

MNI National Bank of Poland Preview: January 2026

Details:

Monetary Policy Decision	January 14 th	-
Press Conference	January 15 th	14:00GMT/15:00CET

MNI Point of View: Pause, Wait & See?

Another softer-than-expected inflation print arguably increased the probability of a surprise rate cut but we side with consensus in calling for a pause to the NBP's undeclared easing cycle. In unusually strong forward guidance after the December meeting, Governor Adam Glapiński signalled the Monetary Policy Council's (MPC's) strong preference for entering 'wait-and-see' mode at the beginning of the year after it delivered a total of 175bp worth of rate cuts last year. Whilst the panel's reaction function appears to be heavily skewed towards current data, we do not think that a marginal inflation target undershoot is sufficient to tip the balance, even as the risks are tilted towards a surprise cut. The Council will likely opt to hold fire for now amid seasonally heightened uncertainty around price dynamics in Poland.

An impressive run of 'goldilocks' data allowed Poland's central bank to deliver five sequential 25bp rate cuts in 2H25 on top of the earlier 50bp reduction, bringing the reference rate all the way to 4%. Against this backdrop, official communications have seemed to be signalling an ongoing transition to the fine-tuning phase of the NBP's undeclared easing cycle. Admittedly, central bankers continue to insist that they were operating in a logic of isolated one-off adjustments, delivered reactively in attempt to catch up with the evolving macroeconomic backdrop. But insofar as the series of last year's interest-rate cuts could be viewed as a process, this process appears to be nearing its end. This is embedded in the collective wisdom of Polish money markets, which price a terminal rate of ~3.50%.

Governor Glapiński signalled as much during his press conference after the December cut. He positioned himself on toward the hawkish end of the spectrum, stating that he wouldn't mind the reference rate staying at 4% (an 'excellent' level) for longer, although his colleagues might prefer to set it somewhat lower. He then offered atypically clear and committal forward guidance, explicitly suggesting that the MPC expected to enter 'wait-and-see' mode at the beginning of the year to observe the impact of monetary easing delivered to date and consider further steps. Despite the Governor's history with walking back his comments between one presser and another, we take it as a strong signal regarding sentiment within the MPC. This forward guidance was subsequently corroborated by comments from other MPC members, who reaffirmed preference for a near-term 'wait-and-see' approach.

The tone of communications shifted somewhat in the past couple of weeks. NBP watchers took note of the fact that regular hawkish dissenter Joanna Tyrowicz wrote in a LinkedIn post that 'core inflation should not get entrenched near +3% but should slowly ease toward +2%' amid lower import prices, continued zloty strength, the lack of proposed excise-tax hikes, and a departure from some historical patterns. Although Tyrowicz has been the lone supporter of interest-rate *hikes* for a long time now, some have interpreted the softening of her rhetoric as a potential barometer of the directionality of the MPC's sentiment. Separately, Ireneusz Dąbrowski (informally recognised as one of the Governor's closest allies on the MPC) said that he expected a lengthy and difficult discussion this week and assessed the odds of a cut as virtually 50:50, although he personally preferred a pause.

These comments have been ascribed an outsize weight in virtue of their timing – after the latest batch of inflation data and shortly before the media blackout. The modest target undershoot implied by the preliminary December CPI report (headline at +2.4% Y/Y), which was a marginal dovish surprise relative to market consensus, put a question mark over the Governor's forward guidance and accompanying communications. The argument was that while the MPC had not been entirely convinced of the sustainability of the disinflation trend, it just received evidence allowing it to resume cutting interest rates. Furthermore, uncertainty around household energy prices dissipated, with the

regulator approving lower electricity tariffs and giving a nod to a lightly higher distribution tariff, amounting to a relatively limited increase in the bills paid by consumers.

And yet, like the majority of analysts, we are not persuaded that this is enough for the MPC to ditch its rather unambiguous forward guidance and authorise an interest-rate cut this week, for several reasons. For one, the dovish surprise in December CPI was driven by volatile food prices, while core inflation may have inched higher, even if only temporarily. Second, private-sector wage growth unexpectedly accelerated to +7.1% Y/Y in November (the most recent outturn), despite tentative signs (sectoral concentration, annual bonus pay-outs for miners) that it was a one-off incident. Third, the beginning of the year tends to be associated with heightened uncertainty around price dynamics. Statistics Poland stops publishing preliminary inflation data ahead of the annual CPI basket re-weighting in March, which may have significant ramifications for inflation trajectory, as it did last year. In addition, firms and regulators often adjust prices at the start of the year, which has difficult-to-predict consequences for aggregate CPI.

