

CEE MACRO OUTLOOK

CEE Growth Navigator

Expected development after 3Q26 GDP data

Juraj Kotian, Katarzyna Rzentarzewska
November 16, 2026

Spot Rates as of: November 16, 2026
Note: Information on past performance is not a reliable indicator for future performance.
Forecasts are not a reliable indicator for future performance.

Expected development in response to flash GDP estimates

Growth

Economic development in 2026 has been affected by the war in the Middle East to a great extent. The war has proven to be long-lasting, pushing commodity prices up for an extended period. Elevated uncertainty has been weighing on the growth, despite the relatively high level of resilience, given the scale of geopolitical and energy shocks.

In the first half of the year, economic growth has been solid. **3Q26 GDP flash estimates suggest some slowdown, however. In Czechia and Hungary,** 3Q26 growth at 1.6% y/y and 1.5% y/y, respectively, was below expectations and a marked slowdown compared to the first half of the year. **Slovakia underperformed** as well, with 3Q26 GDP growth at just 0.3% y/y. **In Slovenia**, the slowdown in 3Q26 was broadly expected after very strong development in the second quarter. **Poland, despite a slowdown compared to the previous quarter, maintained a solid development in a cross-country comparison** as 3Q26 GDP growth landed at 3.5% y/y.

In Serbia, on the other hand, 4% y/y growth in 3Q26 was a positive surprise. **Romania grew** by 0.1% y/y after its economy contracted in the first half of the year.

Source: Erste Group Research
November 16, 2026

Expected development in response to flash GDP estimates

Growth

As 2026 comes to an end, 2027 comes into focus. Our detailed 2027 CEE Macro Outlook will be published at the beginning of December. However, we expect solid economic activity and growth in 2027 in the region. **Economic activity should pick up and we should see higher growth compared to 2026 in most of the CEE countries**. For now, we see the following trends:

Economic sentiment has improved lately, and manufacturing PMIs show a clear upward trend in the region, a development that is supportive for 2027 outlook. Consumer confidence has suffered lately amid renew inflation fears.

After mid-term elections in the US and President Trump‘s pledge to hold off on new military strikes against Iran and the announcement that the US will stop providing financial support to Israel after year-end, the oil price has declined. If the relief is long-lasting, 2027 growth will profit from rising consumer confidence and stronger purchasing power amid decreasing inflationary pressure.

In the eurozone, the recovery remains dependent on fiscal stimulus (Germany in particular) and a gradual reduction in energy prices.

Key risks include high energy prices and renewed energy disruptions, additional monetary tightening, fiscal instability or a correction in AI-related investment.

Source: Erste Group Research
November 16, 2026

Expected development in response to flash GDP estimates

Inflation

Inflation responded to increase in energy price in the first half of the year. After short-lived relief in the summer, inflation has been rising again lately. In Eurozone it went up to 4% y/y in October. In most of CEE countries October's headline numbers were higher compared to July or August when decline of oil prices contributed to easing inflation pressure.

At the moment, we see 2027 as the third consecutive year, in which average CEE inflation will be close to 4%. The key risk to our forecasts is development of commodity prices and persistence of the conflict in the Middle East.

