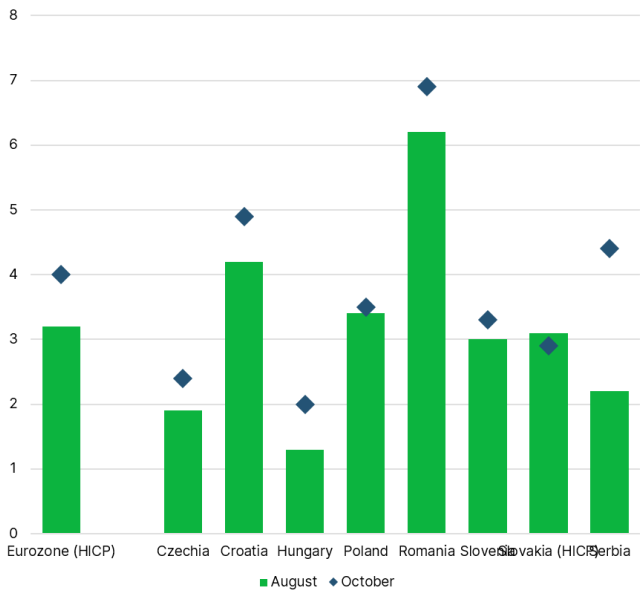
CEE MACRO AND FI DAILY

Rising inflation results in hike in Serbia

On the Radar

- Serbia's central bank increased interest rate to 6.0% in a surprising move, while Romania kept policy rate stable.
- Inflation rate in October increased to 6.9% y/y in Romania.
- In Serbia, October's inflation landed at 4.4% y/y.
- Today, 3Q26 GDP data will be published in Romania, Slovakia and Poland.
- In Romania, industrial output growth in September will be released.
- In Slovakia and Poland, details on October's inflation will be published.

Inflation development, %

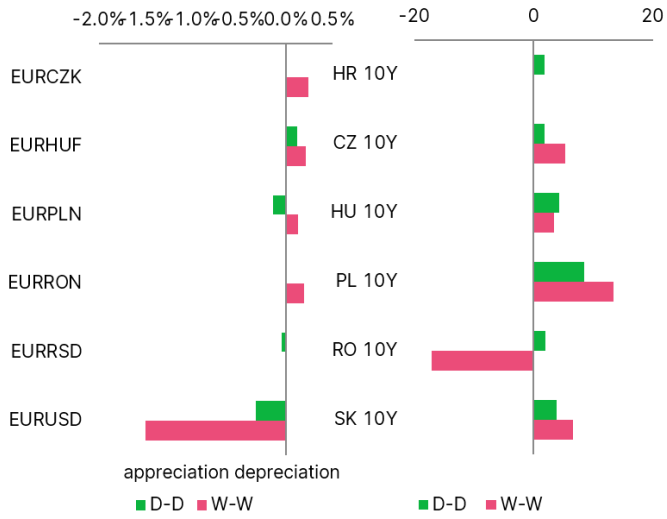


Source: Erste Group Research

Economic developments

Recent inflation development was given as key reason by Serbia's central bank to increase interest rates to 6% on Thursday. Inflation rate went up to 4.4% y/y in October from around 2% couple of months ago. In Romania, inflation rate increased to 6.9% but Romania's central bank decided to keep policy rate flat at the last meeting. In other CEE countries inflation in October was also higher compared to August when the pressure eased because of the decline of oil prices during the summer. In Croatia it went as high as 4.9% y/y, while in Czechia or Hungary it has been more contained at 2.4% y/y and 2.0% y/y respectively. Only in Poland and Slovakia changes compared to summer months remain rather marginal. In Poland, government program subsidizing price of fuel keeps the headline inflation lower than it would have been otherwise. Inflation and interest rate outlook very much depends on the external factors and development of commodity prices in coming months and conflict in the Middle East.

Market performance



Source: Erste Group Research

Market developments

Apart from interest rate decision, Romania's central bank updated inflation outlook. It points to a slight increase in headline inflation towards end-2026, driven mainly by higher fuel and energy prices and the recent weakening of the leu. Inflation is subsequently expected to decline gradually, returning to the NBR's target range only in 1Q28. We expect monetary easing in the course of first half of next year. Coming back to Serbia, in the post-election period, the slight pressure on the dinar could have also contributed to the decision. We note, however, it was not highlighted by the NBS. Absent further shocks, both local and global, we expect stability of rates going forward. In Poland central banker Iwona Duda said rate cuts are off the table because the November projection places 2027 inflation outside the tolerance band, and she did not rule out tightening as early as December, citing fuel prices, Middle East second-round effects and rising PPI.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
13. Nov	08:00	RO	Industrial Production (y/y)	Sep	-3.7%		-2.7%
	08:00	RO	GDP (q/q)	3Q A	0.6%		0.02%
	08:00	RO	GDP (y/y)	3Q A	-1.08%		-0.18%
	09:00	SK	CPI (y/y)	Oct	3.1%		3.1%
	09:00	SK	CPI (m/m)	Oct	0.1%		0.2%
	09:00	SK	GDP (y/y)	3Q P	0.9%		0.8%
	09:30	PL	CPI (y/y)	Oct F	3.5%		3.5%
	09:30	PL	CPI (m/m)	Oct F	-0.4%		-0.4%
	09:30	PL	GDP (y/y)	3Q P	3.6%	3.8%	3.9%
	14:00	PL	Trade Balance	Sep	-1948.4		-3047

FX Market

	Last	Change (%)	
		d/d	w/w
EUR/CZK	24.35	0.0	0.2
EUR/HUF	365.06	0.1	0.2
EUR/PLN	4.40	-0.1	0.1
EUR/RON	5.34	0.0	0.2
EUR/RSD	117.47	-0.1	0.0
EUR/USD	1.11	-0.3	-1.5

3M Market

	Last	Change (bps)	
		d-d	w-w
CZK	4.10	0	10
HUF	5.50	0	0
PLN	3.90	0	-2
RON	6.07	0	-1
RSD	4.71	0	0
EUR	2.77	1	-5

10Y Yields

	Last	Change (bps)	
		d-d	w-w
CZ 10Y	5.17	2	5
HU 10Y	5.44	4	3
PL 10Y	6.21	9	13
RO 10Y	6.95	2	-17
HR 10Y	3.83	2	0
SK 10Y	4.25	4	7

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