

MNI National Bank of Poland Preview: June 2025

Details:

Monetary Policy Decision	June 4 th	-
Press Conference	June 5 th	14:00BST/15:00CEST

MNI Point of View: Pause Amid Brighter Outlook

The consensus is for the National Bank of Poland (NBP) to take a breather after a 50bp cut delivered in May and leave the reference rate unchanged at 5.25%. Although the inflation outlook has become even more benign, robust outturns for wage growth and retail sales may encourage the Monetary Policy Council (MPC) to act on the Governor's forward guidance and stay put at least until the publication of the next macroeconomic projection in July. However, the panel may debate possible adjustments to the parameters of reserve requirements, which the Governor said would be on the agenda. Looking beyond this meeting, we think that the NBP has room to loosen monetary policy from next month but will fine-tune its pace and scale while paying close attention to wage dynamics and continuously assessing Poland's fiscal outlook.

Following a 50bp 'adjustment' in May, the NBP reset to a data-dependent stance, with Governor Adam Glapiński playing down the potential for another cut in June. In unusually precise guidance, the official suggested that the MPC was divided as to the optimal moment for the resumption of monetary easing, but the discussion was between July and autumn, with nobody signalling an intention to support a rate cut in June. This messaging was reinforced in recent communications from several MPC members (see below), which generally signalled a continued preference for a cautious, conservative approach to monetary easing. Against this backdrop, Poland's central bank is widely expected to stand pat on rates this month, before reviewing its stance in July.

The latest package of data was a mixed bag. On the one hand, last week brought a couple of important dovish developments on the inflation front. Firstly, preliminary data for May showed that headline CPI dropped to +4.1% Y/Y, undershooting the consensus estimate of +4.3% and extending a pattern of below-forecast readings this year (only the April outturn fell in line with expectations). Secondly, the energy regulator (URE) approved a 15% reduction in retail gas tariffs, which will lower the bills paid by households by around 10%. The new tariffs will take effect from July, overlapping with favourable statistical effects to drive an even deeper decline in headline inflation next month. On the other hand, wage growth snapped a series of lower readings and accelerated to +9.3% Y/Y in April, while expectation-beating retail sales testified to solid consumer demand. Although the calendar effect (Easter happening in April this year) may have inflated these figures, it probably does not explain the extent of the surprise. Considering the NBP's conservative stance, policymakers will likely want to wait and see the next package of data to assess broader trends in consumer demand. The publication of the next inflation projection in July could be an opportunity to move beyond the discussion of current data and place more emphasis on the medium-term outlook.

We do not expect the hotly contested presidential election to have any immediate impact on monetary policy, but the outcome will have ramifications for the longer-term outlook. The President directly appoints three ordinary members of the MPC and proposes a candidate for NBP Governor to be approved by parliament. The first member appointed new President will take office in December, replacing outgoing policymaker Cezary Kochalski. The other two presidential appointees will take office in 2028, as will Adam Glapiński successor at the helm of the central bank. Election winner Karol Nawrocki did not appear to have specific candidates in mind, or indeed hold any informed views on monetary policy, which increases uncertainty around the future composition of the rate-setting panel. Furthermore, we agree with the prevailing view that the outcome of the elections threatens to derail Poland fiscal consolidation, placing the government under increased pressure to win back voter support ahead of the 2027 parliamentary election. Already loose fiscal policy has been repeatedly mentioned by the MPC as an inflationary risk and may constrain the

scope for monetary easing in the upcoming cycle. That being said, none of these considerations is likely to have much impact on the MPC's deliberations this week.

With the reference rate expected to stay on hold, the focus may turn to other parameters of monetary policy. During his press conference last month, Governor Glapiński revealed that the MPC resolved to commission more in-house analyses and return to the topic of reserve requirements in June. We have covered the issue at greater length in a recent [inter-meeting preview piece](#). The NBP has given no indication as to whether we should expect any immediate adjustments, but some policymakers mentioned that they could support lowering or even zeroing out the interest paid on required reserves. Separately, the Governor said that the MPC could also consider discussing the width of the interest-rate corridor, although didn't signal any urgency to deal with the matter. Looking further afield, we expect the NBP to resume cutting rates in July, when inflation should post a relatively sharp drop, likely returning to the +/-1pp tolerance zone around the +2.5% Y/Y target. Coupled with a confirmation of a more benign outlook, formalised in a detailed Inflation Report, this should prompt the MPC to resume cutting rates next month.

