13 April 2026

Eyeopener

Failure of US–Iran talks, change of power in Hungary

Today Poland's February balance of payments data
Services output slowed in January to 3.2% y/y from 6.2% y/y in December
Domański: the reduced excise duty rate on fuels will be maintained after 15 April
Viktor Orbán's party lost the election after 16 years in power in Hungary
Lack of a US–Iran deal strengthened the dollar and may trigger risk aversion in markets

Today's we will see Poland's balance of payments data for February. We expect them to point to a decline in the current account balance to around PLN0.1bn from PLN1.2bn in January, mainly due to a deterioration in the trade balance to nearly PLN-1.0bn from around PLN0.4bn a month earlier. The weakening in foreign trade performance that we expect results from a rebound in import growth to 1.8% y/y from -6.9% y/y, alongside a slightly weaker increase in export growth to 0.5% y/y from -2.8% y/y. The median of market expectations also points to a decline in both balances, albeit on a smaller scale – to +PLN0.5bn in the case of the current account balance and to -PLN0.4bn in the case of the trade balance. Abroad, only US home sales data for March will be released.

Services output rose by 3.2% y/y in January, which was weaker than we had assumed (6.2% y/y) and clearly slower than in December (10.4% y/y). Essentially all service categories recorded slower growth than in December, mainly due to the very strong December reading. The strongest growth in January was seen in real estate activities (8.8% y/y) and accommodation and food service activities (5.4% y/y), while the weakest was in administrative and support service activities (-1.8% y/y). We assume that services output will grow by around 4% this year, following 5.4% in 2025.

Finance Minister Andrzej Domański said on Friday that **the reduced excise duty rate on fuels will be maintained after 15 April**. However, he did not specify for how long. In our baseline scenario, we assume that the government will decide to maintain the temporary reduction in excise duty as well as the VAT rate on fuels until the end of this year, which should prevent inflation from moving away from the 3% y/y level this year.

Energy Minister Miłosz Motyka said on Polish Radio 24 that the increase in gas prices resulting from the conflict in the Middle East and damage to infrastructure could translate into prices in tariffs on the Polish market in the coming months. Despite the minister's comments, we do not assume that household gas bills will rise in July, i.e. after the expiry of the currently applicable tariffs. We rather assume that – as in the case of fuels – the government will seek to counteract rising costs for households.

European Commission spokesperson Balazs Ujvari said that the EC currently sees **no need for a temporary loosening of EU fiscal rules** in connection with the war in the Middle East. He added that the general escape clause could only be applied in the event of a severe economic slowdown.

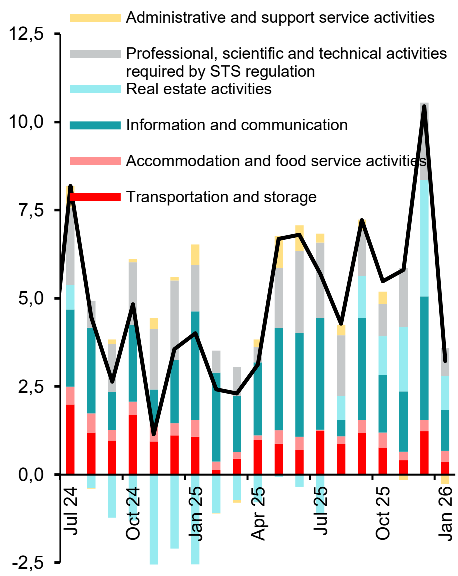
Sunday's parliamentary elections in Hungary were won by the opposition Tisza party, removing Viktor Orbán's Fidesz party from power after 16 years. With 99% of the votes counted, Tisza secured a sufficient number of seats to independently amend key laws, including the constitution. Tisza is regarded as a pro-EU party and, if it opts to ease Hungary's disputes with EU institutions, it could lead to the unblocking of EU funds allocated to Hungary as well as the SAFE programme. It is also possible that Hungary will abandon its veto on further sanctions against Russia and aid to Ukraine.

Peace talks between the US and Iran in Pakistan failed to produce an agreement. Donald Trump announced that the US Navy would block Iranian ports and vessels carrying Iranian goods intending to pass through the Strait of Hormuz, as well as clear the passage from mines.

