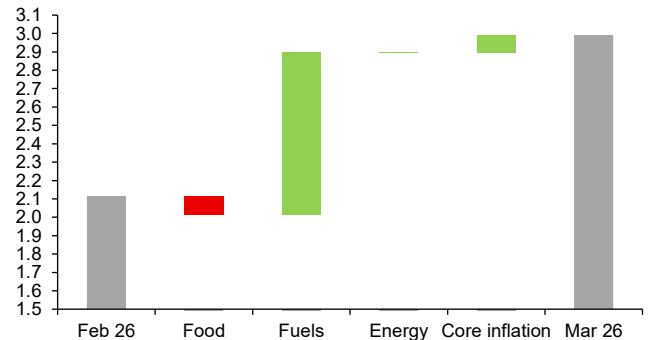
Economy in charts

Economic activity rebounded in March, in our view, after 2M of frost



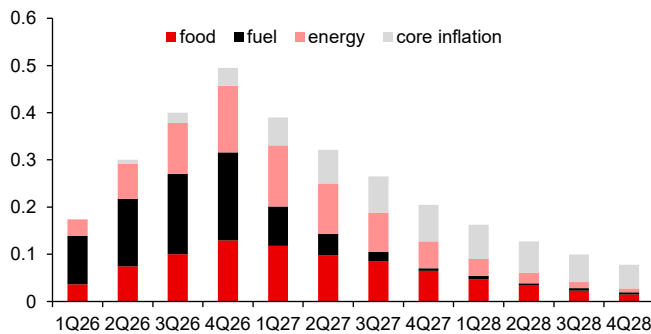
Source: GUS, Santander Bank Polska

March rise in inflation was based on fuel prices, but the shock may soon spread to other categories



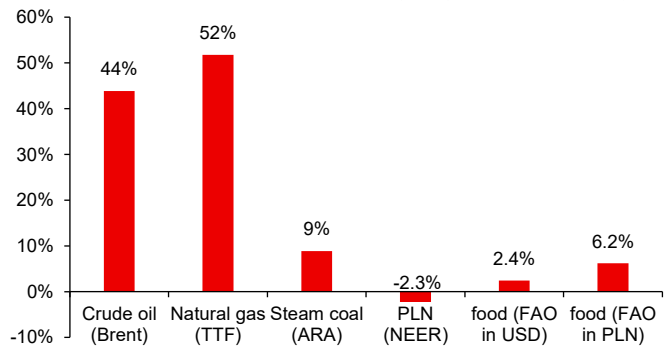
Source: GUS, Santander Bank Polska

Structure of CPI response to a 10% shock in 1Q26 to Energy commodity prices, represented by oil, according to our VAR model



Source: GUS, Santander Bank Polska

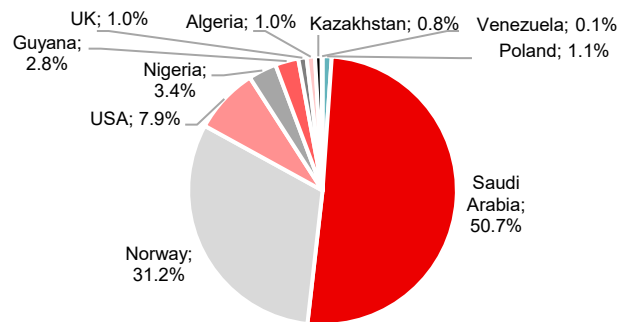
The current scale of the shock: the change registered vs February



For energy commodities the change is 1-10 April average vs. February average

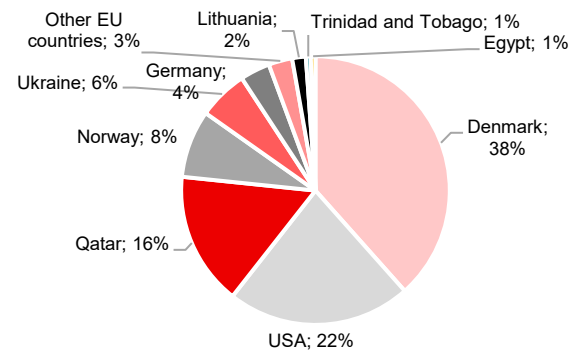
Source: Bloomberg, FAO, Santander Bank Polska