MPC Views

Views of individual MPC members vs. PAP Consensus Scores. Interest-rate cut calls were derived from the latest public comments made by a given policymaker. Dovish-Hawkish scores position each policymaker on a 1-5 scale based on a survey conducted by PAP in March 2025. Source: PAP Biznes/MNI – Market News.

Member	Expected Timing of Next Cut	PAP Consensus Score	Recent Comments
Adam Glapiński	July or autumn	2.1	'The May rate adjustment doesn't mean the easing cycle is beginning.' Expects the next cut in July or in autumn, said that none of MPC members mentioned June.'
Ireneusz Dąbrowski	Q4	3.1	'I don't foresee a cut at the next meeting in June, the discussion may return in July, but it will also be a discussion rather than a decision.' Says next cut may happen in Q4 but 'would not make a firm declaration.'
Iwona Duda	Q3	3.1	Said interest rates could be cut at the end of Q3, although timing may depend on wage and inflation data.
Wiesław Janczyk	2025	2.5	'I would like [another] half-point rate cut to be possible this year'

Cezary Kochalski	July	2.1	'I see a pretty good chance of a decision on rate cuts in July. A 25bp rate cut would be a n adjustment but I would also not categorically rule out a 50bp cut in July.'
Ludwik Kotecki	Possible in July, safer in September	1.7	'In July, in my opinion, it will be this moment, when based on the new updated inflation projection, we will definitely decide what to do next. I'm not saying it will be a cut, but this will be a moment, which will give us clarity whether we should keep lowering [rates].'
Przemysław Litwiniuk	May 2025	1.9	'Without any external unexpected events, autumn will be a good time for another strong [50bp] rate cut].' Doesn't rule out that the MPC could vote for a cut in July.'
Gabriela Masłowska	-	2.8	-
Joanna Tyrowicz	-	4.9	-
Henryk Wnorowski	July	2.4	If the next projection 'shows a good inflation path' then 'July will be the first moment when we could return to further rate cuts.'

Data Watch

mni Central Bank Watch - NBP

June 03, 2025

MNI NBP Data Watch List											
Inflation		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
HICP	% y/y	4.1	4.9	↓	4.7	↓					-0.46
Core Inflation	% y/y	3.4	3.7	↓	4.1	↓					-1.38
PPI	% y/y	-1.4	-1.0	↓	-5.1	↑					0.70
NBP Inflation Expectations	Index	36.3	41.8	↓	41.8	↓					-1.07
Economic Activity		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Poland PMI (Manuf)	Index	47.1	50.6	↓	48.9	↓					-0.04
Sold Industrial Output	% y/y	1.2	-0.9	↑	4.6	↓					0.33
Exports (Mn)	EUR	29211	24860	↑	28310	↑					0.74
Construction Output	% y/y	-4.2	4.2	↓	-9.6	↑					0.08
Monetary Analysis		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Money Supply (M3)	% y/y	10.4	9.4	↑	7.8	↑					2.24
Consumer Credit	% y/y	3.0	2.3	↑	3.8	↓					0.31
Credit to Non-Fin Corps	% y/y	4.2	4.7	↓	3.0	↑					0.24
Credit to Households	% y/y	3.0	2.3	↑	3.1	↓					0.61
Consumer / Labour Market		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Retail Sales	% y/y	7.9	6.1	↑	2.3	↑					1.95
Unemployment Rate	%	5.2	5.4	↓	4.9	↑					0.20
Ave Monthly Gross Wages	% y/y	9.3	9.2	↑	10.2	↓					-0.06
Employment	% y/y	-0.8	-0.9	↑	-0.5	↓					-0.52
Markets		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Equity Market (WIG)	Index	99855	91996	↑	79370	↑					2.07
10-Year Bond Yield	%	5.41	5.76	↓	5.53	↓					-1.13
Yield Curve (10s-2s)	bps	90.9	49.9	↑	67.9	↑					0.83
PLN TWI	Index	118.40	118.63	↓	115.79	↑					0.65

Source: MNI, Bloomberg

Sell-Side Views

Alior Bank: NBP Should Stand Pat On Rates And Soften Its Rhetoric

- Alior write that the end of last week brought two important pieces of information – the energy regulator approved lower gas tariffs from July and current inflation momentum proved weaker than expected. As a result, headline inflation may average below +3.0% Y/Y in 2H2025, that is within the tolerance band around the +2.5% Y/Y target, which is another argument to loosen monetary policy.
- They expect the MPC to act on its guidance and stand pat this week after a 50bp cut last month. They admit that the events of last week create potential for a cut already in June, but deem it unlikely due to strong April wage and retail sales data. They also expect the NBP to soften its communication and play up the scenario of a July cut.
- Looking ahead, Alior's expected cumulative amount of monetary easing this year has increased from 75-100bp to 100-125bp.