The EURPLN exchange rate ended Friday's European session similarly to Thursday's, with an attempt to fall as low as 4.24 and a close near 4.25. EURCZK was stable close to 24.36. In reaction to the election result, the forint strengthened against the euro by 2.5% (EURHUF fell from 375 to around 366). Larger moves were seen in EURUSD, which continued the climb recorded since the beginning of the week, rising to around 1.173. Following the failure of the US–Iran talks, EURUSD retreated to 1.17, Brent crude oil prices jumped from around USD96 to USD102 per barrel, and natural gas prices in Europe also rose by a few euros.

Yields on domestic government bonds recorded slight declines on Friday of 1–4 bp, alongside a flattening of the yield curve by around 2 bp. Money market rates also fell, by 4–5 bp in the case of IRS rates and by 1–6 bp for FRA rates. In core markets, yields rose, by around 6 bp for German bonds and by 2–3 bp for US Treasuries. The outcome of the US–Iran talks is likely to put markets into risk-off mode today, which may lead, among other things, to a sell-off in Polish bonds.

Services production, % y/y



Source: Eurostat, Santander Bank Polska

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FX market

Today's opening

EURPLN	4.2546	CZKPLN	0.1744
USDPLN	3.6421	HUFPLN*	1.1326
EURUSD	1.1677	RONPLN	0.8358
CHFPLN	4.5980	NOKPLN	0.3823
GBPPLN	4.8836	DKKPLN	0.5693
USDCNY	6.8327	SEKPLN	0.3903

*for 100HUF

Last session in the FX market 10/04/2026

	min	max	open	close	fixing
EURPLN	4.2404	4.2547	4.2462	4.2465	4.2534
USDPLN	3.6130	3.6431	3.6323	3.6229	3.6396
EURUSD	1.1676	1.1739	1.1691	1.1722	

Interest rate market 10/04/2026

T-bonds on the interbank market**

Benchmark (term)	%	Change (bps)
OK0128 (2L)	4.14	-4
PS0131 (5L)	4.92	-5
DS1035 (10L)	5.54	-4

IRS on the interbank market**

Term	PL %	PL Change (bps)	US %	US Change (bps)	EZ %	EZ Change (bps)
1L	4.00	-3	3.97	1	2.68	5
2L	4.10	-4	3.88	2	2.79	8
3L	4.13	-4	3.84	1	2.81	6
4L	4.17	-4	3.86	4	2.82	6
5L	4.22	-5	3.94	9	2.86	7
8L	4.39	-5	4.04	1	3.00	7
10L	4.51	-6	4.16	6	3.09	4

WIBOR rates

Term	%	Change (bps)
O/N	3.72	12
SW	3.80	-1
1M	3.81	0
3M	3.84	-1
6M	3.88	0

FRA rates on the interbank market**

Term	%	Change (bps)
1x4	3.84	-1
3x6	3.89	-1
6x9	3.96	-3
9x12	4.07	-5
3x9	3.96	-1
6x12	4.03	-4

CDS rates and 10Y yield spread vs. German Bund

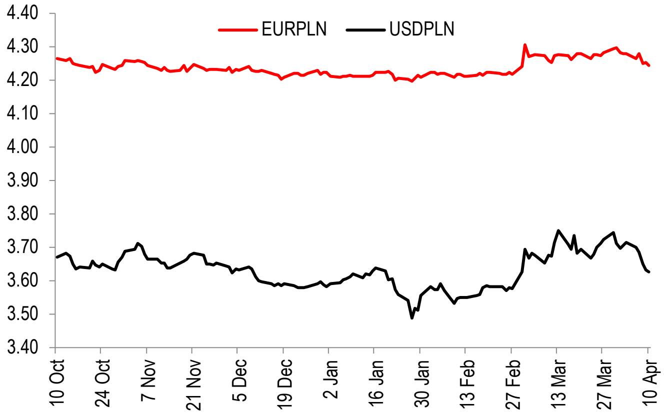
Country	CDS 5Y USD Level	CDS 5Y USD Change (bps)	10Y spread* Level	10Y spread* Change (bps)
Poland	60	0	249	-8
France	14	0	64	0
Hungary	105	0	357	-15
Spain	19	0	45	0
Italy	14	0	78	0
Portugal	8	0	41	0
Ireland	9	0	25	4
Germany	4	0	-	-