This is not to say that we are ruling out an interest-rate cut already this week. For the record, it is conceivable that the Governor could simply row back on his earlier comments, as he did multiple times before, and hide behind the shield of his narrative emphasising the one-off nature of every single interest-rate 'adjustment'. He could also shift the blame to more dovish-inclined colleagues. Fundamentally, considering Poland's benign inflation outlook and the continuation of favourable trends in the economy, we think that a rate cut would be a mere front-loading of monetary easing that is in the pipeline rather than a policy error. Nonetheless, the NBP's aversion to uncertainty and its positionality on the timeline of the process of loosening monetary policy should result in a preference for a hold at this juncture. In our understanding, whereas benign data has continued to flow in, fuelling dovish sentiment, the room for further monetary easing has been shrinking on the back of last year's policy action, with the NBP gradually transitioning to a deliberation on when to deliver final policy adjustments.

Computing the potential distribution of votes this week is complicated by the arrival of new MPC member Marcin Zarzecki, who replaced retiring Cezary Kochalski in December. Very little is known about Zarzecki's views on monetary policy or economics more broadly, except for his opposition to the adoption of the euro. The new MPC member, a sociologist by trade, was appointed to the panel by President Karol Nawrocki, apparently on the basis of their previous collaboration at the Institute for National Remembrance when it was headed by Nawrocki. One could try to infer Zarzecki's policy orientation from the views of his political patron, but these are equally murky – Nawrocki campaigned on the platform of a *de facto* moratorium on tax hikes combined with increased spending on energy subsidies, critical infrastructure, or national defence. In an interview for the conservative wPolsce24 TV, Zarzecki noted that the inflation target has been reached and the MPC needs to 'think intensively whether to take more risk', without elaborating any further or offering any detailed analysis.

Our sense is that the majority of policymakers will support holding fire this time around, even as the next move in rates will almost certainly be down. The optimal moment to resume monetary easing will be in March. By this time, the MPC will have some sense on inflation developments at the beginning of the year (although the CPI basket re-weighting is due on March 13, after the March 4 meeting), and will have received an updated macroeconomic projection. This would make it easier to justify a resumption of interest-rate cuts at a time when members are deliberating the optimal terminal rate. The market has seen growing convergence around 3.50% as the most likely target level of the reference rate. We think it could be reached in 1H26, with incoming data set to determine the path of getting there. Ahead of the conclusion of this week's meeting, we expect the MPC to keep its key rate unchanged at 4%, with a non-negligible risk of a dovish surprise.

Data Watch

mni Central Bank Watch - NBP

January 12, 2026

MNI NBP Data Watch List											
		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Inflation											
HICP	% y/y	2.4	2.9	↓	4.1	↓					-1.21
Core Inflation	% y/y	2.7	3.2	↓	3.3	↓					-2.07
PPI	% y/y	-2.4	-1.3	↓	-1.5	↓					-1.80
NBP Inflation Expectations	Index	36.3	41.8	↓	41.8	↓					-1.07
Economic Activity											
Poland PMI (Manuf)	Index	48.5	48.0	↑	44.8	↑					0.40
Sold Industrial Output	% y/y	-1.1	0.7	↓	4.0	↓					-1.21
Exports (Mn)	EUR	32361	28518	↑	28585	↓					1.66
Construction Output	% y/y	0.1	-7.0	↑	-2.9	↑					0.26
Monetary Analysis											
Money Supply (M3)	% y/y	10.6	11.1	↓	10.3	↑					1.08
Consumer Credit	% y/y	3.6	2.7	↑	3.1	↑					1.85
Credit to Non-Fin Corps	% y/y	11.1	9.5	↑	5.6	↑					1.25
Credit to Households	% y/y	3.6	2.7	↑	3.1	↑					1.75
Consumer / Labour Market											
Retail Sales	% y/y	2.8	3.0	↓	4.3	↓					-0.42
Unemployment Rate	%	5.6	5.5	↑	5.0	↑					0.93
Ave Monthly Gross Wages	% y/y	7.1	7.1	→	8.4	↓					-0.75
Employment	% y/y	-0.8	-0.8	→	-0.8	→					0.35
Markets											
Equity Market (WIG)	Index	121413	106364	↑	104692	↑					1.97
10-Year Bond Yield	%	5.14	5.47	↓	5.52	↓					-1.36
Yield Curve (10s-2s)	bps	139.7	119.8	↓	92.4	↑					1.30
PLN TWI	Index	120.09	118.77	↑	119.24	↑					1.98

Source: MNI, Bloomberg

Sell-Side Views

A clear majority of sell-side analysts expect the NBP to pause monetary easing and keep the policy rate unchanged at 4%, although some admit that benign flash December CPI data boosted the probability of a surprise cut.

