MNI National Bank of Poland Review: April 2026

Executive Summary:

- **The NBP left interest rates unchanged as it monitors the impact of the Iran war.**
- **The reasoning behind near-term on-hold guidance appeared asymmetric.**
- **The Governor sought to soothe the nerves; saw inflation staying within tolerance band.**

Key Links:

- [MPC Statement]
- [Press Conference]

Key Takeaways: Silver Linings

The National Bank of Poland (NBP) kept interest rates flat, with the reference rate at 3.75%, matching virtually unanimous consensus as the spectre of second-round effects from the Iran war loom large. The Monetary Policy Council (MPC) concluded that it would be prudent to stay put and monitor the pass-through from energy prices to the wider economy, with Governor Adam Glapiński guiding that near-term policy adjustments are highly unlikely. The tone of his press conference, however, was neutral to modestly dovish overall, as he expressed optimism about the current ceasefire and signalled that the bar to rate hikes is high.

One would be hard-pressed to find an analyst forecasting any other outcome of the MPC's April meeting than a hold. The closure of the Strait of Hormuz and destruction of some of the critical infrastructure in the Middle East resulted in a 15% upswing in fuel prices last month, pushing headline inflation to +3.0% Y/Y. Furthermore, a number of MPC members, including some dovish-leaning ones, signalled their preference for keeping interest rates flat. The statement accompanying the anticipated decision was generally descriptive and very concise, even by the NBP's standards The Council admitted that geopolitics and its consequences for energy prices will affect future decisions.

The tone of the press conference was neutral to marginally dovish, in our view. The Governor's on-hold forward guidance was hardly a surprise, but the underlying logic suggested that the MPC is less concerned about the current supply shock than many could have expected. Governor Glapiński spent some time arguing that the shock triggered by the Iran war is incomparable with the previous inflationary episode originating at the turn of 2021/2022 (as explained in our preview of the meeting). Back then, the confluence of post-pandemic recovery, Russia's war on Ukraine, and loose monetary policy pushed inflation to double-digit levels. By contrast, Poland now has more restrictive monetary conditions, PLN depreciation has been modest as an overseas conflict translates into a slimmer geopolitical risk premium, the prices of coal and agricultural commodities remain stable, external demand is relatively soft, while cheap Chinese imports continue to curb inflation. Against this backdrop, the MPC does not currently expect inflation to break out of the +/-1pp tolerance band around its +2.5% Y/Y target.

Unpacking the reasoning behind his on-hold guidance, the Governor appeared to be taking an asymmetric view on the future direction of interest rates. He said that monetary tightening was off the table, given the recent ceasefire in the Middle East, and reinforced this point by stressing his optimistic views on the prospect of stabilisation in the region. He did admit that the MPC could sharply raise interest rates in case of a renewed escalation, but the phrasing sounded like it was a mere rhetorical gesture intended to leave all options open as part of contingency planning. Meanwhile, the Governor said that geopolitical developments put 'question marks' over interest-rate cuts that had been on the cards before, adding that they had to be paused. The lack of an explicit declaration that further monetary easing is out of the question was slightly dovish, in our view, and suggested that the materialisation of an optimistic scenario in upcoming US-Iran peace talks could prompt the MPC to at least debate a cut later this year.

In the meantime, geopolitics is set to remain in the driving seat. The Governor said that whilst the MPC is not excessively concerned about second-round effects at the moment, this risk would increase if the conflict around the Persian Gulf dragged and pointed to obscure channels of transmission of the global energy shock to the domestic

Business Address – MNI Market News, 3rd Floor, 1 Great Tower Street, London, EC3R 5AA

inflation outlook. This calls for some further explanation, as the Governor merely gestured toward these factors. Firstly, uncertainty around the trajectory of the conflict is compounded by lingering questions about the government's reaction function. A fairly generous fuel relief package rolled out in reaction to the initial shock is set to expire in the coming months, unless the government decides to extend parts or all of it. The timeline for the withdrawal of relief measures may be affected by the electoral calendar, with Poland set to hold a high-stakes parliamentary election in autumn 2027. The political cost of withdrawing relief measures will start increasing sharply as we approach the election year. Secondly, the energy shock does mechanically lift prices but also dampens economic activity and reduces households' purchasing power, potentially generating anti-inflationary pressure elsewhere.

