

07 June 2023

# Economic Comment

## MPC happy about inflation fall

Grzegorz Ogonek, tel. +48 609 224 857, [grzegorz.ogonek@santander.pl](mailto:grzegorz.ogonek@santander.pl)

The stress during the NBP President's press conference was put on inflation decline. According to Adam Glapiński CPI is falling markedly and the spectrum of goods showing disinflation is growing. He claimed that a rapid fall will continue in the coming months when it comes to headline CPI but also core inflation. He hopes to see a single-digit CPI print already in September.

Regarding interest rates, Glapiński confirmed that the tightening phase is formally still not over and in case of external shocks pushing inflation higher the MPC would not hesitate to hike rates more. At the same time he claimed that a radical tightening would be harmful to the economy and any pressure on further rate hikes at the time of falling inflation is in his view irresponsible. Referring to the possibility of rate cuts he named the following conditions: CPI already below 10% y/y and NBP staff reports showing that undoubtedly the disinflation would continue in the coming quarters. This puts the November meeting in focus, when a new projection update will be available.

We doubt the MPC could deliver a rate cut still this year because the economic environment in late 2023 should be unsupportive for such move: core CPI can still look stubborn, a recovery should already be felt, the labour market remains tight and the electoral campaign may bring more spending promises, hindering the disinflation process in the coming years.

*This publication has been prepared by Santander Bank Polska S.A. for information purposes only. It is not an offer or solicitation for the purchase or sale of any financial instrument. Information presented in the publication is not an investment advice. All reasonable care has been taken to ensure that the information contained herein is not untrue or misleading. But no representation is made as to its accuracy or completeness. No reliance should be placed on it and no liability is accepted for any loss arising from reliance on it. Forecasts or data related to the past do not guarantee future prices of financial instruments or financial results. Santander Bank Polska S.A. its affiliates and any of its or their officers may be interested in any transactions, securities or commodities referred to herein. Santander Bank Polska S.A. or its affiliates may perform services for or solicit business from any company referred to herein. This publication is not intended for the use of private investors. Clients should contact analysts at and execute transactions through a Santander Bank Polska S.A. entity in their home jurisdiction unless governing law permits otherwise. Copyright and database rights protection exists in this publication.*

*Additional information is available on request. Please contact Santander Bank Polska S.A. Financial Management Division, Economic Analysis Department, al. Jana Pawła II 17, 00-854 Warsaw, Poland, phone +48 22 534 18 87, email [ekonomia@santander.pl](mailto:ekonomia@santander.pl), <http://www.santander.pl>.*

### Economic Analysis Department:

al. Jana Pawła II 17, 00-854 Warszawa  
email: [ekonomia@santander.pl](mailto:ekonomia@santander.pl)  
website: [santander.pl/en/economic-analysis](http://santander.pl/en/economic-analysis)  
**Piotr Bielski** +48 691 393 119  
**Cezary Chrapek, CFA** +48 887 842 480  
**Marcin Luźniński** +48 510 027 662  
**Grzegorz Ogonek** +48 609 224 857