* 10Y treasury bonds over 10Y Bunds

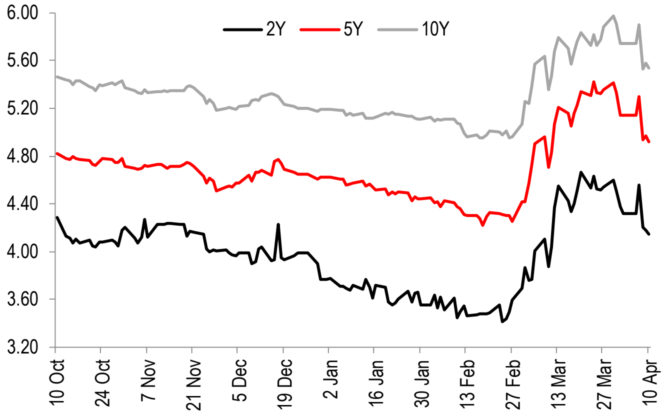
**Information shows bid levels on the interbank market at the end of the trading day

Source: LSEG, Datastream

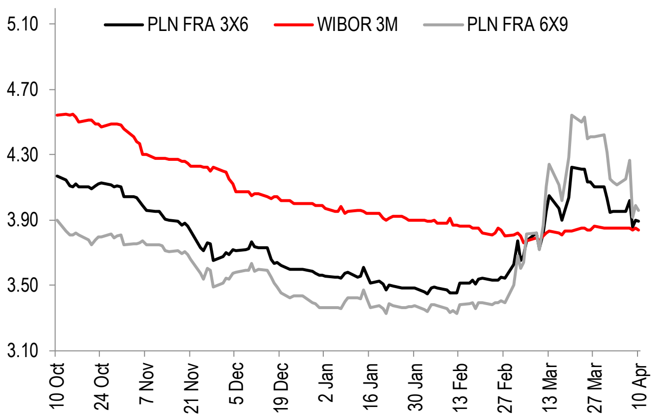
Zloty exchange rate



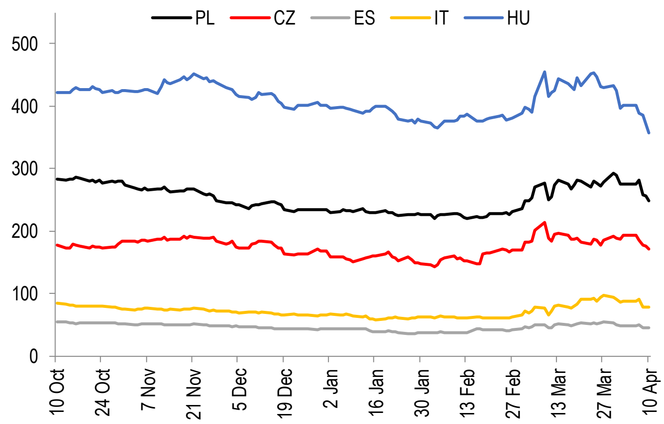
T-bonds yields



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 (10 April)					
08:00	DE	HICP	Mar	% m/m	1.2	-	1.2	1.2
14:30	US	CPI	Mar	% m/m	0.9	-	0.9	0.3
16:00	US	Michigan index	Apr	pts	51.5	-	47.6	55.3
16:00	US	Durable Goods Orders	Feb	% m/m	-1.4	-	-1.3	-0.5
16:00	US	Factory Orders	Feb	% m/m	-0.2	-	0.0	0.0
			MONDAY (13 April)					
14:00	**PL**	**Current Account Balance**	**Feb**	**€mn**	**468**	**82**	**-**	**1153**
14:00	**PL**	**Trade Balance**	**Feb**	**€mn**	**-390**	**-980**	**-**	**378**
14:00	**PL**	**Exports**	**Feb**	**€mn**	**28447**	**28385**	**-**	**27706**
14:00	**PL**	**Imports**	**Feb**	**€mn**	**28702**	**29365**	**-**	**27328**
16:00	US	Existing Home Sales	Mar	% m/m	0.05	-	-	1.74
			TUESDAY (14 April)					
09:00	CZ	CPI	Mar	% y/y	1.9	-	-	1.9
			WEDNESDAY (15 April)					
09:30	**PL**	**CPI**	**Mar**	**% y/y**	**3.0**	**3.0**	**-**	**2.1**
11:00	EZ	Industrial Production SA	Feb	% m/m	0.3	-	-	-1.5
			THURSDAY (16 April)					
11:00	EZ	HICP	Mar	% y/y	2.5	-	-	2.5
14:00	**PL**	**CPI Core**	**Mar**	**% y/y**	**2.6**	**2.6**	**-**	**2.5**
14:30	US	Initial Jobless Claims	weekly	k	210	-	-	219
15:15	US	Industrial Production	Mar	% m/m	0.1	-	-	0.15
			FRIDAY (17 April)					
		No data releases						

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg
** in the case of a revision the data is updated*

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