17 April 2026

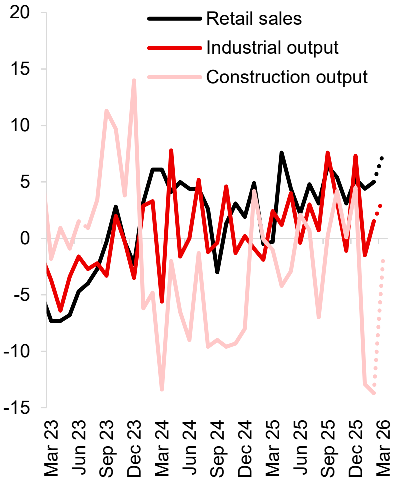
Weekly Economic Update

March rebound

Economy next week

- Key March economic activity data are coming this week. On Tuesday, we will see wages and employment, as well as industrial and construction output and producer prices. The picture will be completed retail sales and money supply data on Thursday, GUS Statistical Bulletin on Friday.
- March was the first month of the year in which weather conditions allowed producers and construction companies to operate normally, so we expect a clear rebound in their performance. An additional working day compared with March 2025 should also be supportive. In our view, **industrial output** growth rose to 3.5% y/y from 1.5% y/y in February and -1.5% y/y in January. In **construction output**, instead of declines of 13–14% y/y seen in January and February, we should see a result much closer to zero (our forecast: -1.9% y/y, consensus: 0.1% y/y).
- March was also marked by the Middle East conflict. In our view, it did not immediately affect real activity data, but likely had a strong impact on producer prices, which typically react quickly to global commodity price moves, crude oil in particular. **PPI inflation** probably saw a modest positive y/y growth in March after nearly three years below zero.
- We expect strong growth in real **retail sales** in March, at 7.5% y/y, compared with market expectations of less than 6% y/y. The previous reading was already solid (5.0% y/y in February), and the March figure was additionally supported by a trading Sunday ahead of Easter (last year it fell in April). We also assume that some consumers, amid geopolitical concerns and a rapid rise in fuel prices, may have built up precautionary inventories in March.
- **Labour market data** should be broadly similar to February, with employment in the enterprise sector down 0.8% y/y and wage growth slightly above 6% y/y. As regards wages more generally, we continue to assume further deceleration over the course of this year, although in March itself there may, in our view, have been a slight uptick in growth. The registered unemployment rate, in our view, remained at 6.1%.
- The coming week will also bring information on **business (Wednesday) and consumer sentiment (Thursday) in April**. In our view, concerns related to the conflict persisted, but sentiment may not have deteriorated significantly. On the one hand, as military operations continued, the chances of a return of energy commodity prices to late-February levels diminished; on the other hand, mitigating measures were implemented in the fuel market.
- On Wednesday, GUS will publish revised figures for the **general government balance and public debt for 2025**. Preliminary estimates released in early April pointed to a deficit of 7.2% of GDP and public debt of 59.7% of GDP, but the recent upward revision of nominal GDP for 2025 by 0.5% could make the ratios a tad lower.
- On Tuesday, the ceasefire agreed by the US and Iran expires. Unofficially, there is talk of a possible two-week extension to allow talks to continue. According to Donald Trump, further negotiations could take place as early as this weekend. Geopolitical issues and the economic consequences of the conflict will be discussed by EU finance ministers on Tuesday and at an informal EU summit on Thursday. On Tuesday, President Trump's nominee for Fed Chair, Kevin Warsh, will be questioned before a US Senate committee.
- Abroad, we will see business sentiment indicators for April in Europe (flash PMIs, ZEW, Ifo), as well as March retail sales and April consumer sentiment (the Michigan index) in the US.

Output and retail sales, %y/y, in constant prices



Source: GUS, Santander Bank Polska

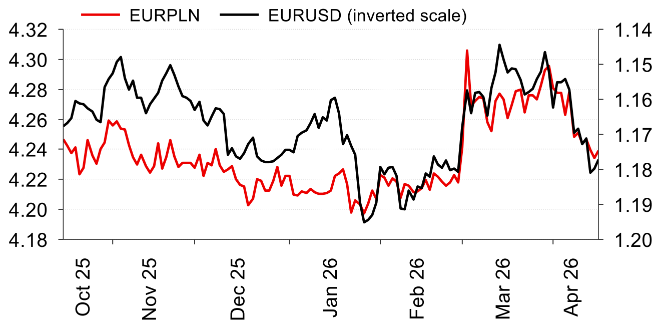
Markets next week

- Over the past week, we have observed a build-up of market optimism regarding the chances of peace in the Middle East. In our view, a continuation of talks would allow the current phase of market stabilisation to persist. By contrast, a decisive breakdown of negotiations would likely trigger a renewed rise in energy commodity prices and the US dollar back towards levels seen during the recent period of heightened tension and fears of conflict escalation. A wave of risk aversion would prompt a sell-off across markets and a weakening of EM currencies, including the zloty.
- Under conditions of continued market easing and supported by domestic data, this could be a second week in which EURPLN looks for a path back towards the range around 4.22 where it traded in February. In the domestic bond market, we expect rather a stabilisation of yields, with the 2Y around 4.3% and the 10Y close to 5.5%.