Bank Pocztowy: No Change In June, July Move Increasingly Likely

- They do not expect a rate cut this week but consider a move in July to be increasingly likely due to an improving inflation outlook.

BGK: On-Hold Decision Likely In June

- They see a limited chance of a rate cut, but the recent adjustment to gas tariffs (lowering headline inflation by 0.2pp) and below-forecast inflation in May considerably increase the probability of a cut in July.

BofA: Pause In June Likely, July Is Close Call Between 25bp Cut & Hold

- They write that the NBP will most likely pause in June, while the July meeting is a close call between a 25bp cut and a pause.
- The central bank will be most sensitive to inflation and wage data.

BOŚ Bank: On Hold This Week, Outlook Becomes More Dovish

- They do not expect recent data and factors affecting the inflation outlook to change the MPC's mind ahead of its upcoming meeting, considering the full package of April data (faster wage growth) and current inflation staying above +4.0% Y/Y, assuming that the panel sticks with its conservative attitude.
- However, a lower inflation path in 2H2025, including the return towards the inflation target, may translate into a larger scale of monetary easing in 2H2025. In their view, the MPC will cut rates by 75bp in the second half of the year.
- Their baseline scenario assumes three 25bp cuts, but if inflation falls below +3.0% Y/Y in July, the MPC may as well respond with a stronger 50bp reduction next month.
- This scenario assumes the maintenance of the Council's cautious stance. The Governor's comments on Thursday will be an important test of this assumption.

Crédit Agricole: No Change In Rates Expected This Week

- They expect the MPC to leave interest rates unchanged after the Governor guided last month that the 50bp cut delivered in May was a one-off adjustment and did not mark the start of an easing cycle. He was also sceptical about the potential for another cut in June.
- They expect the statement to be kept in a familiar tone and are looking forward to hearing the Governor's updated forward guidance.

Goldman Sachs: Cuts To Resume In Q3 Thanks To Benign Inflation Developments

- Following the decision to cut rates by 50bp to 5.25% in May, Goldman expect the Monetary Policy Council of the National Bank of Poland (NBP) to pause its cutting cycle and keep rates on hold in its next meeting.
- Following the May cut, NBP Governor Adam Glapiński offered relatively hawkish comments. He described the cut as an "adjustment", that it "does not mean the beginning of an easing cycle" and effectively ruled out another cut at the June meeting. The NBP's current monetary policy stance is back to "wait-and-see" according to the President. Goldman believe the MPC will stick to its forward guidance and pause in this meeting.
- Looking forward, they expect favourable base effects to materialise in July, a year on from the household energy price hikes. In tandem with a ~15% cut to the household gas tariff announced by the Polish energy regulator, we expect that these favourable base effects will now push inflation below the +2.5% Y/Y target from July onwards. They therefore expect the NBP to resume cutting in Q3.
- Governor Glapiński will also address a press conference the day after the MPC meeting. He is likely to touch upon the ~15% reduction in gas tariffs for households. In the post-MPC presser in May, Glapiński had said that a further reduction in rates is possible in July. This will also coincide with new inflation forecasts that will, in all likelihood, represent a downward revision to the NBP's March forecast.
- The increasingly benign outlook for household utilities, alongside disinflationary external factors – such as muted growth in producer prices, wholesale gas prices running at a fraction of their peak, and, most importantly, the strength of the zloty – will continue to weigh on inflation across the year.
- Given their optimistic views on the path of Polish inflation and the downward path of ECB rates, Goldman expect the NBP to resume its cutting cycle in Q3 (most likely July) and deliver another 100bp of cuts in 2025.

