

22 April 2025

## Eyeopener

### Today important domestic data

Today a lot of important domestic data

D. Trump wants to analyse ways to fire Fed head

Zloty and bond yields stable

**Today**, we will see most of the real data on the state of the Polish economy in March, including industrial and construction output, as well as employment and wages in the corporate sector. We expect that the output data will show an improvement in its growth rate relative to February, thanks in part to a positive difference in the number of working days and the low base last March. In the case of industrial output, we expect growth to accelerate from -2.0% y/y to 2.9% y/y, below the market consensus of 3.6% y/y, and in the case of construction output, from 0.0% y/y to 5.7% y/y, close to market expectations. The labour market data should, in our view, show no change in employment growth, at -0.9% y/y, and a minor acceleration in wage growth, from 7.9% y/y to 8.4% y/y, which should not dissuade the MPC from loosening monetary policy. In addition to the real data, we will learn the March PPI inflation reading, which we estimate rose from -1.3% y/y to -0.9% y/y, 0.2 pp above market expectations, the results of the April consumer sentiment survey, and the revised 2021-2024 public finance deficit and debt data. Moreover, this week, IMF Spring Meetings conference begins and a new edition of the Fund's forecasts will be published.

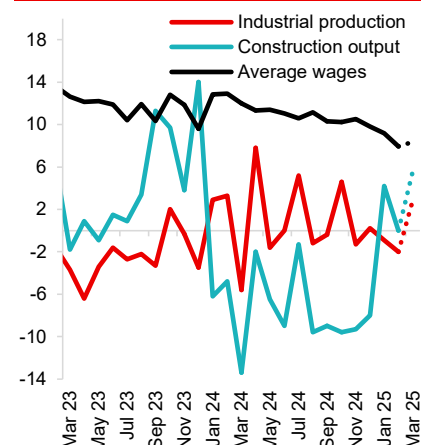
**The People's Bank of China made its monetary policy decision** and left interest rates unchanged.

Kevin Hassett, the US president's economic adviser, said on Friday **that Donald Trump will study the possibility of firing the head of the Federal Reserve Jerome Powell**. The US president believes that the Fed is cutting rates too slowly. The statement triggered an increase in risk aversion in the markets.

In 2024, **the NBP recorded a loss of PLN13.347bn**, largely due to the strengthening of the zloty against major currencies. This means that the NBP will not make a payment to the budget this year, which is in line with the assumption about this transfer made in the 2025 budget act.

**In the absence of any significant economic publications, as well as a day off in some economies, EURPLN experienced only minimal changes on Friday** and ended the week slightly below 4.28. Due to limited market activity, the exchange rate also did not visibly react to US Secretary of State Marco Rubio's statement that the US may stop trying to negotiate an agreement between Russia and Ukraine. There was also limited movement in EURHUF, EURCZK and EURUSD exchange rates. Throughout the past week, EURPLN exchange rate did not change significantly, despite its temporary fluctuations. There was also little change in EURCZK over the course of the week, while EURHUF declined by c. 0.5%. A further increase of around 0.5% was observed for EURUSD. Due to the day off in most core markets, **Polish yields and money market rates experienced only negligible moves or no change on Friday**.

Output and wages, % y/y



Source: GUS, Santander

#### Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa

email: ekonomia@santander.pl

website: [santander.pl/en/economic-analysis](https://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

**FX market**

Today's opening			
EURPLN	4.2748	CZKPLN	0.1706
USDPLN	3.7140	HUFPLN*	1.0375
EURUSD	1.1508	RONPLN	0.8590
CHFPLN	4.5820	NOKPLN	0.3571
GBPPLN	4.9774	DKKPLN	0.5727
USDCNY	7.3086	SEKPLN	0.3885

\*for 100HUF

Last session in the FX market						18/04/2025
	min	max	open	close	fixing	
EURPLN	4.2574	4.2827	4.2742	4.2695	4.2823	
USDPLN	3.7442	3.7660	3.7600	3.7469	3.7661	
EURUSD	1.1356	1.1397	1.1367	1.1390		

**Interest rate market**

18/04/2025

**T-bonds on the interbank market\*\***

Benchmark (term)	%	Change (bps)
PS0527 (2L)	4.39	3
PS0130 (5L)	4.73	0
DS1034 (10L)	5.18	-8

**IRS on the interbank market\*\***

Term	PL		US		EZ	
	%	Change (bps)	%	Change (bps)	%	Change (bps)
1L	4.52	1	4.10	-4	1.98	1
2L	4.07	0	3.77	-4	1.91	0
3L	3.95	-1	3.74	-2	1.99	0
4L	3.95	-1	3.78	-1	2.09	0
5L	3.99	-1	3.84	0	2.18	0
8L	4.20	-1	4.02	4	2.39	0
10L	4.36	0	4.11	4	2.50	0

**WIBOR rates**

Term	%	Change (bps)
O/N	5.81	-2
T/N	5.83	0
SW	5.83	0
1M	5.72	-5
3M	5.49	-5
6M	5.19	-1
1Y	4.98	-1