Monetary policy

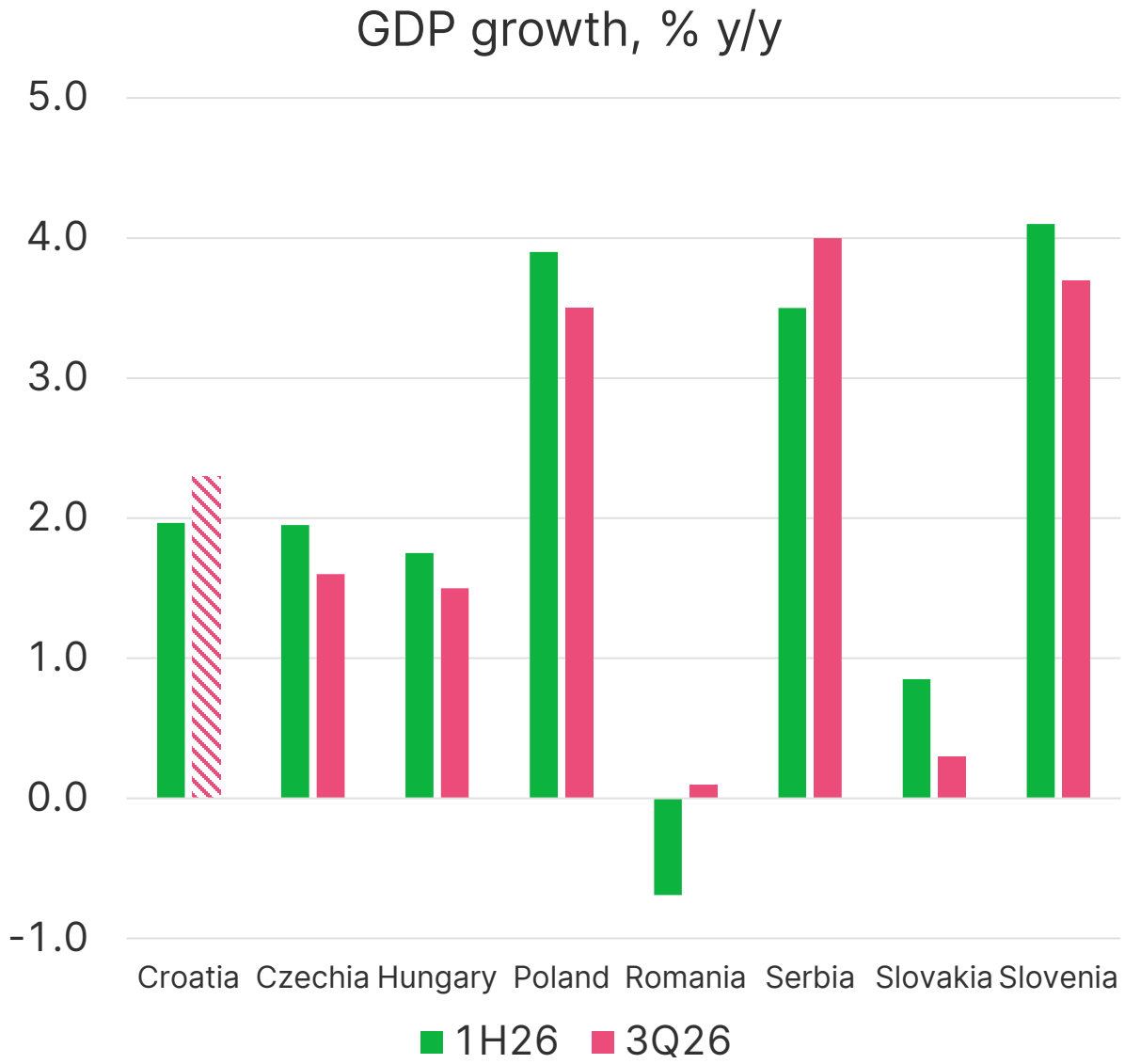
Czechia and Serbia were the two CEE countries that decided to tighten monetary conditions in response to energy shock steaming from the war in the Middle East. Czechia's central bank raised key interest rate by 50 basis points this year, while Serbia by 25 basis points. Interest rate forecasts point to a gradual but differentiated monetary easing cycle in 2027. We expect interest rates to go down in Czechia, Hungary and Romania. In Poland and Serbia, we bet for stability of rates in 2027.

Source: Erste Group Research
November 16, 2026

Flash GDP growth

In Czechia and Hungary, 3Q26 GDP growth (1.6% y/y and 1.5% y/y, respectively) slowed down and surprised to the downside. The Slovak economy stalled with deeply disappointing growth at 0.3% y/y.

In Serbia, on the other hand, 3Q26 accelerated to 4% y/y, beating expectations. Romania also posted a solid development, with GDP growth turning positive in the third quarter after the economy contracted in the first half of the year. Poland maintained a solid performance in a cross-country comparison with growth at 3.5% y/y, in line with expectations. In Slovenia, 3Q26 GDP growth slowed to 3.7% y/y.