Economic Analysis Department:

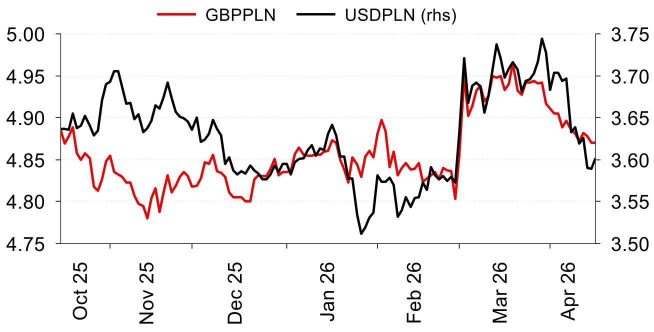
al. Jana Pawła II 17, 00-854 Warszawa
email: ekonomia@santander.pl
website: santander.pl/en/economic-analysis
Piotr Bielski +48 691 393 119
Bartosz Białas +48 517 881 807
Adrian Domitrz +48 571 664 004
Marcin Luziński +48 510 027 662
Grzegorz Ogonek +48 609 224 857

EURPLN and EURUSD



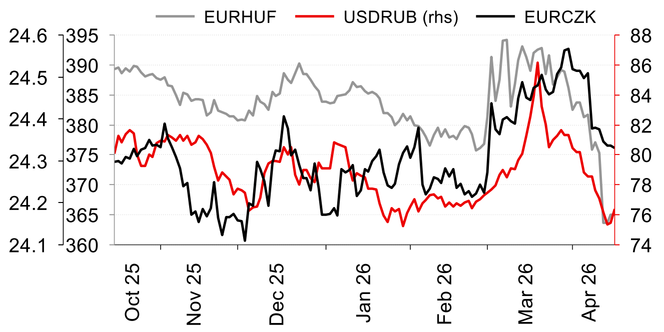
Source: LSEG Datastream, Santander

GBPPLN and USDPLN



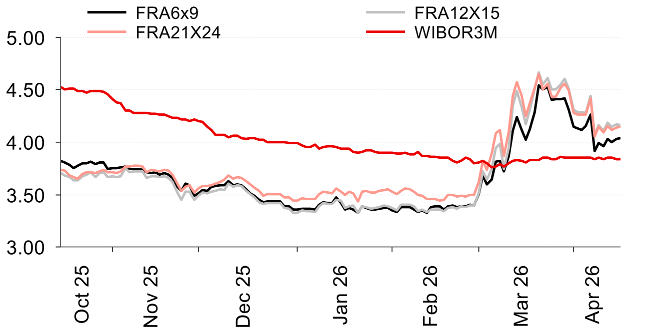
Source: LSEG Datastream, Santander Bank Polska

EURCZK, EURHUF and USDRUB



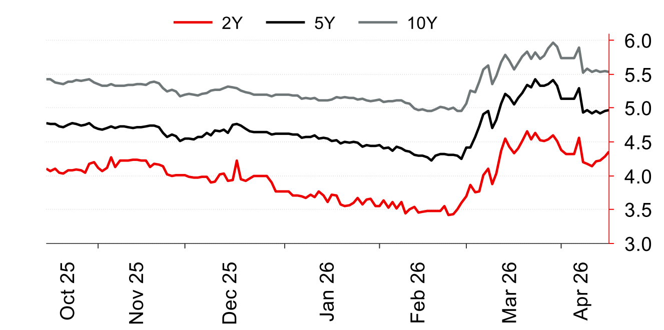
Source: LSEG Datastream, Santander Bank Polska

PLN FRA and WIBOR3M



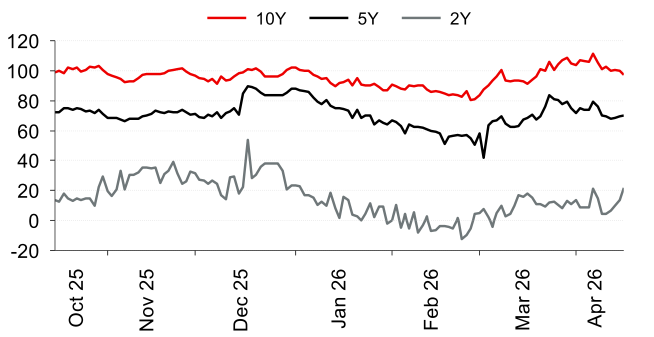
Source: LSEG Datastream, Santander Bank Polska