**FRA rates on the interbank market\*\***

Term	%	Change (bps)
1x4	5.17	2
3x6	4.46	1
6x9	4.05	1
9x12	3.78	1
3x9	4.26	4
6x12	3.89	1

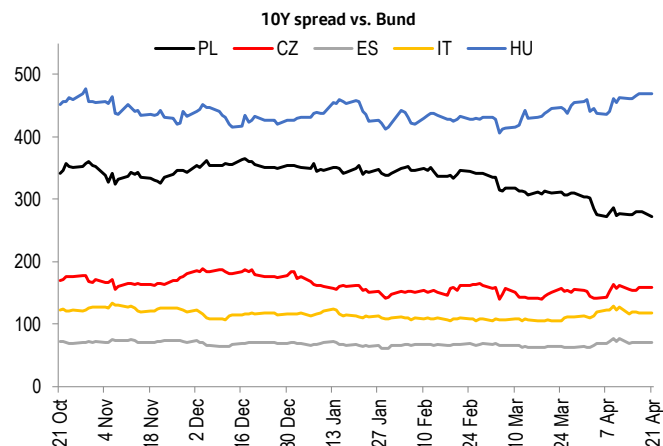
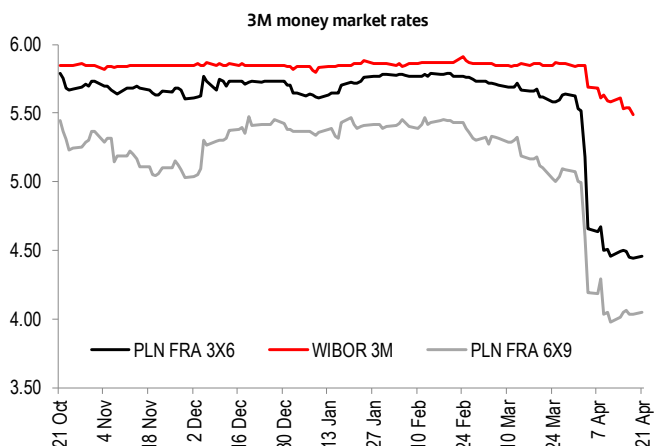
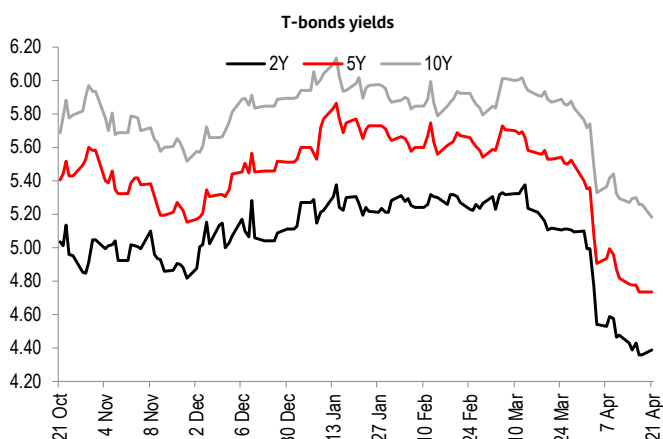
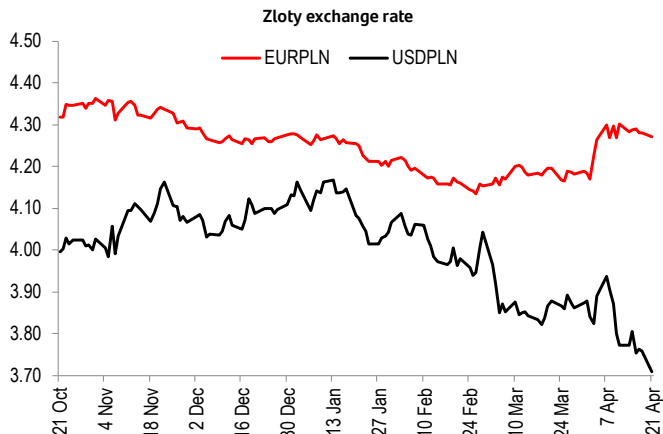
**CDS rates and 10Y yield spread vs. German Bund**

Country	CDS 5Y USD		10Y spread*	
	Level	Change (bps)	Level	Change (bps)
Poland	74	0	272	-8
France	22	0	77	0
Hungary	137	0	470	0
Spain	38	0	70	0
Italy	27	0	118	0
Portugal	19	0	59	0
Ireland	15	0	37	0
Germany	9	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			
<b>MONDAY (21 April)</b>								
Holiday								
<b>TUESDAY (22 April)</b>								
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
<b>WEDNESDAY (23 April)</b>								
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	0.7	-	-	1.8
<b>THURSDAY (24 April)</b>								
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
<b>FRIDAY (25 April)</b>								
16:00	US	Michigan index	Apr	pts	50.8	-	-	50.8

Source: Santander Bank Polska, Reuters, Parkiet, Bloomberg

\* in the case of a revision the data is updated

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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>.