

Snap | 29 May 2026

POLAND

Cooling Polish inflation buys time for policymakers

A surprising decline in inflation to 3.1% YoY in May from 3.2% YoY in April provides Poland's Monetary Policy Council with breathing room to maintain its wait-and-see stance. The drop was driven by a sharp decrease in food prices and weaker-than-expected pressure from core inflation. Interest rates may remain unchanged until the end of 2026



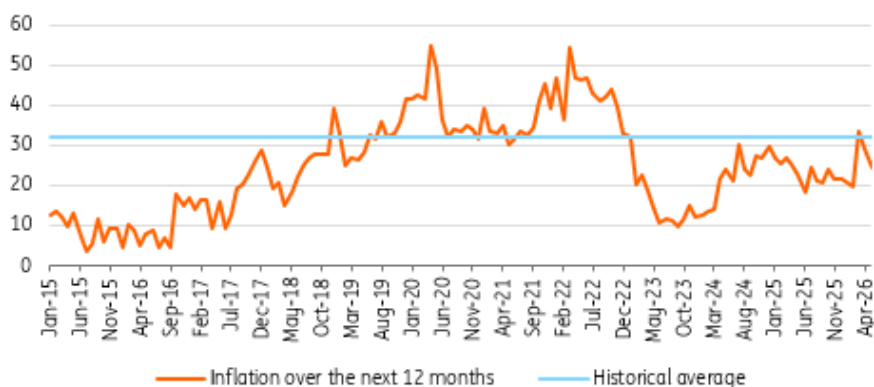
Polish CPI inflation eased to 3.1% year-on-year in May (ING and consensus: 3.7%), from 3.2% YoY in April. The decline was mainly driven by cheaper food, with prices dropping by as much as 1.0% month-on-month. Downward price pressure is visible in dairy products, cereals (due to high supply), some vegetables, oils and poultry meat. Core inflation pressure also proved weaker than we had feared. According to our preliminary estimates, it inched up to 3.1% YoY from 3.0% YoY in April. Fuel and energy prices remained broadly unchanged compared to April.

The May decline in inflation is very good news for the MPC, which has more time to assess risks to both inflation and growth outlook stemming from the current oil price shock. The risk of inflation exceeding the upper bound of the National Bank of Poland's tolerance band around the target (2.5% +/- one percentage point) has also receded. At the May press conference, NBP Governor Adam Glapiński had pointed to such a scenario as one of the conditions that could

justify a potential rate hike.

Inflation expectations of households seem to be anchored

Balance of answers



Source: European Commission consumer survey.

Following the initial shock that pushed up fuel prices in March, overall inflationary pressure now appears contained. The MPC may be more concerned about the potential impact of higher oil prices on economic activity than about the risk of excessive inflation. Household inflation expectations appear well anchored, and there are currently no visible signs of second-round effects. We therefore maintain our forecast that the MPC will keep interest rates unchanged this year.

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THINK economic and financial analysis

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