

MNI National Bank of Poland Review: November 2025

Executive Summary:

- The MPC has now delivered 25bp cuts at each of the past four meetings.
- The new macroeconomic projection amounted to a 'goldilocks' scenario.
- Glapiński eyes a terminal rate of ~4%; doesn't rule out a cut in December.

Key Links:

- [MPC Statement](#)
- [Press Conference](#)
- [Inflation Report – November 2025](#)

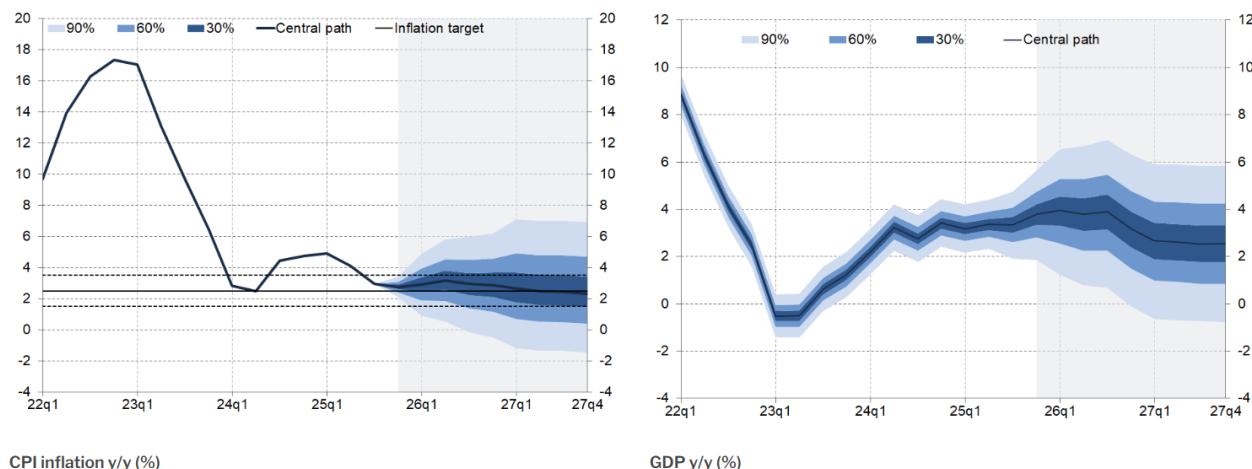
Key Takeaways: Non-Cycle Enters Fine-Tuning Phase

The National Bank of Poland (NBP) reduced interest rates by 25bp, bringing the reference rate to 4.25%, after flash October CPI undershot forecasts, while the NBP's new macroeconomic projection substantiated expectations of an improvement in the medium-term inflation outlook. The decision was described as an 'adjustment' rather than another step in an easing cycle, despite being the fourth sequential 25bp cut. Governor Glapiński signalled that while the next move in rates will likely be another cut, but the room for monetary easing is increasingly limited and his preferred terminal rate is around 4%. His rhetoric signalled that a transition to the fine-tuning phase of the undeclared easing cycle is underway, with the rate-setting panel shifting its focus from sharp policy normalisation to ensuring that the economy remains in equilibrium.

The Monetary Policy Council (MPC) has now cut interest rates by 25bp at each of the past four consecutive meetings on top of the earlier 50bp 'adjustment' in July, bringing the total amount of monetary easing this year to 150bp. The statement was as laconic as always, with the Council citing an improvement in current inflation outcomes and the inflation outlook for the 'coming quarters' (as opposed to 'coming period' in October). The meeting involved a discussion of the new macroeconomic forecast, with a lower CPI path and a better GDP projection, as a 'goldilocks' scenario continues to materialise. Despite material improvement, this brighter outlook may still be overly pessimistic, as the October 15 cut-off point excluded the downside surprise in flash October CPI and strong high-frequency economic activity data for September. NBP's chief analyst subsequently said that the upbeat outturn for industrial output implies that Q3 GDP growth may be closer to +3.5-3.6% Y/Y than to +3.3% in the November forecast.

Figure 1. November CPI and GDP projections. Source: NBP.

