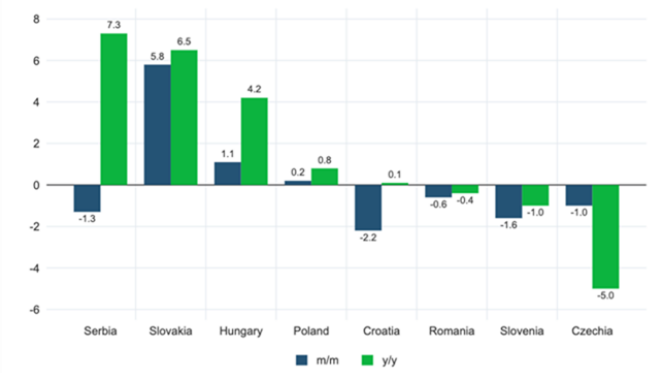
CEE MACRO AND FI DAILY

Sentiment softens where inflation picks up

On the Radar

- ECB left key interest rates unchanged (deposit rate at 2.5%).
- Hungary (8.30 AM CET) and Czechia (9 AM CET) will publish flash estimated of 3Q26 GDP data.
- Poland (9.30 AM CET) and Slovenia (10.30 AM CET) will release flash inflation for October.
- Croatia will release retail sales growth in September.
- Serbia will show retail sales and industrial output growth for September.

ESI, m/m and y/y change (points), October 2026

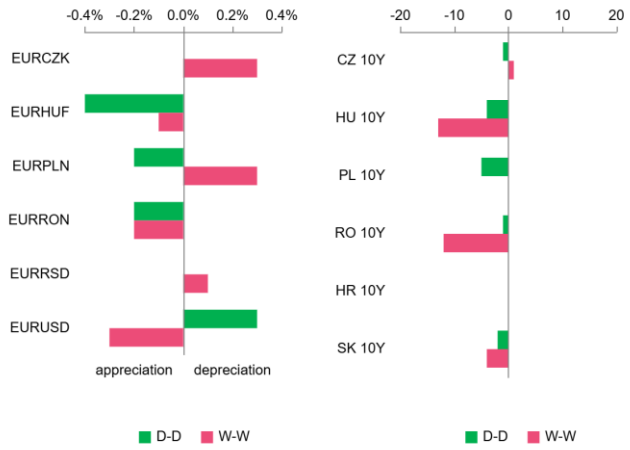


Source: Erste Group Research

Economic developments

Today, we look at economic sentiment in CEE, based on the European Commission's Economic Sentiment Indicator (ESI) for October, which combines business and consumer surveys and is scaled to a long-term average of 100. Overall, sentiment softened in five of the eight countries, due to the renewed energy-related inflation pressures across the region. In Croatia, the ESI declined by 2.2 points to 105.8, although it remained the highest in the region, while Romania continued to record the lowest sentiment at 91.6, alongside the highest HICP inflation in the EU (6.5% y/y in September). Czechia also recorded a deterioration, with its ESI falling to 98.7 from 99.7 in September, while the CZSO's national survey showed industrial confidence declining to 90.5 from 96.1. On the other hand, sentiment improved in Hungary and Slovakia. Hungary's ESI rose to 101.0, moving above its long-term average, while inflation remained among the lowest in the EU at 2.1% y/y. Slovakia recorded an even stronger improvement in sentiment, gaining 5.8 points to 95.6, as inflation eased slightly to 3.0% y/y in September. In Serbia, sentiment remained relatively resilient compared with a year earlier. Overall, the October results suggest that renewed inflation pressures may be weighing on confidence in parts of CEE, while improving sentiment in Hungary and Slovakia coincided with more favourable inflation developments.

Market performance



Source: Erste Group Research

Market developments

The ECB Governing Council left key interest rates unchanged. The deposit rate, which is crucial for monetary policy, thus remained at 2.5%. In the subsequent press conference with President Lagarde there were indications of a likely interest rate hike in December. Lagarde said that, barring a significant change in the economic environment, the direction of travel was clear. An increase in key interest rates was already discussed at the meeting. However, the high level of uncertainty argued in favor of waiting a little longer. Commodity prices remain high with Brent price of oil above USD 110 per barrel and TTF gas topping EUR 100/MWh for the first time in almost four years. CEE currencies strengthened slightly on Thursday while long-term yields declined across the region. As for other news, in Hungary, the Fiscal Council unanimously raised no fundamental objection to the 2027 draft budget, which targets an ESA deficit of 4.9% of GDP. Further, the Finance Ministry's 2027–2030 convergence program projects the deficit falling to 2.8% of GDP by 2030 and debt to 74.9%.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
30. Oct	**08:00**	**RO**	Unemployment Rate	Sep			6.4%
	08:30	**HU**	GDP (q/q)	3Q P	0.4%	0.3%	0.6%
	08:30	**HU**	GDP (y/y)	3Q P	1.8%	1.7%	1.7%
	09:00	**CZ**	GDP (q/q)	3Q A	0.6%	0.6%	0.3%
	09:00	**CZ**	GDP (y/y)	3Q A	1.7%	1.7%	1.8%
	09:30	**PL**	CPI (y/y)	Oct P	3.7%	3.9%	4.1%
	09:30	**PL**	CPI (m/m)	Oct P	-0.2%	0%	0.7%
	10:30	**SI**	CPI (y/y)	Oct		3.5%	3.3%
	10:30	**SI**	CPI (m/m)	Oct			-0.1%
	11:00	**HR**	Retail Sales (y/y)	Sep		2.5%	3.14%
	12:00	**RS**	Industrial Production (y/y)	Sep		-0.5%	-0.5%
	12:00	**RS**	Retail Sales (y/y)	Sep		6.5%	6.3%
	12:00	**RS**	Trade Balance	Sep			-716.8

FX Market

	Last	Change (%) d/d	Change (%) w/w
EUR/CZK	24.33	0.0	0.3
EUR/HUF	365.36	-0.4	-0.1
EUR/PLN	4.39	-0.2	0.3
EUR/RON	5.33	-0.2	-0.2
EUR/RSD	117.45	0.0	0.1
EUR/USD	1.12	0.3	-0.3

3M Market

	Last	Change (bps) d-d	Change (bps) w-w
CZK	3.95	0	1
HUF	5.50	0	0
PLN	3.92	1	2
RON	6.09	0	0
RSD	4.70	0	0
EUR	2.64	2	-3

10Y Yields

	Last	Change (bps) d-d	Change (bps) w-w
CZ 10Y	5.38	-1	1
HU 10Y	5.48	-4	-13
PL 10Y	6.39	-5	0
RO 10Y	7.00	-1	-12
HR 10Y	4.11	0	0
SK 10Y	4.32	-2	-4

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