Bank Pocztowy: NBP Unlikely To Cut Rates Before March

- They write that the December CPI reading probably did not surprise the MPC, which is why the panel will likely stand pat on interest rates after cutting them at five consecutive meetings (and six times in 2025).
- Uncertainty related to the annual repricing and limited inflation data reporting at the beginning of the year give the MPC an additional incentive to wait with the next rate cut until March.
- Bank Pocztowy expect two more 25bp cuts this year, likely at the turn of the quarter. They think that inflation may keep surprising to the downside, but accelerating GDP growth will prevent the MPC from taking the policy rate below 3.50%.

BNY Mellon: Fiscal Impulse Generates Inflationary Risk

- They write that the NBP decision is the first major central bank action in Europe this year, and no change is expected.
- CEE was one of the best-performing regions for asset allocation in 2025. However, a bout of fiscal dominance concerns toward year end led to adjustments in asset holdings, though currencies have not yet been materially affected.
- To sustain current asset performance, they believe a pivot by NBP to better align with the ECB is needed to avoid erosion in real rates as the PLN struggles to sustain current valuations. Inflation is expected to accelerate this year to around +3% Y/Y, with upside risks given the fiscal impulse.

BGK: Rates Unchanged, Dovish Shift In Tone

- They expect the NBP to leave the reference rate at 4% but believe that the tone of the Governor's press conference may turn more dovish amid a shift in communications from MPC members, including hawkish dissenter Joanna Tyrowicz.

BOŚ Bank: Hold Expected, With Non-Zero Risk Of Cut

- They expect the NBP to stabilise interest rates at this week's meeting but see a non-zero risk of a cut.
- Communications pointing to a need to pause and assess the impact of earlier easing support the case for a hold, while the December CPI outturn was not a major surprise.
- At the same time, the MPC may still take the market by surprise amid a benign inflation outlook.

Crédit Agricole: Final Cut In Cycle To Come In 1Q26

- They expect the MPC to keep the reference rate unchanged at 4%.
- CA note that the Governor signalled that he would be satisfied with keeping the policy rate at the current 'excellent' level for longer. However, he also noted that further cuts will depend on the opinions of other members, who may prefer to see them lower.
- Crédit Agricole expect the final 25bp rate cut in this cycle to be delivered in 1Q26, but not at the upcoming meeting – although they see a risk of an early move this week. In their view, the statement is unlikely to involve any major changes.

Goldman Sachs: Forecasting 25bp Cut In January

- Against an almost unanimous consensus survey expecting the NBP to remain on hold at 4%, Goldman are forecasting a 25bp cut.
- Although NBP Governor Glapiński previously indicated that a pause at the next meeting was likely, he also emphasised data dependence and did not rule out a cut, and they note that December inflation surprised significantly to the downside.
- That said, they view the decision as close, with a strong possibility that the MPC may wait one or two months before cutting again. They remind that the Governor indicated in December that the present 4% policy rate is also good and could last for longer.
- However, the cumulative surprise to the NBP's forecast over a period of three months is now substantial (+2.4% vs. +3.0%) and base effects are likely to drive headline inflation further below the NBP's +2.5% target in Q1.
- Moreover, the zloty has strengthened further at the start of 2026, a development that is likely to increase the downside pressure on future inflation readings. On balance, Goldman expect the weak December inflation data to outweigh the MPC's desire for caution, and to swing the decision in favour of another cut.
- Looking ahead, they continue to expect the NBP to cut rates from 4.00% currently to a terminal rate of 3.50%, a level that is now fully priced in by the market. They remain dovish on the outlook for inflation in Poland, and view the risks to their terminal rate forecast as skewed to the downside.

ING: Seeing At Least 35% Chance Of Rate Cut This Month

- In their view, the below-target CPI print in December implies larger room for interest-rate cuts going forward, especially that the reference rate is now 4%.
- They note that after the December meeting, the Council signalled an intention to pause, but latest inflation data may have changed its approach.
- They see a 35% chance of a rate cut this week, arguing that recent months provided evidence that data outturns matter more than MPC communications.