The NBP faces no easy task estimating the net effect of these forces, while the outlook for the war around the Persian Gulf, the primary reason of the current spike in energy prices, remains highly uncertain. Our cautious call is for the NBP to keep the reference rate unchanged at 3.75% for the time being and make decisions opportunistically, in reaction to incoming data and signals from the field. We expect the NBP to stand pat through the remainder of this year but see two-sided risks to this forecast, with the balance tipped marginally to the dovish side. An escalation of fighting in the Middle East and a renewed spike in energy prices could force the central bank to hike rates in 2H26 to re-anchor inflation expectations. Conversely, a quick stabilisation of the geopolitical situation in the Middle East could encourage the MPC to resume a discussion on fine-tuning the reference rate 25bp lower around the turn of the year.

Analyst Views (Alphabetical Order)

Alior Bank: Near-Term Rate Stabilisation Is Most Likely Scenario

- They conclude that the earlier scenario involving further rate cuts in 2026 has now become highly uncertain, as the MPC entered 'wait-and-see' mode and will base its decisions on incoming data and geopolitical developments. Against this backdrop, a near-term stabilisation of interest rates is the most likely scenario.

Bank Pocztowy: Further Decisions Will Depend On Incoming Information

- They write that the MPC will monitor the situation, as it awaits the next round of projections, due in July.
- Even if the war ends soon, its consequences will be felt for at least a few months, which is why the NBP will likely stabilise interest rates.
- In an optimistic scenario, if oil prices return to pre-war levels within a few months, they see potential for a rate cut toward the end of this year.
- In a pessimistic scenario, the NBP could raise interest rates, if the conflict drags on and oil and gas prices keep rising.

BGK: Central Bank To Keep Rates On Hold Through End-2026

- BGK note that the Governor spent much time arguing that the current shock is considerably milder than the one in 2021/2022 and guided that interest rates will remain on hold over the near term.
- They expect the NBP to stand pat on rates through year-end and may deliver the next cut only in 2027. They see monetary tightening as a low-probability scenario.

BOŚ: Seeing Rates On Hold Through Rest Of 2026

- In their interpretation, the press conference was intended to soothe the nerves around the inflation outlook. The Governor listed a number of factors suggesting that we should not see a repeat of the previous inflationary episode and said that there are no grounds to believe that inflation will deviate from the NBP's target.
- BOŚ expect inflation to stabilise at +3.0% Y/Y in 2Q26, without a sustained break above +3.5%, which will be followed by a return below +3.0% in 2H26, assuming a de-escalation of the conflict in the Middle East.
- They expect the NBP to keep interest rates unchanged through the end of this year. There is a chance for a downward adjustment to the reference rate in 1Q27, but heightened uncertainty precludes any firm predictions.

Business Address – MNI Market News, 3rd Floor, 1 Great Tower Street, London, EC3R 5AA

Crédit Agricole: Risk Of 'Signalling' Hike In 2H26 Remains

- They recall that the Governor stated that the spike in energy prices is a supply shock, which boosts prices but also weighs on economic activity. Slower growth should mitigate the magnitude of the overall inflationary impulse, which warrants the decision to keep interest rates on hold.
- The MPC sees a risk of second-round effects, but the Governor argued that its probability was relatively low and limited by the US-Israel-Iran ceasefire and the anticipated reconstruction of energy infrastructure in the Persian Gulf.
- In their view, the statement and press conference support their baseline scenario assuming flat interest rates for a longer period. They expect the Iran war to result in a prolonged increase in oil prices, which will remain at elevated levels in the coming quarters.
- They expect domestic inflation to reach a local maximum of +4.1% Y/Y in December, which leaves no room for the NBP to cut rates. At the same time, they see a significant risk of a 'signalling' rate hike in 2H26. Meanwhile, they admit that these predictions come with heightened uncertainty.

Goldman Sachs: Leaving Rates Unchanged While Geopolitical Uncertainty Persists

- They note that the statement provided little in terms of guidance. However, at the press conference following the decision, Governor Glapiński stated: (i) that he does not expect any near-term change in policy; (ii) that while the MPC discussed the conditions that could trigger a rate hike, he currently sees no need to hike rates; and (iii) that prospective rate cuts are paused.
- Looking forward, they expect the NBP to remain cautious in the near term but 'look through' the effects of higher oil prices, and to leave rates unchanged while geopolitical uncertainty persists. The NBP's resistance to raising rates in response to the war reflects three factors: (i) weaker-than-expected inflation dynamics prior to the conflict in Iran, (ii) the relative stability of the zloty since the conflict began, and (iii) a belief that this shock is different to 2022.
- Barring a sharp additional deterioration in the geopolitical situation, the July Inflation Report (in three months' time) is seen by the NBP as providing sufficient opportunity to thoroughly assess the implications of the shock.

