

Weekly Economic Update

Important Polish data approaching

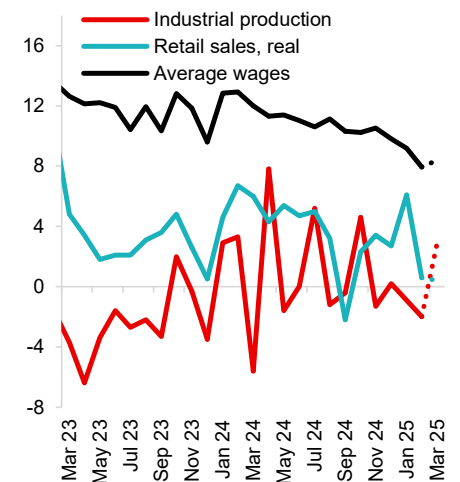
Economy next week

- Although the coming workweek will be shorter due to the Easter holidays, we are in for a strong dose of data from the Polish economy. On Tuesday, the stats office publishes data on **industrial and construction production, the labour market, PPI inflation and business sentiment**, as well as an announcement on the general government deficit and debt for 2021-2024. In the case of the industrial and construction data, we expect an improvement in the annual growth rate relative to February, largely based on positive effect of working days and the low statistical base effect from March 2024. The construction data are important from the point of view of investment forecasts, which, as the last revision of GDP data showed, were much weaker in 2024 than thought. Labour market data are likely to attract more attention than usual, as NBP President Adam Glapiński has cited wage growth as one of the main macroeconomic variables influencing the MPC's decisions in the coming months. Our forecast is higher than market consensus, but we do not assume that a reading in line with our expectations will deter MPC members from cutting rates in May. On Wednesday we will see **M3 money supply and retail sales data**, the latter we believe will remain quite weak on an annual basis due to the effect of Easter (last year it was in March, this year in April), and on Thursday **unemployment rate and consumer sentiment** data will be published. We would not be surprised if there is a deterioration in consumer confidence following the US tariff decisions, that led to stock market collapse and significant weakening of the zloty.
- Globally, the most important data will be the **preliminary PMI indices for April** on Tuesday. Some US data are also due - on the real estate market, durable goods orders, the revised Michigan index. In Germany, the Ifo index will be published. On Monday, China takes a decision on interest rates.

Markets next week

- The last week in the financial markets was somewhat calmer than previous weeks, which saw violent reactions to changes in US tariff policy. However, the topic of tariffs can return at any time, so volatility increase is a constant concern. On Friday, US Secretary of State Marco Rubio said that the US might stop trying to negotiate an agreement between Russia and Ukraine. Declining hopes for peace could negatively affect risky assets, especially Polish ones, so **the coming week may bring a weakening of the zloty**.
- The scale of priced-in interest rate cuts in Poland (as much as 200 points by the end of the year) is, in our view, overestimated so a set of stronger domestic data in March could trigger an **upward adjustment in money market rates and bond yields**.

Industrial output, retail sales and corporate wages, %y/y, with Santander forecast for March 2025

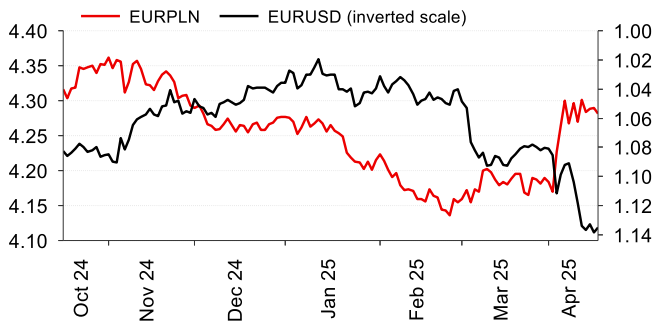


Source: Santander

Economic Analysis Department:

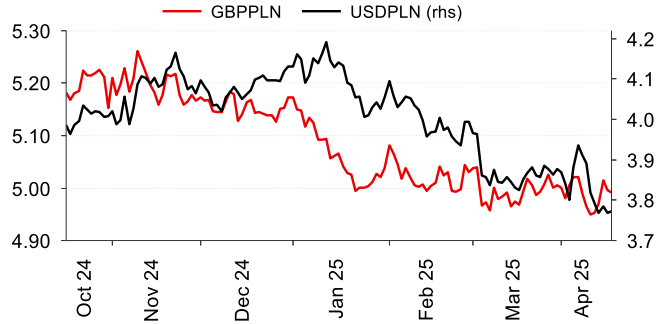
al. Jana Pawła II 17, 00-854 Warszawa
 email: ekonomia@santander.pl
 website: santander.pl/en/economic-analysis
Piotr Bielski +48 691 393 119
Bartosz Białas +48 517 881 807
Marcin Luziński +48 510 027 662
Grzegorz Ogonek +48 609 224 857

EURPLN and EURUSD



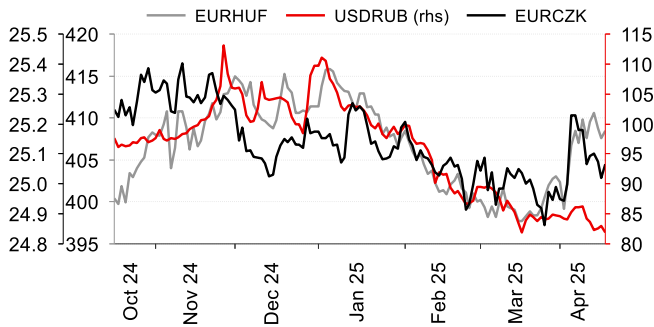
Source: LSEG Datastream, Santander

GBPPLN and USDPLN



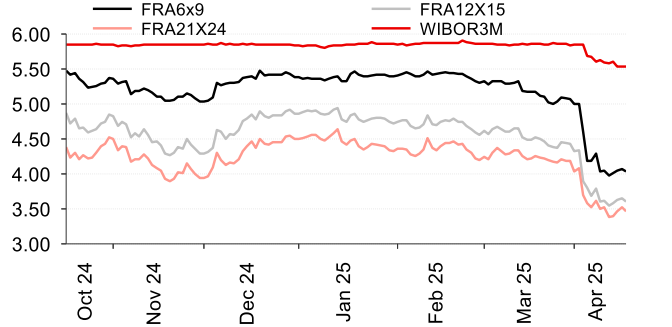
Source: LSEG Datastream, Santander Bank Polska

EURCZK, EURHUF and USDRUB



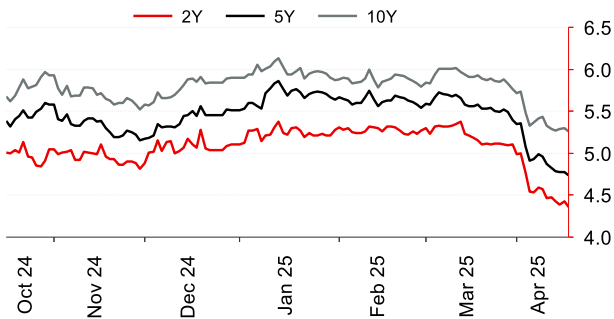
Source: LSEG Datastream, Santander Bank Polska

PLN FRA and WIBOR3M



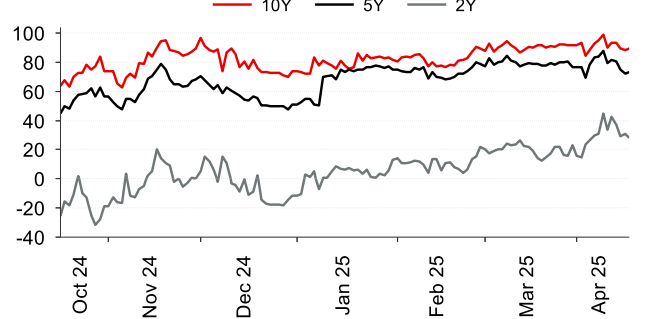
Source: LSEG Datastream, Santander Bank Polska