Polish bond yields



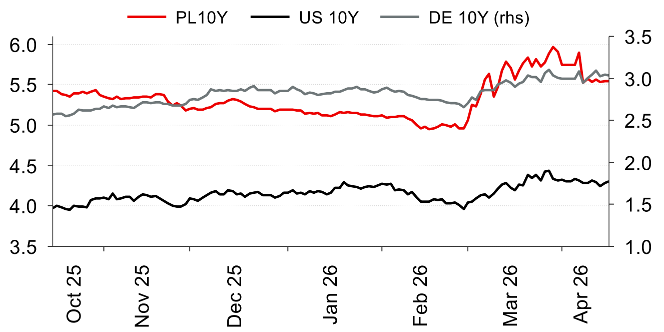
Source: LSEG Datastream, Santander Bank Polska

Asset swap spreads



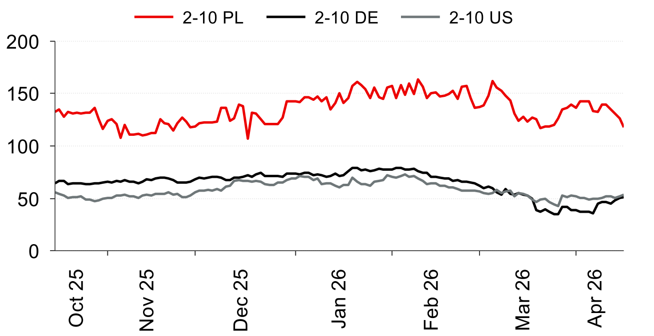
Source: LSEG Datastream, Santander Bank Polska

10Y bond yields



Source: LSEG Datastream, Santander

Steepness of yield curves



Source: LSEG Datastream, Santander Bank Polska

Economic Calendar

TIME CET	COUNTRY	INDICATOR	PERIOD		FORECAST MARKET	FORECAST SANTANDER	LAST VALUE
			MONDAY (20 April)				
		No key data releases					
			TUESDAY (21 April)				
09:30	**PL**	**Employment in corporate sector**	**Mar**	**% y/y**	**-0.8**	**-0.8**	**-0.8**
09:30	**PL**	**Sold Industrial Output**	**Mar**	**% y/y**	**4.3**	**3.5**	**1.5**
09:30	**PL**	**Construction Output**	**Mar**	**% y/y**	**0.1**	**-1.8**	**-13.7**
09:30	**PL**	**PPI**	**Mar**	**% y/y**	**-0.1**	**0.4**	**-2.3**
09:30	**PL**	**Average Gross Wages**	**Mar**	**% y/y**	**6.3**	**6.4**	**6.1**
11:00	DE	ZEW Survey Current Situation	Apr	pts	-70.4	-	-62.9
14:30	US	Retail Sales Advance	Mar	% m/m	1.3	-	0.6
16:00	US	Pending Home Sales	Mar	% m/m	0.8	-	1.8
			WEDNESDAY (22 April)				
		No key data releases					
			THURSDAY (23 April)				
09:30	DE	Germany Manufacturing PMI	Apr	pts	51.0	-	52.2
09:30	DE	Markit Germany Services PMI	Apr	pts	50.5	-	50.9
09:30	**PL**	**Retail Sales Real**	**Mar**	**% y/y**	**5.8**	**7.5**	**5.0**
10:00	EZ	Eurozone Manufacturing PMI	Apr	pts	50.6	-	51.6
10:00	EZ	Eurozone Services PMI	Apr	pts	49.8	-	50.2
14:00	**PL**	**Money Supply M3**	**Mar**	**% y/y**	**10.6**	**10.6**	**10.6**
14:30	US	Initial Jobless Claims	week	k	213	-	207
			FRIDAY (24 April)				
09:30	**PL**	**Unemployment Rate**	**Mar**	**%**	**6.1**	**6.1**	**6.1**
10:00	DE	IFO Business Climate	Apr	pts	85.6	-	86.4
16:00	US	Michigan index	Apr	pts	48.0	-	47.6

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

Additional information is available on request. Please contact Santander Bank Polska S.A. Financial Management Division. Economic Analysis Department. al. Jana Pawła II 17. 00-854 Warsaw. Poland. phone +48 22 534 18 87. email ekonomia@santander.pl. http://www.santander.pl.