The current inflation and GDP projection (published on the 7th of November 2025)



Positive incoming data and a 'goldilocks' projection allowed Governor Adam Glapiński to strike triumphant notes at the beginning of his press conference, although they did not come without caveats. On the one hand, the official lauded the NBP's past monetary policy decisions. He said that inflation is now 'consistent with' or 'very close to' the target, core inflation 'fell for the first time in a very long period' in October, while headline CPI is expected to stay within the +/-1pp tolerance band around the +2.5% Y/Y objective through the forecast horizon. On the other hand, he described the amount of monetary easing delivered to date as 'substantial' and reiterated that the NBP is a cautious and conservative institution. He added that the MPC remains vigilant in the light of inflationary risks, i.e. elevated service inflation, uncertain outlook for energy prices (he made a reference to the capacity fee hike), high general-government deficit (which 'obviously' reduces room for monetary easing), and the implementation of ETS2, even though he conceded that each of these risks has softened in one way or another. Robust wage growth was conspicuously absent from the list, reflecting the view of NBP analysts that it will keep gradually converging with productivity growth as the labour market cools down.

Against this backdrop, the Governor signalled that the next interest-rate cut was 'a matter of time', even as technically all options are open for the coming meetings. In his view, interest rates are now in a sweet spot ('very close to the ideal place') where they keep inflation under control without creating excessive barriers to growth. This corresponds to the assessment of NBP staffers (discussed in a presentation the following day) that the economy is close to the state of equilibrium and will remain there through the forecast horizon, with the output gap oscillating around zero. Following up on this, Governor Glapiński expressed satisfaction with the fact that the MPC can now focus on keeping inflation stable at a low level instead of trying to bring it lower. Our provisional interpretation of these comments is that the Council began transitioning to the final phase of its undeclared cycle and will now focus on fine-tuning policy in reaction to incoming data in order to keep the economy near equilibrium.

Guidance on terminal rates lends further support to this hypothesis. Although the Governor rejected the notion of a terminal rate as an abstract concept, he noted that in the ideal world where the economy would remain in steady state over the medium term, the reference rate would be between 3.50%-4.00%. For the record, it seems to us that many observers mistakenly interpreted this remark as forward guidance, even as the Governor called it a hypothetical scenario, which is appropriate for 'intellectual games'. Commenting on his personal view, he said that a terminal rate of 4% 'would not be too high' if inflation stabilised at target. He added that some of his colleagues may have different views on the matter (probably ranging from 3.75% to 4.25%), although he did not ask them for opinions. In any case, the number of remaining standard-sized 25bp cuts is relatively limited and we do not foresee the MPC reaching for above-standard adjustments during this fine-tuning phase.

While the Governor suggested that the next move in rates will be a cut, he refused to commit to any specific timing. He said that the MPC could cut rates in mid-2026 but may as well take action next month. We take this guidance at face value and scrap our earlier assumption of an on-hold decision in December, telegraphed by the Governor at the October press conference. While we understand the need for strategic ambiguity, the delivery was subpar and the awkward U-turn on forward guidance (see Table 1) will reinforce the NBP's image as a poor communicator.

Table 1. Governor Adam Glapiński's comments on the probability of an interest-rate cut at the December meeting. Source: MNI – Market News.

October press conference	November press conference
<p>'It is a sacred Polish tradition that no decisions are made in December. I don't know where it comes from. (...) Whether it translates into monetary policy, I don't know. There may have been one exception to this rule, when there was a financial crisis, perhaps in 2008. But otherwise, there were no decisions in December. But it is not some kind of legal or administrative rule of course. Not to surprise the markets when everyone is preparing Christmas gifts, I don't know. There is this tradition.'</p>	<p>'There are some odd, media, tabloid views doing the rounds... I asked for it to be checked... In many recent years, [monetary policy] decisions were made in December. Even to raise interest rates by 50bp. This is <i>not</i> something that would be some <i>sacred tradition</i>. I like traditions, I like conservatism. But there is nothing like that. Which, conversely, doesn't mean that something has to happen. But there is nothing like that. It's not like [there can't be a monetary policy decision] in December because there is a Christmas tree, gifts. [Decisions] were made many times in recent years, after the year 2000 and before.'</p>

In terms of communications, we also think the MPC is doing itself a disservice by refusing to admit to effectively being in the midst of an easing cycle. As the adage goes, if it looks like a duck, swims like a duck, and quacks like a duck, then it probably is a duck. Unsurprisingly, many external watchers already describe the series of cuts as a cycle. Nonetheless, during his press conference, Governor Glapiński yet again insisted that decisions are made on a meeting-by-meeting basis, resulting in one-off interest-rate 'adjustments', and emphasised the Council's data-dependence. Whether one wants to call it a cycle or a series of adjustments, we think that in hindsight the November meeting may look like an inflection point, marking a change in tack. In the same vein, we think that MPC consensus may become shakier from now on. In a telling change of narrative, the Governor did not emphasise the unity of the Council this time around. Rather, he merely remarked that the degree of consensus among MPC members at the latest meeting will be revealed once the embargo on the vote split is lifted.