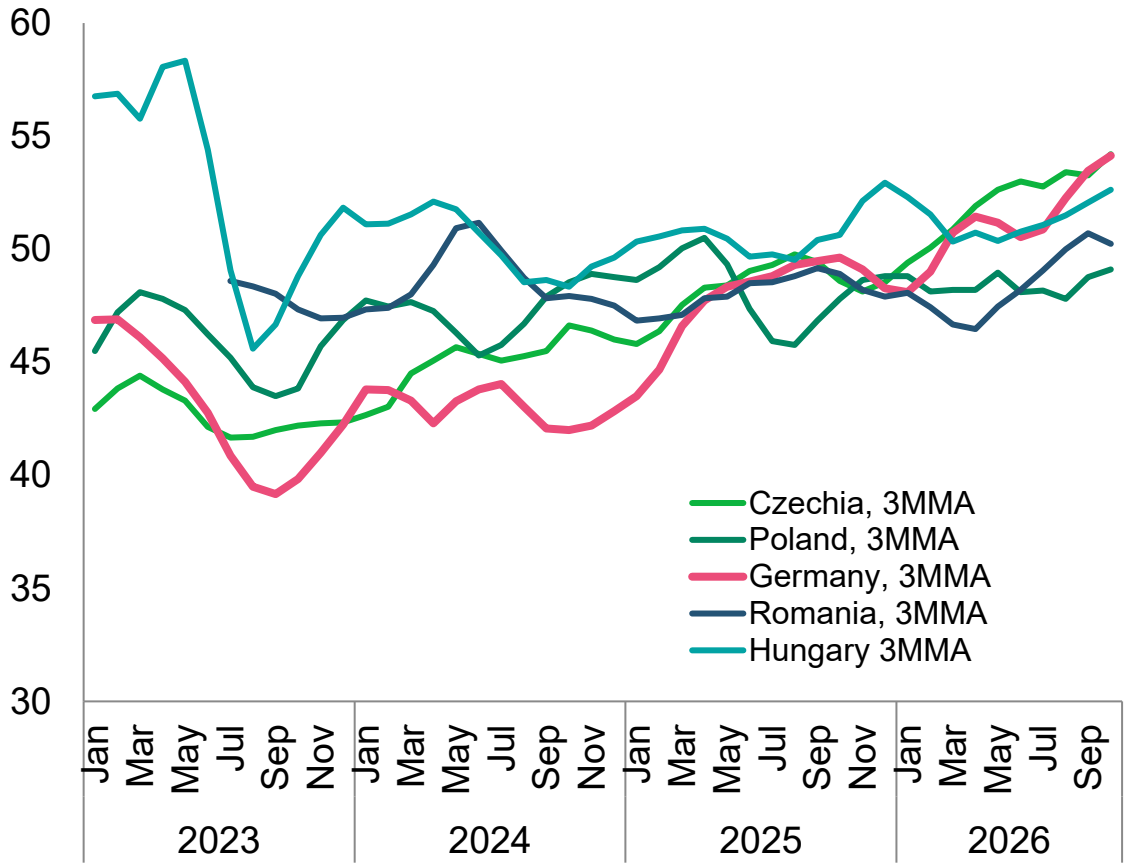


*Croatia will only release 2Q26 GDP at the end of August

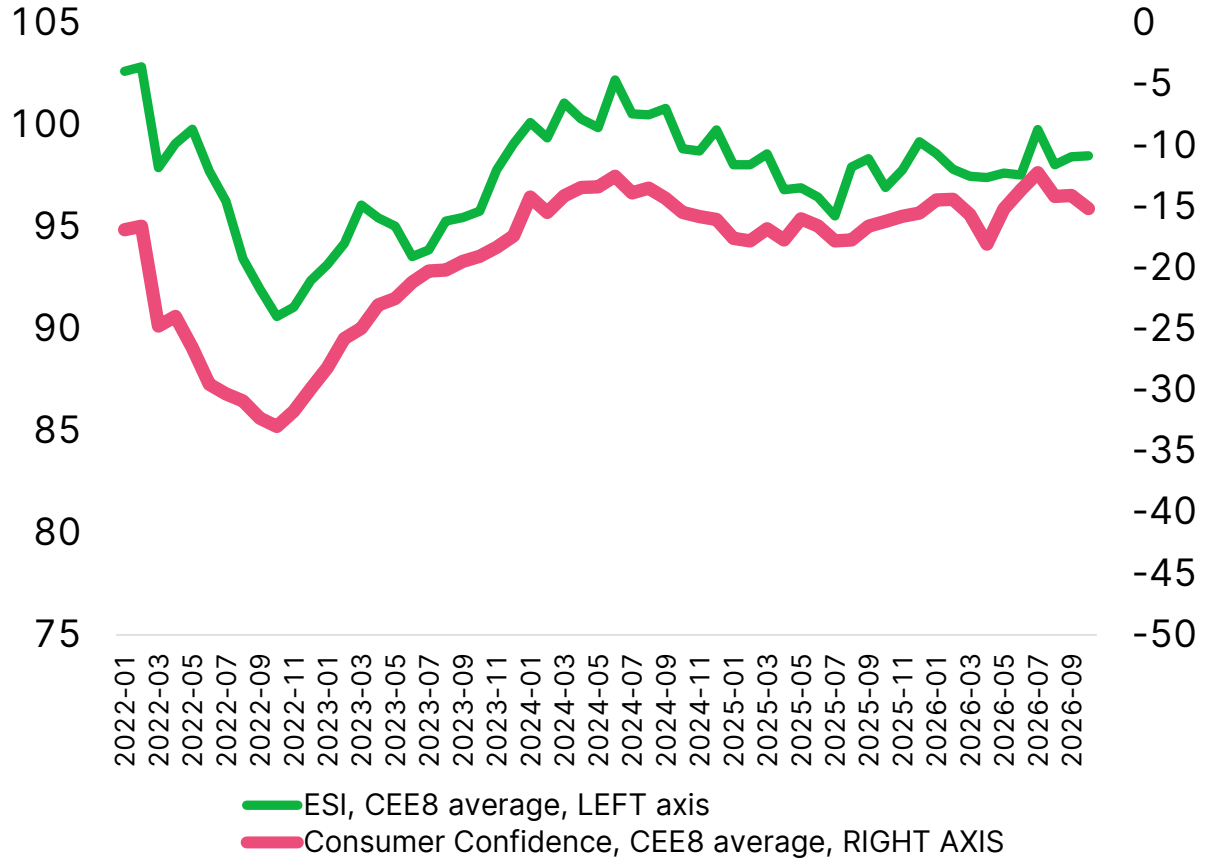
Source: Local Statistical Offices, Erste Group Research
November 16, 2026