ING: NBP To Leave Rates On Hold Through End-2026

- ING describe the statement as very laconic and having a neutral tone, with the MPC declaring that future decisions will depend on commodity prices and geopolitical developments.
- The Governor noted that the current external shock is different than the previous one and Poland is not at risk of experiencing a spike in inflation comparable to the one after Russia's invasion of Ukraine in 2022.
- The MPC entered 'wait-and-see' mode and will focus on incoming data and assessments of the impact of the geopolitical situation on the macroeconomic outlook.
- ING's baseline scenario assumes that the government's fuel relief package will be extended until the end of July 2026 and that inflation will average at +3.2% Y/Y this year.
- In their view, the MPC will likely leave interest rates on hold until the end of this year and the probability of a near-term resumption of monetary easing is low.

JP Morgan: NBP On Hold Through Year-End

- They note that after an 'audacious' cut in March (days after the conflict erupted in the Middle East), the NBP has unsurprisingly decided to keep rates unchanged at 3.75%, a move that had been well signalled by last month's 'wait and see' guidance.
- In the press conference, Governor Glapiński signalled clearly that he doesn't expect any rate changes in the near term, framing the current stance as a 'pause' in the easing cycle. He argued there is no case for hikes at present, but also emphasized that the MPC is monitoring developments closely and noted that the Council discussed what conditions could warrant a hike, without providing details. The key risk appears to be second-round effects if the shock proves persistent.
- Overall, JP Morgan thinks that this reinforces their view that the NBP will try to look through the supply shock. A shift to a more hawkish stance – and actual rate increases – would require a clear worsening in conditions, notably either sharp currency depreciation or compelling evidence of second-round pass-through in the inflation data. They expect the NBP to remain on hold through year-end.

mBank: NBP To Keep Rates Steady At Least Until End-2026

- In their view, the contents of the statement suggest that the MPC does not want to communicate the direction of future changes in monetary policy.
- The press conference was largely centred around the NBP’s financial results and gold purchases, with only a few remarks on monetary policy.
- In mBank’s view, the lack of firm guidance implies that the MPC will remain in ‘wait-and-see’ mode in the coming quarters.
- They expect interest rates to stay on hold at least until the end of this year.

Millennium Bank: Central Bank To Hold Off On Cuts At Least Until July, Likely Through End-2026

- The MPC’s communications confirm a ‘wait-and-see’ stance, while the Governor said that the risk of a repeat of a shock similar to that resulting from the war in Ukraine was very limited.
- The Governor said that he does not expect interest-rate adjustments anytime soon and stressed that rate hikes are ‘out of the question’ in the current circumstances.
- Millennium write that the presser supports their expectations that rates will remain unchanged at least until July 2026. Their baseline scenario assumes stable rates through the rest of the year.

Pekao: Window For Rate Cuts May Re-Open In 2027

- They maintain their call for no change in interest rates through the remainder of this year, but pencil in two interest-rate cuts for 2027.
- Pekao write that the NBP takes a ‘conventional, textbook approach’ to a supply shock and refrains from immediate reaction. More than that, their impression is that the NBP is ‘quite relaxed’.
- The remaining room for monetary easing was not large (25-50bp). With the shift of inflation path from the lower to the upper half of the tolerance band, the arguments for near-term cuts disappear.
- Pekao believe that next year, when the effects of the oil shock dissipate and GDP growth slows down, there will be a window to resume cutting rates – but it is too early for such a debate now.

PKO: No Need To Raise Interest Rates

- They expect the MPC to remain in ‘wait-and-see’ mode and hold off on adjusting rates at least until a sustainable termination of the conflict in Iran.
- They agree that the current situation is markedly different than the one from autumn 2021, when the MPC started tightening monetary policy, and raising interest rates is not necessary now.

Santander: Doves Silenced By Geopolitics

- They write that the decision was obvious, considering the spike in energy prices, which pushed inflation to +3% Y/Y and increased uncertainty around growth and inflation outlook. Furthermore, several MPC members – including those perceived as dovish – had signalled that they were not planning to adjust monetary policy in the near term.
- The Governor guided that he does not expect any near-term interest-rate adjustments. Rate hikes are off the table, because it seems that the situation in the Middle East has ‘in some sense stabilised’, while rate cuts are now in question. Monetary tightening could be on the table if the war escalates, but the Governor does not expect this to happen.
- Santander expect the NBP to keep interest rates on hold through the end of this year, and potentially until the end of 2027, because the inflation outlook deteriorated on the back of the war. Their current forecasts suggest that even if the conflict does not escalate any further, domestic inflation will not return to the +2.5% Y/Y target before the end of next year.

Business Address – MNI Market News, 3rd Floor, 1 Great Tower Street, London, EC3R 5AA