Poland's crude oil imports' structure, 2024



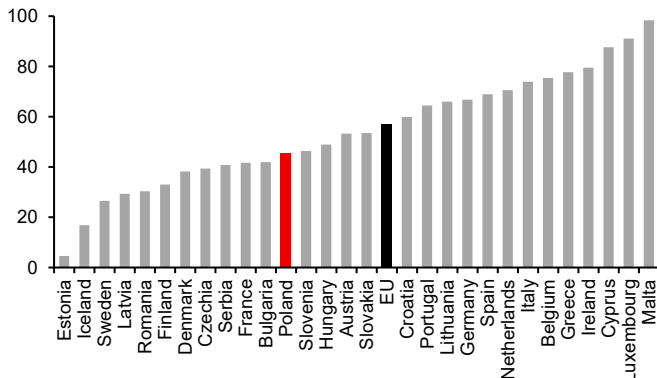
Source: POPIHN, Santander Bank Polska

Poland's natural gas imports' structure, 2024



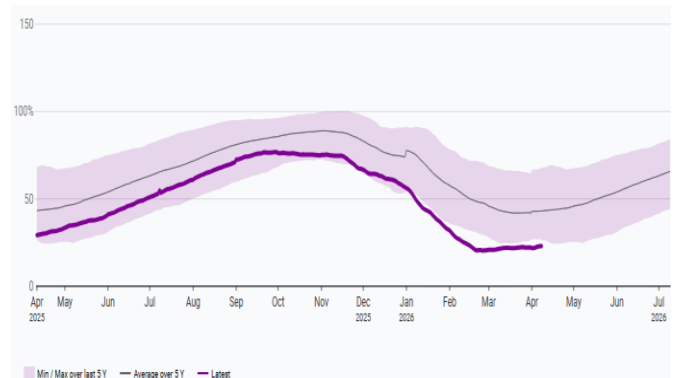
Source: Ministry of Industry (now Ministry of Energy), Santander Bank Polska