In many ways, the NBP is now in a very comfortable position, arguably having more tactical leeway. Inflation is converging with the +2.5% Y/Y target, underlying dynamics remain benign, price risks are gradually subsiding, and GDP growth is set to accelerate as the disbursement of EU aid picks up in 2026. With current monetary policy settings deemed appropriate for the condition of the economy, the MPC is in no rush to adjust rates either way. In our view, a downside surprise in November CPI (anticipated by MPC's Ludwik Kotecki) could trigger a cut in December before the Council takes a breather at the start of the year, when inflation data becomes murkier due to the looming re-weighting of the CPI basket in March. Alternatively, if inflation evolves as expected, the MPC can wait with cutting rates further until 1Q26. We will reconsider this view closer to the December meeting, after seeing the next sets of macroeconomic data and the listening to the coming rounds of NBP speak. Meanwhile, loose fiscal policy and ETS2 (which could boost domestic inflation by 2pp) seem to be the key medium-term risks, although the government has pledged consolidation measures, while the implementation of the new emissions trading system has been postponed until 2028 (beyond the horizon of monetary policy) and is a subject of political negotiations.

Analyst Views (Alphabetical Order)

Alior Bank: Door Open To December Cut

- Alior Bank write that Governor Glapiński's guidance leaves room for speculation about a potential rate cut in December.

BGK: Expecting 25bp Cuts In March & July

- In BGK's view, the press conference did not bring any breakthrough in terms of forward guidance.
- The Governor said that interest rates have been lowered by 150bp and now it's the time to assess the impact of easing (hawkish signal), but also refused to rule out a cut in December (dovish signal).
- They stick with their call for two 25bp cuts in March and July 2026, which would bring the reference rate to 3.75%. However, they think that if inflation continues to surprise to the downside until July 2026, room may open for another 25bp cut.

Commerzbank: December Meeting Becomes 'Live'

- They note that Governor Glapiński's remarks yesterday provided signals which make the upcoming 3 December meeting "live" again.
- He suggested that with CPI at target and no threats from abroad, a 4.00% rate would not be too high for Poland. But he also mentioned that other members might prefer a lower rate of 3.50%-4.00%. Hence, the rate guidance is getting more dovish.
- Commerzbank foresee the zloty exchange rate continuing to underperform in the medium-term, a situation less influenced by monetary policy and more by ongoing political challenges.

Goldman Sachs: NBP To Cut Rates From 4.25% To Terminal Rate Of 3.50%

- In their assessment, the Governor took a relatively cautious stance. While he stated that the next cut is a 'matter of time', he also said that any further moves in the policy rate will be 'data dependent' and that rates could fall slightly or even increase going forward. He emphasised that the four consecutive cuts were an adjustment, not the start of an easing cycle, and that the MPC will continue to act 'very cautiously'.

- Governor Glapiński stated that the current policy rate of 4.25% is close to ideal, and that he does not have a set view over the outcome of the December or Q1 meetings. Although he did not commit to a definitive rate path, he indicated that a 4% key rate wouldn't be too high, if CPI were to remain stable at +2.5% Y/Y. He also reiterated the Council's concerns regarding the prices of services, energy prices and fiscal policy, but acknowledged the improving inflation outlook in Poland.
- Goldman's longer-term views on Polish inflation and rates remain dovish. While the persistence of services inflation remains a concern, external factors – including zloty strength – continue to exert downward pressure on inflation.
- With the energy price cap now in effect till the end of the year, they anticipate that headline inflation will remain below +3% Y/Y over the coming months (their inflation forecast remains significantly lower than the NBP's for 2026 and beyond). Consistent with these views, they expect the NBP to cut rates from 4.25% currently to a terminal rate of 3.50%.

HSBC: Terminal Rate At 4%, Risks Tilted To Downside

- HSBC write that the NBP has cut its policy interest rate by a total of 150bp this year to 4.25% and Governor Glapiński called this 'a significant adjustment' but one warranted by consecutive downside surprises in inflation.
- The Governor declined to commit to a terminal rate, calling it more of a hypothetical concept for an economy in a sustained equilibrium state. But when pushed for answers during Q&A session, he suggested a 3.5-4.0% policy rate would be consistent with inflation stabilising at the 2.5% target. He said he favoured a 4.0% level, which he believes would not be too high for the Polish economy given its robust growth potential.
- HSBC also see Polish rates bottoming out in 2026 at 4%. But the latest cut (vs their forecast for a hold), together with the front-loaded easing this year, suggest the risks may be tilted to the downside. This was also underscored by Governor's emphasis on future decisions being data dependent.