Polish bond yields



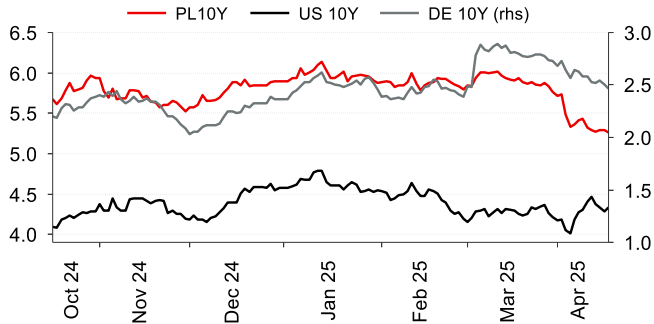
Source: LSEG Datastream, Santander Bank Polska

Asset swap spreads



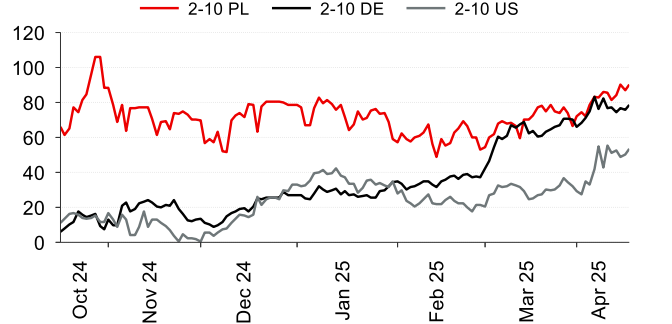
Source: LSEG Datastream, Santander Bank Polska

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		LAST VALUE	
				MARKET	SANTANDER		
MONDAY (21 April)							
Holiday							
TUESDAY (22 April)							
10:00	PL	Employment	Mar	% y/y	-0.9	-0.9	-0.9
10:00	PL	Average Gross Wages	Mar	% y/y	7.9	8.4	7.9
10:00	PL	Sold Industrial Output	Mar	% y/y	3.6	2.9	-2.0
10:00	PL	Construction Output	Mar	% y/y	5.6	5.7	0.0
10:00	PL	PPI	Mar	% y/y	-1.1	-0.9	-1.3
WEDNESDAY (23 April)							
09:30	DE	Germany Manufacturing PMI	Apr	pts	47.6	-	48.3
09:30	DE	Markit Germany Services PMI	Apr	pts	50.4	-	50.9
10:00	EZ	Eurozone Manufacturing PMI	Apr	pts	47.7	-	48.6
10:00	EZ	Eurozone Services PMI	Apr	pts	50.5	-	51.0
10:00	PL	Retail Sales Real	Mar	% y/y	0.6	-0.9	-0.5
14:00	PL	Money Supply M3	Mar	% y/y	9.6	10.1	9.1
16:00	US	New Home Sales	Mar	% m/m	0.74	-	1.8
THURSDAY (24 April)							
10:00	DE	Ifo Business Climate	Apr	pts	85.2	-	86.7
10:00	PL	Unemployment Rate	Mar	%	5.3	5.3	5.4
14:30	US	Durable Goods Orders	Mar	% m/m	1.5	-	1.0
14:30	US	Initial Jobless Claims	weekly	k	225	-	215
16:00	US	Existing Home Sales	Mar	% m/m	-2.8	-	4.2
FRIDAY (25 April)							
16:00	US	Michigan index	Apr	pts	50.8	-	50.8

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

This publication has been prepared by Santander Bank Polska S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Santander Bank Polska S.A. its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Santander Bank Polska S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Santander Bank Polska S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication.

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>.