JP Morgan: NBP To Keep Policy Rate Unchanged

- At the last MPC meeting in 2025, Governor Glapiński signalled a strong preference for a pause in the NBP's easing cycle, suggesting the central bank would go into wait and see mode until March, timing of the publication of a new macro projection by the NBP staff.
- The last CPI brought another downside CPI surprise, but this time around it was mainly on food and energy, with core more well behaved. In this context, JP Morgan think the NBP will stick to the message and keep the policy rate unchanged at 4%.

Millennium Bank: No Change Expected

- They expect the NBP to keep interest rates unchanged but admit that the risks are tilted toward a cut.
- In the context of incoming data, they emphasise a marginally lower-than-expected inflation print (December) and an above-forecast wage growth (November). In addition, the regulator approved new electricity and distribution tariffs, which will boost energy bills by a modest 3-4%.
- In their view, March will be the optimal moment to cut rates further. They currently assume that the MPC will cut rates by 50bp in total to a terminal level of 3.50%.

Pekao: Pause Seems To Be Done Deal

- They believe that an on-hold decision is a done deal, but the Governor may provide new information about the likely timing of the resumption of rate cuts.
- In their view, guidance suggesting renewed easing before March would be interpreted as a dovish signal. At the same time, they don't expect the Governor to speculate on the terminal level of interest rates.
- They argue that a pause would give the MPC some time to observe macroeconomic developments and avoid overreacting to initial inflation data for January, which may undergo a significant revision.

PKO: 25bp Cut On Cards

- They believe that the outcome of the MPC meeting is down to the wire, with recent comments from Ireneusz Dąbrowski suggesting that the odds are roughly equal.
- The below-target December CPI outturn, lower wholesale food prices, falling commodity prices, and the announcement on household electricity tariffs have led to downward revisions to inflation projections for this year to below the NBP's +2.5% Y/Y target, which increases room for interest-rate cuts.
- They note that a reference-rate cut is not fully priced by local money markets and could be an impulse resulting in a further decline in POLGB yields.

Santander: MPC To Enter 'Wait-And-See'

- They expect the NBP to keep interest rates unchanged, in line with earlier guidance, and enter 'wait-and-see' mode at least until the March meeting. By this time, the MPC will get a new macroeconomic projection and the initial reading of January inflation, before the re-weighting of the CPI basket.
- However, they think that the probability of an interest-rate cut already this week increased after the publication of another below-forecast CPI print in December. They do not have reasons to believe that the preliminary reading for December (+2.4% Y/Y) could be revised higher like in November.

Société Générale: 25bp Cuts Expected In March & April

- They comment that macro data continues to paint a favourable picture for the inflation outlook. December CPI fell to +2.4% Y/Y from +2.5% in the previous month, dragged by fuel price deflation and stable food and energy prices on a monthly basis. The holiday season, the warmest December in 74 years and low base effects from the previous year have not prevented inflation from surprising to the downside once again.
- Heading into the next monetary policy meeting in Poland, they expect a hold at 4%. The press conference from Governor Adam Glapiński following the December cut decision left no doubts that the majority of the council had decided to take a "wait and see" approach in the coming months in order to observe both the effect of the rate cuts delivered and the impact of the new administrative measures — in force since this month — on inflation.
- They note that since the December meeting, we have had an unusual large amount of council members giving interviews, with six out of ten expressing a clear desire for not cutting rates in January and February at the very least, with March highlighted as the first potential month for the first reduction. Among the rest of the council members, three have not spoken to the public, while Ireneusz Dąbrowski was the only one which did not rule out a cut before March (but expressed a preference for a pause this month too).
- Overall, SocGen believe that despite the negative surprise in December CPI, the more negative data on wages and the likely increase in core inflation are due to seal the deal for a hold this week.
- As for the picture over the coming months, they are forecasting Poland inflation to remain low throughout the year, leading the NBP to continue with its rate cutting cycle. They expect the NBP to hold in February and to deliver two 25bp rate cuts in the March and April meetings, for a terminal rate of 3.50%.

Velo Bank: Close Call

- Velo Bank write that although comments from some MPC members pointed to a preference for a pause in rate cuts, recent signals suggest that it is a close call between a hold and a cut.
- Inflation target undershoot and a decline in market inflation expectations increase the probability of looser monetary policy going forward.