

National Bank of Poland meeting preview

We look for a 25 basis point rate cut at the 6 September meeting and for rates to be cut by 75 basis points in total by the end of 2023



The first Monetary Policy Council (MPC) meeting in Poland after the summer break (decision on 6 September, with the governor's press conference the day after) is going to be an interesting one as we expect the National Bank of Poland (NBP) rates easing cycle to begin. In his recent speeches, NBP Governor Glapiński set two preconditions for rate cuts: (1) CPI inflation to decline to single-digit levels and (2) a clear downward path of inflation in the months ahead. According to the flash estimate inflation remained in double-digit territory in August (10.1% year-on-year). Nevertheless, we believe the MPC will cut the NBP rates by 25bp in September, starting the easing cycle that could bring main rates down by 75bp by the end of this year. Inflation is moderating faster than envisaged in the July NBP staff projection and should be around 9% YoY already in September. At the same time, the second quarter GDP print was lower than expected by the NBP and the outlook for the second half of the year looks softer than expected from earlier. We expect a 25bp rate cut in September and in total 75bp in 2023 and the easing cycle may be continued into 2024.

Author

Rafal Benecki

Chief Economist, Poland

rafal.benecki@ing.pl

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.