

30 September 2026 | 3 pages

Poland Economics Flash

Inflation moving to 4% territory

OUR TAKE

September inflation rose to 4%, thus exceeding the upper end of the central bank's target. The rise was driven by fuel and energy prices, while core inflation estimates seem actually weaker than expected. We believe the MPC will turn more hawkish at the next week's meeting, preparing ground for a potential rate hike in November.

Flash CPI estimate at 4% YoY in September was in line with our estimate. Fuel prices rose by 9.2% MoM while energy prices increased by 0.9% MoM, both being important contributors to the upward move in headline inflation. The available partial breakdown shows also that food prices rose by 0.1% MoM, which was consistent with the usual seasonal pattern and our forecast. It was the third consecutive month with food prices following seasonal patterns which suggests to us that the period when food prices were an important deflationary force in Poland came to an end. Taking into account low harvests and risks related to El Nino, we expect food prices to become pro-inflationary in the coming months.

What surprised us in the release is the softness of the core inflation. Official data has not been published yet, but based on today's release we estimate core inflation excluding food, fuels and energy at around 3.1% YoY and the monthly seasonally-adjusted core at less than 0.1%. That print implies moderation in core inflation momentum to 3.2% (calculated based as 3MMA of annualized data). We need to wait for the full CPI breakdown to assess how sustainable the drop in core pressures is. However, we believe that currently elevated fuel prices will eventually have some second round effects and will push the core inflation higher in the coming months.

Forecast implications - We expect CPI to rise above 4% and stay there at least until February, while base effect can briefly push it towards 5% mid-2027 (Figure 1). Some of the increase in headline inflation will be transitory and may be reversed when fuel prices fall, but the MPC may not be able to wait that long. We stick to our view which assumes that the Monetary Policy Council will hike rates 2-3 times over next six months, with the first rate hike possible in November.

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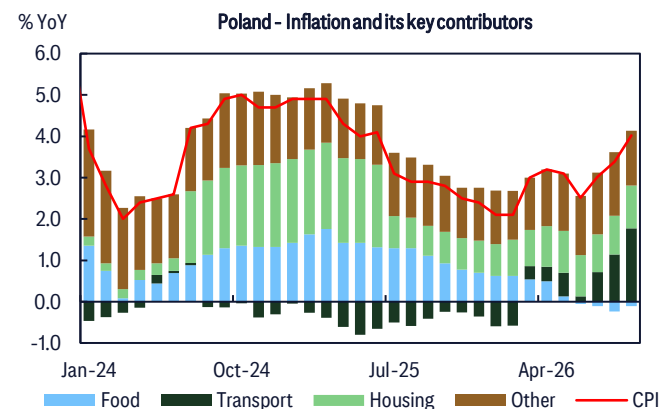
Figure 1. Poland - Inflation forecasts

	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27
CPI, % YoY	4.0	4.2	4.1	4.3	4.6	4.6	3.9	3.9	4.4	5.1	4.1	3.8	3.3	3.3	3.3	3.4
CPI, % MoM	0.6	0.3	0.1	0.2	0.9	0.3	0.4	0.6	0.1	0.2	-0.1	0.0	0.1	0.4	0.1	0.2
Core inflation, % YoY	3.1	3.4	3.5	3.6	3.5	3.5	3.6	3.4	3.5	3.4	3.1	3.0	3.1	3.1	3.0	3.2
NBP policy rate, %	3.75	3.75	4.00	4.00	4.00	4.00	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25

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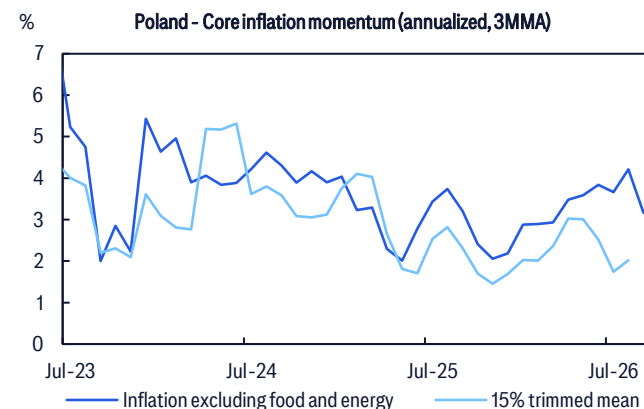
Source: Citi Handlowy Forecasts, NBP, Statistics Poland

Figure 2. Inflation reached 4% in September, rising on the back of higher fuel and energy prices...



Source: Citi Handlowy, Statistics Poland

Figure 3. ... but our estimates suggest core inflation momentum eased, at least for now



Source: Citi Handlowy Estimates, Haver Analytics

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