Dependency on imports of energy commodities, European countries



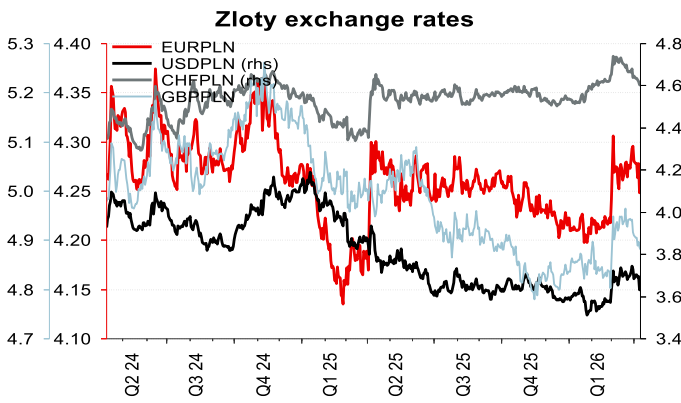
Source: Eurostat, Santander Bank Polska

Germany still shows low fill level of gas storage facilities

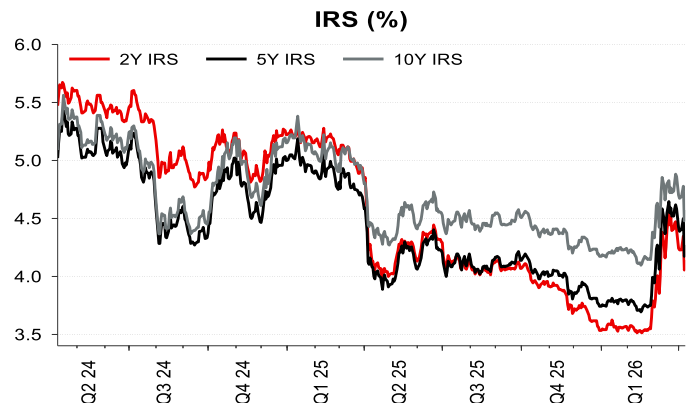


Source: GIE AGSI <https://energiedashboard.admin.ch/gas/eu-gasspeicher>

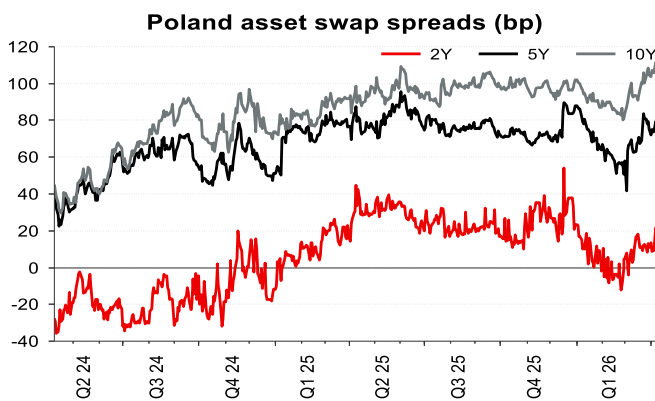
Markets in charts



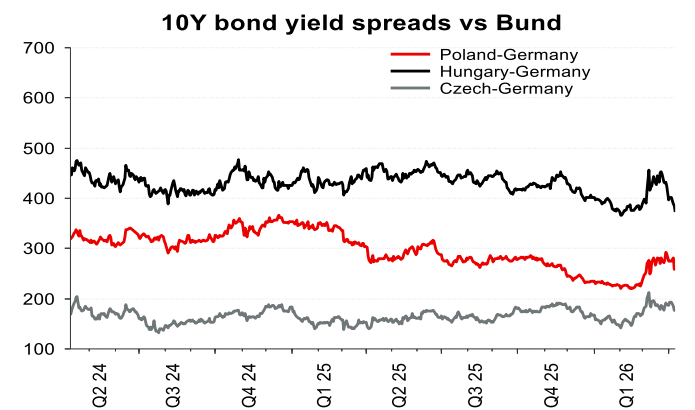
Source: LSEG Datastream, Santander



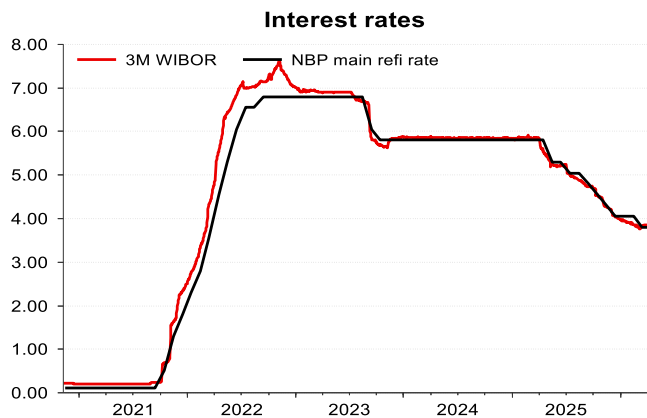
Source: LSEG Datastream, Santander



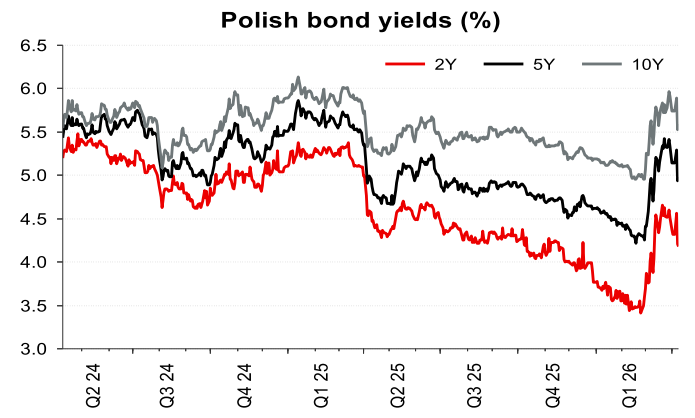
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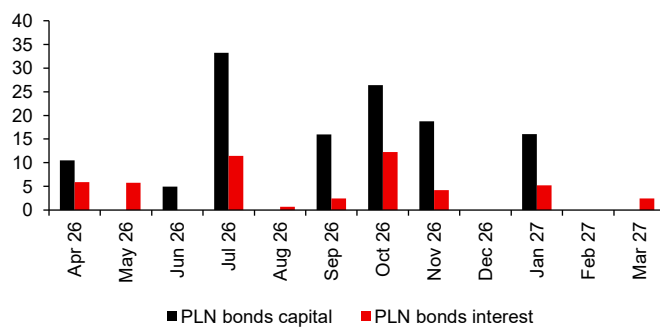
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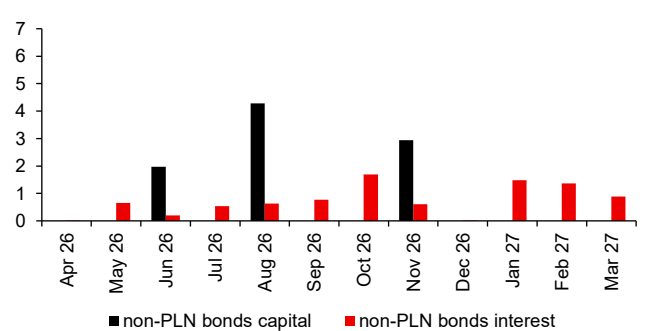
Principal and interest payments

PLN-denominated bond redemptions and interest payments, PLNbn



Source: Ministry of Finance, Santander

FX denominated bond redemptions and interest payments, PLNbn



Source: Ministry of Finance, Santander

Economic Calendar