ING: Expecting Next Cut In March

- They write that the Governor listed inflation risks, including elevated service inflation, uncertainty regarding energy prices, and an excessive general government deficit and rapidly rising public debt. However, in a noteworthy change, he no longer lists rapid wage growth as an inflation risk. Moreover, he noted that it's actually slowing, and employment in the enterprise sector is falling.
- In ING's view, the presser did not deliver any clear signals regarding the Council's next steps. On the one hand, the fact that Governor Glapiński emphasised the scale of significant monetary easing to date (totalling 150bp), the dynamism of the Polish economy and the need to maintain low inflation suggest a reduced inclination towards further rate cuts in the near term. Similarly, the assertion that the current rate level is appropriate for the situation can be interpreted in the same way.
- The Governor also noted that the NBP is monitoring the impact of previous decisions on the economy, which will take time. Inflation could reach the NBP's target or even fall below it later in November, which may prompt the Council to cut rates again, especially as Glapiński did not rule out the possibility of changes to interest rates in December.
- ING's baseline scenario assumes the next rate cut will not occur until March and that the reference rate will be reduced to 3.5% by mid-next year. The window for rate changes is more likely to be in the first half of 2026, as in subsequent quarters the economic situation is expected to improve, and the credit cycle will gain momentum.
- With the Council's reaction function unclear, anything can happen in December. Today's statement suggests that the probabilities of the NBP cutting rates and leaving them unchanged are roughly equal. A favourable current inflation reading, which we will learn at the end of the month, and inflation falling to the 2.5% target or even below, may prompt the Council to undertake another "adjustment".

Millennium Bank: Reference Rate To Drop To 4.50% Next Year

- In their view, the scenario painted in the NBP's new macroeconomic projection leaves some space for monetary easing. They think that the NBP may cut the reference rate to 3.50% in 2026.
- They see greater uncertainty around the timing of the next cut. In their view, a delay until 1Q26 is more likely, but a December cut cannot be ruled out.

- If inflation falls to the +2.5% Y/Y target in November, the MPC could use it as an argument to lower the reference rate already in December.

Pekao: Seeing Scope For Three More 25bp Cuts

- Pekao write that the market interpreted the Governor's press conference as hawkish, chiefly because of his guidance pointing to a terminal rate of 4%, but they pay more attention to the subtle dovish changes in Glapiński's rhetoric.
- First, he talked about inflation in the past tense, as if the fight against it was already over. Second, they think that macroeconomic data rather than dogmas drive monetary policy, and they should open up room for further interest-rate cuts. Third, the Governor's terminal rate expectation is set quite high.
- In Pekao's view there is scope for cuts toward 3.50%, but MPC members may prefer to pause at some point, before making use of this space. So far, Pekao thought that this pause will happen in December, but the Governor insisted that a cut in December cannot be ruled out.
- They expect the MPC to deliver three more 25bp rate cuts in the coming months. The first one may be delivered in December, but this is not yet their baseline scenario.

PKO: Downside CPI Surprise Could Trigger Cut In December

- Their baseline scenario assumes that interest rates will remain unchanged in December, but they admit that a cut cannot be ruled out, especially if inflation surprises to the downside again.

Santander: Interest Rates Close To Ideal Level

- They think that the press conference confirmed that the NBP is very close to ending its monetary policy easing cycle (which it doesn't call a cycle, but rather an interest-rate adjustment).
- Glapiński admitted that the inflation outlook has improved, which allowed the MPC to ease policy, but then repeatedly stated that the current level of interest rates is appropriate. He also emphasised that the 150bp worth of cuts this year represents a substantial amount of monetary easing.
- Glapiński denied his comment from the previous press conference that an interest-rate adjustment in December is unlikely because of the central bank's 'tradition' but at the same time seemed to be trying to pour cold water on expectations of an immediate cut – whether in December or even in 1Q26.
- Santander maintain their view that the NBP will cut the reference rate once more to 4.00%, and the next move will probably happen in 1Q26. For now, they assume that the MPC may deliver the final cut in January, when it will already know the regulator's decision on 2026 electricity tariffs – but a delay until March seems almost as likely.

See our summary of sell-side notes released in the interim between the announcement of the rate decision and the Governor's press conference [here](#) and [here](#).