HSBC: Expecting Pause Near Term

- After the 50bp cut in May, the first since October 2023, Governor Adam Glapiński dashed market expectations for a sequential cut in June, and a number of comments from MPC members since echoed the Governor's message that (1) the May cut was a one-off adjustment and (2) more easing before year-end is most likely but not before July or even September.
- Positive inflation data to date, with core moderating faster than expected, warranted the cut last month. But the wage dynamic remains volatile after a stronger-than-expected April reading (up to +9.3% Y/Y from +7.7% in March), while flash 1Q2025 GDP also surprised to the upside (+0.7% Q/Q and 3.2% Y/Y).
- The outlook for headline inflation also hinges on the new electricity tariff to kick in from October, with the announcement due only in late summer/September. This justifies a pause near term, in their view.

ING: MPC Will Stay On Hold This Week But There Is Room For More Cuts

- Their baseline scenario assumes no change in interest rates this week and they argue that if the MPC does stay on hold, it will increase the probability of a cut in July.
- In their view, if the MPC keeps interest rates unchanged this week, the tone of the Governor's press conference will likely be dovish.
- ING note that there are not too many arguments to keep monetary policy at the current level of restrictiveness, besides still elevated pace of wage growth.
- Recent inflation data and the regulator's decision to lower natural gas tariffs imply that headline CPI may approach the +2.5% Y/Y target already in July.
- They expect the MPC to cut rates in 25bp increments in July, September and November. The cycle will be continued in 2026 to a terminal level of 3.75%, but optimistic disinflationary surprises could facilitate the process or result in another 50bp cut.

JP Morgan: 25bp Cuts Expected In July & November

- They note that another soft-ish flash CPI print in May together with an unexpected decision to cut regulated gas prices in July have set the stage for inflation to be very near the NBP's 2.5% target throughout 2H25, which would open some space for more NBP easing.
- They expect the NBP will cut 25bp in July, and another 25bps in November, but risks are currently skewed for a bit more. At face value, there is clear space for the NBP to do more, but the very ugly fiscal picture (they expect a reduction in the deficit from 6.6% of GDP in 2024 to 5.7%, but execution to date is worse than in 2024) likely requires higher than usual real interest rates, an argument the NBP will be sensitive to.

mBank: Next Cut Expected In July

- They expect two more 25bp cuts, with risks skewed towards a larger magnitude of easing, and they expect the next cut to be delivered in July.

Millennium Bank: Pause Until Publication Of July Projection

- They expect a stabilisation of the reference rate at 5.25%.
- Millennium note that headline inflation surprised to the downside last month, while the energy regulator lowered gas tariffs from July, which will lower the inflation path by around 0.2pp. This increases the risk of a 25bp cut.
- However, above-forecast wage and retail sales data will likely prevent the Council from reducing rates this week. Furthermore, the July projection will allow for a more comprehensive assessment of the economic outlook.
- Millennium expect a 25bp rate cut in July and two further cuts in 4Q2025.

Pekao: July Rate Cut Becomes More Likely

- Disinflationary surprises from last week will not tip the balance towards a rate cut this week, in their view, especially that they had already been counterbalanced by upbeat wage and economic activity data. However, a cut in July becomes more probable.

PKO: MPC Will Leave Interest Rates On Hold

- The MPC will leave interest rates unchanged, in their view, after the 50bp 'adjustment' delivered in May.
- They note that recent data provided arguments both in favour of keeping rates on hold for longer (robust wage growth and retail sales) and loosening monetary policy (stronger-than-expected decline in inflation and the lowering of retail gas tariffs).

Santander: Rates Expected To Stay On Hold

- Santander expect the MPC to keep interest rates unchanged, in line with what it suggested after cutting them by 50bp last month.
- Santander are interested to hear Governor Glapiński's discussion of recent data, which surprised in both directions.
- They think that headline inflation may fall below +3.0% Y/Y in July and it cannot be ruled out that it will reach +2.5% Y/Y by the year-end (although it is not their baseline scenario).

- They expect two more rate cuts this year, in July and September.

Société Générale: No Change This Week, 25bp Cut Likely In July

- They expect no change, in line with the guidance by Governor Glapiński and several other MPC members.
- The focus is then shift to the July meeting, which will see new NBP staff forecasts. For that meeting, markets are divided between a hold decision, given the recent cautious comments by several MPC members, and a 25bp rate cut. SocGen are in the latter camp, expecting monetary easing on the back of (very likely) benign staff CPI forecasts.
- However, they recognise that risks are tilted to the upside, given the recent upward surprises in industrial production, retail sales and wages data. Note that these comments were published before the release of below-forecast CPI data for May.