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
30 EZ: ESI (Mar) DE: CPI inflation (Mar)	31 PL: CPI inflation (Mar) EZ: HICP inflation (Mar) DE: Retail sales (Feb) CZ: GDP 4Q US: Conference Board (Mar)	1 April PL: PMI manufacturing (Mar) DE: PMI manufacturing – fin. (Mar) EZ: PMI manufacturing – fin. (Mar) EZ: Unemployment rate (Feb) US: Retail sales (Feb) US: ISM manufacturing (Mar)	2 No releases	3 US: Nonfarm payrolls (Mar) US: Unemployment rate (Mar)
6 US: ISM services (Mar)	7 CZ: CPI inflation (Mar) DE: PMI services – fin. (Mar) EZ: PMI services – fin. (Mar) US: Durable goods orders (Feb)	8 HU: CPI inflation (Mar) EZ: Retail sales (Feb) US: FOMC minutes	9 PL: MPC rate decision DE: Industrial output (Feb) US: Personal income (Feb) US: Personal spending (Feb) US: PCE index (Feb) US: GDP 4Q	10 DE: CPI inflation – fin. (Mar) US: CPI inflation (Mar) US: Factory orders (Feb) US: Durable goods orders – fin. (Feb) US: Michigan index (Apr)
13 PL: Balance of payments (Feb) PL: MPC minutes US: Existing home sales (Mar)	14 No releases	15 PL: CPI inflation – fin. (Mar)	16 PL: Core inflation (Mar) EZ: HICP inflation – fin. (Mar) US: Industrial output (Mar)	17 No releases
20 EZ: Construction output (Feb)	21 PL: Wages (Mar) PL: Employment (Mar) PL: Industrial output (Mar) PL: Construction output (Mar) PL: PPI (Mar) DE: ZEW (Apr) US: Retail sales (Mar) US: Pending home sales (Mar)	22 No releases	23 PL: Retail sales (Mar) PL: Consumer confidence (Apr) PL: M3 supply (Mar) DE: PMI manufacturing (Apr) DE: PMI services (Apr) EZ: PMI manufacturing (Apr) EZ: PMI services (Apr)	24 PL: Unemployment rate (Mar) DE: Ifo (Apr) US: Michigan index – fin. (Apr)
27 No releases	28 HU: MNB rate decision US: Conference Board (Apr)	29 EZ: ESI (Apr) DE: CPI inflation (Apr) US: Housing starts (Mar) US: Building permits (Mar) US: Durable goods orders (Mar) US: FOMC rate decision	30 PL: CPI inflation (Apr) HU: GDP 1Q CZ: GDP 1Q EZ: GDP 1Q EZ: HICP inflation (Apr) EZ: ECB rate decision US: Personal income (Mar) US: Personal spending (Mar) US: PCE index (Mar) US: GDP 1Q	1 May US: ISM manufacturing (Apr)

Source: GUS, NBP, Ministry of Finance, Bloomberg

Calendar of MPC meetings and data releases for 2026

	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
ECB decision		5	19	30		11	23		10	29		17
Fed decision	28		18	29		17	29		16	28		9
MPC decision	14	4	4	9	6	10	8		2	7	4	2
MPC minutes	16	6	6	13	8	12	10	27		9	6	4
Flash GDP*		12			14			14				
GDP*			2			1						
CPI	15	13	13	15	15	15	15	13	15	14	13	15
Core inflation	16			16	18	16						
PPI	22	19	19	21	21	22	20	20	21	20	23	21
Industrial output	22	19	19	21	21	19	20	20	18	20	20	18
Retail sales	26	23	23	23	25	22	22	24	22	22	24	22
Gross wages, employment	22	19	19	21	21	22	20	20	21	20	23	21
Foreign trade	16	16	13	15	15	15	15	14	15	14	13	15
Balance of payments*			31			30						
Balance of payments	13	13	16	13	15	12						
Money supply	26	23	23	23	25	23						

Source: GUS, NBP, Ministry of Finance, * quarterly data

Economic data and forecasts for Poland

Monthly economic indicators

		Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26
PMI	pts	50.7	50.2	47.1	44.8	45.9	46.6	48.0	48.8	49.1	48.5	48.8	47.1	48.7	48.1
Industrial production	% y/y	2.4	1.2	4.0	-0.4	3.0	0.7	7.6	3.3	-1.1	7.3	-1.5	1.5	3.5	1.8
Construction production	% y/y	-1.0	-4.2	-2.9	2.1	0.7	-7.0	0.2	4.2	0.1	4.5	-12.9	-13.7	-1.9	-6.2
Retail sales (current prices)	% y/y	-0.3	7.6	4.4	2.2	4.8	3.1	6.4	5.4	3.1	5.3	4.4	5.0	7.5	5.2
Unemployment rate	%	5.3	5.2	5.0	5.2	5.4	5.5	5.6	5.6	5.6	5.7	6.0	6.1	6.1	6.1
Gross wages in corporate sector	% y/y	7.7	9.3	8.4	9.0	7.6	7.1	7.5	6.6	7.1	8.6	6.1	6.1	6.4	5.5
Employment in corporate sector	% y/y	-0.9	-0.8	-0.8	-0.8	-0.9	-0.8	-0.8	-0.8	-0.8	-0.7	-0.8	-0.8	-0.8	-0.9
Exports (€)	% y/y	4.9	-0.2	6.0	3.7	3.2	-1.3	5.9	5.2	2.4	9.4	-2.8	0.5	2.6	1.4
Imports (€)	% y/y	11.5	8.1	7.9	2.4	2.7	-1.0	7.4	2.7	2.9	9.8	-6.9	1.8	5.7	4.9
Trade balance	EUR mn	-1 530	-1 529	-1 637	-133	-1 063	-2 155	-1 025	434	-1 097	-2 306	378	-980	-2 542	-2 587
Current account balance	EUR mn	-1 091	-252	-1 168	-445	-1 780	-2 593	-797	2 103	-250	-1 975	1 153	82	-2 529	-1 430
Current account balance	% GDP	-0.4	-0.6	-0.7	-0.7	-0.9	-1.0	-1.0	-0.8	-0.8	-0.9	-0.7	-0.8	-0.9	-1.0
CPI	% y/y	4.9	4.2	4.0	4.0	3.0	2.9	2.9	2.8	2.5	2.4	2.1	2.1	3.0	2.8
CPI excluding food and energy	% y/y	3.6	3.4	3.3	3.4	3.3	3.2	3.2	3.0	2.7	2.7	2.7	2.5	2.6	2.7
PPI	% y/y	-1.0	-1.6	-1.5	-1.5	-1.3	-1.3	-1.4	-2.2	-2.3	-2.5	-2.6	-2.3	0.4	0.4
Broad money (M3)	% y/y	10.3	10.4	10.3	10.5	10.8	11.1	11.1	10.6	10.6	10.4	10.0	10.6	10.6	9.7
Deposits	% y/y	10.2	10.1	9.8	10.3	10.3	10.6	10.4	9.8	9.7	9.6	8.7	9.4	9.5	9.2
Loans	% y/y	5.1	5.5	5.4	4.7	5.1	5.1	4.9	4.8	5.9	5.7	6.9	7.2	6.6	6.4
EUR/PLN	PLN	4.18	4.27	4.25	4.27	4.25	4.26	4.26	4.25	4.24	4.23	4.21	4.22	4.27	4.27
USD/PLN	PLN	3.87	3.80	3.77	3.70	3.64	3.67	3.63	3.65	3.67	3.61	3.59	3.57	3.70	3.70
CHF/PLN	PLN	4.38	4.55	4.55	4.55	4.56	4.54	4.56	4.58	4.56	4.53	4.54	4.61	4.70	4.64
Reference rate *	%	5.75	5.75	5.25	5.25	5.00	5.00	4.75	4.50	4.25	4.00	4.00	4.00	3.75	3.75
3M WIBOR	%	5.85	5.57	5.26	5.22	5.02	4.88	4.75	4.56	4.28	4.05	3.94	3.86	3.82	3.86
Yield on 2-year T-bonds	%	5.21	4.48	4.55	4.59	4.37	4.26	4.31	4.15	4.15	3.96	3.67	3.52	4.28	4.38
Yield on 5-year T-bonds	%	5.59	4.86	4.96	5.11	4.89	4.83	4.90	4.80	4.68	4.64	4.53	4.34	5.06	5.14
Yield on 10-year T-bonds	%	5.91	5.35	5.45	5.57	5.41	5.44	5.51	5.44	5.32	5.23	5.15	5.03	5.63	5.73

Note: * at the end of the period.

Source: GUS, NBP, Finance Ministry, Santander Bank Polska estimates.

Quarterly and annual economic indicators

		2023	2024	2025	2026	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
GDP	PLN bn	3 415.3	3 653.4	3 894.0	4 120.5	893.2	928.3	970.6	1 101.9	944.6	981.9	1 027.6	1 166.4
GDP	% y/y	0.2	3.0	3.6	3.8	3.2	3.3	3.8	4.0	3.8	3.7	3.8	3.7
Domestic demand	% y/y	-3.0	4.5	4.1	4.6	4.3	4.1	3.7	4.3	3.8	4.9	4.8	4.8
Private consumption	% y/y	-0.3	2.9	3.7	3.6	2.6	4.5	3.5	4.2	3.7	3.1	4.0	3.5
Fixed investments	% y/y	12.7	-0.9	4.3	8.6	6.4	-0.7	7.1	4.7	2.0	8.0	9.0	12.0
Industrial production	% y/y	-2.1	1.1	2.1	1.7	-0.1	1.6	3.9	2.9	1.2	1.6	0.8	3.2
Construction production	% y/y	4.8	-7.6	0.4	-2.6	0.9	-1.4	-1.7	3.2	-9.0	-2.4	1.7	-2.5
Retail sales (constant prices)	% y/y	-3.6	3.2	3.7	5.5	1.1	4.6	4.5	4.5	5.9	6.2	5.4	4.6
Unemployment rate *	%	5.1	5.1	5.7	6.3	5.3	5.2	5.6	5.7	6.1	5.9	6.1	6.3
Gross wages in the national economy	% y/y	12.8	13.7	8.7	5.9	10.0	8.8	7.5	8.5	6.6	5.7	5.8	5.5
Employment in the national economy	% y/y	0.6	0.2	-0.1	-0.1	0.0	0.0	-0.3	-0.1	-0.2	-0.2	-0.1	0.1
Exports (€)	% y/y	3.5	-0.7	3.7	1.1	3.6	3.1	2.7	5.4	0.2	0.6	-0.4	4.0
Imports (€)	% y/y	-4.5	2.6	5.8	3.4	9.3	6.1	3.1	4.9	0.4	4.0	2.3	6.7
Trade balance	EUR mn	4 738	-6 184	-13 481	-21 775	-2 977	-3 297	-4 244	-2 963	-3 144	-6 430	-6 622	-5 579
Current account balance	EUR mn	11 591	2 616	-7 890	-18 268	-746	-1 863	-5 167	-114	-1 293	-5 405	-8 139	-3 430
Current account balance	% GDP	1.5	0.3	-0.9	-1.9	-0.4	-0.7	-1.0	-0.9	-0.9	-1.3	-1.6	-1.9
General government balance	% GDP	-5.2	-6.5	-7.2	-6.9	-	-	-	-	-	-	-	-
CPI	% y/y	11.6	3.6	3.6	2.8	4.9	4.1	3.0	2.6	2.4	3.0	2.7	2.9
CPI *	% y/y	6.2	4.7	2.4	3.1	4.9	4.0	2.9	2.4	3.0	3.2	2.7	3.1
CPI excluding food and energy	% y/y	10.2	4.3	3.3	2.8	3.6	3.4	3.2	2.8	2.6	2.8	2.7	3.2
PPI	% y/y	2.8	-6.7	-1.6	0.0	-1.1	-1.5	-1.3	-2.3	-1.5	0.3	0.3	1.0
Broad money (M3) *	% y/y	8.5	9.3	10.4	6.7	10.3	10.5	11.1	10.4	10.6	8.9	7.9	6.7
Deposits *	% y/y	9.8	8.7	9.6	6.9	10.2	10.3	10.4	9.6	9.5	7.8	8.1	6.9
Loans *	% y/y	0.0	5.0	5.7	5.7	5.1	4.7	4.9	5.7	6.6	6.2	6.6	5.7
EUR/PLN	PLN	4.54	4.31	4.24	4.25	4.20	4.26	4.26	4.24	4.23	4.25	4.25	4.25
USD/PLN	PLN	4.20	3.98	3.76	3.56	3.99	3.76	3.65	3.64	3.62	3.63	3.51	3.48
CHF/PLN	PLN	4.68	4.52	4.53	4.54	4.44	4.55	4.55	4.56	4.62	4.58	4.50	4.47
Reference rate *	%	5.75	5.75	4.00	3.75	5.75	5.25	4.75	4.00	3.75	3.75	3.75	3.75
3M WIBOR	%	6.52	5.86	5.10	3.92	5.86	5.35	4.88	4.30	3.87	3.91	3.95	3.95
Yield on 2-year T-bonds	%	5.67	5.05	4.55	4.05	5.24	4.54	4.31	4.09	3.82	4.28	4.09	4.02
Yield on 5-year T-bonds	%	5.66	5.33	5.05	4.81	5.63	4.97	4.87	4.71	4.64	5.00	4.84	4.77
Yield on 10-year T-bonds	%	5.83	5.55	5.54	5.38	5.92	5.46	5.45	5.33	5.27	5.59	5.39	5.29

Note: *at the end of period. Source: GUS, NBP, Finance Ministry, Santander estimates.

This analysis is based on information available until 10.04.2026 has been prepared by:

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