Manufacturing PMIs climbing, while consumer confidence suffers amid rising inflation fears

Manufacturing PMIs



ESI and Consumer Confidence



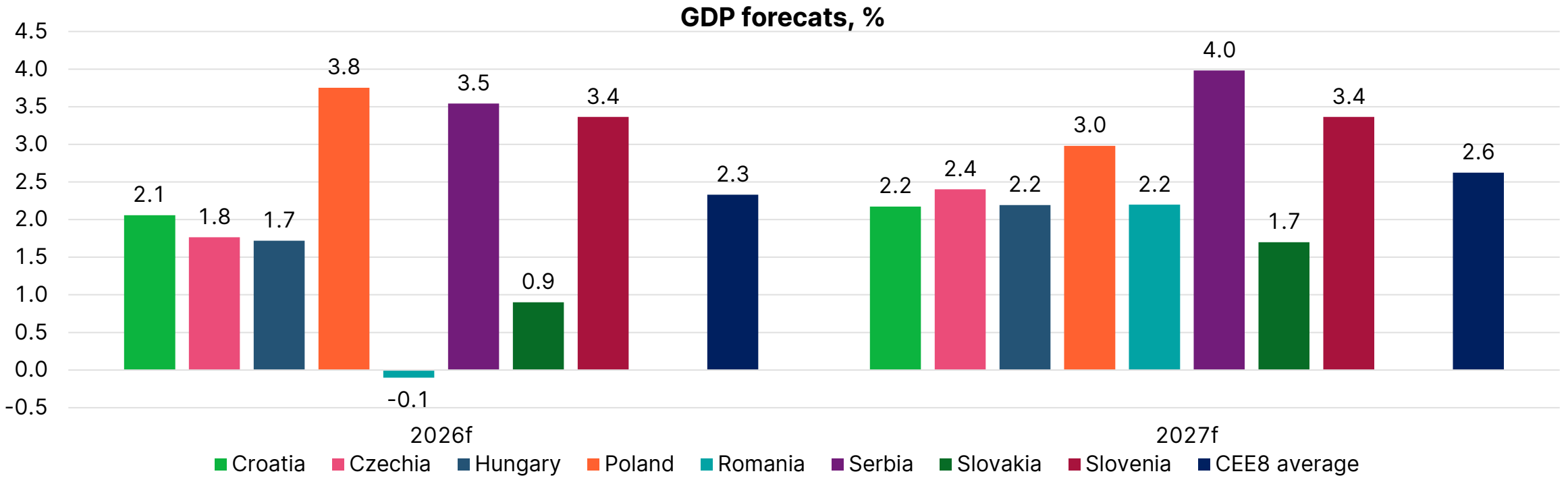
Expected revisions

	Economic development	Revision
Croatia	3Q26 will be released at the end of November	We see Croatia's growth slightly above 2% both in 2026 and 2027
Czechia	GDP growth slowed to 1.6% y/y in the third quarter	We adjsuted our 2026 gorwth forecast down to 1.8% and expect acceleartion to 2.4% in 2027
Hungary	Growth at 1.5% fell short of expectations in 3Q26	We sustain our view that eocnomy will expand by 1.7% in 2026 and by 2.2% next year
Poland	3Q26 GDP at 3.5% y/y is a solid performance	2026 growth may fall short of our expecattions of 3.8% in 2026, next year we see economy expanding by 3.0%
Romania	Romania grew by 0.1% y/y after economic contraction in 1H26	We adjust our forecast and expect only mild recession (-0.1%), while next year expansion is seen at 2.2%
Serbia	Growth surprised ot the upside landing at 4.0% in 3Q26	Economy is expected to accelearte toward 4% in 2027 after expanding by 3.4% this year
Slovakia	3Q26 at 0.3% y/y deeply dissapointed	Downward revision of 2026 seems highely likely
Slovenia	Aftre very strong 2Q26, GDP slowed naturally to 3.7% y/y in 3Q26	Slovenia should sustain solid perofrmance with growth above 3% this year and in 2027

Source: Erste Group Research
November 16, 2026

Current growth outlook: 2027 GDP growth should accelerate slightly across region

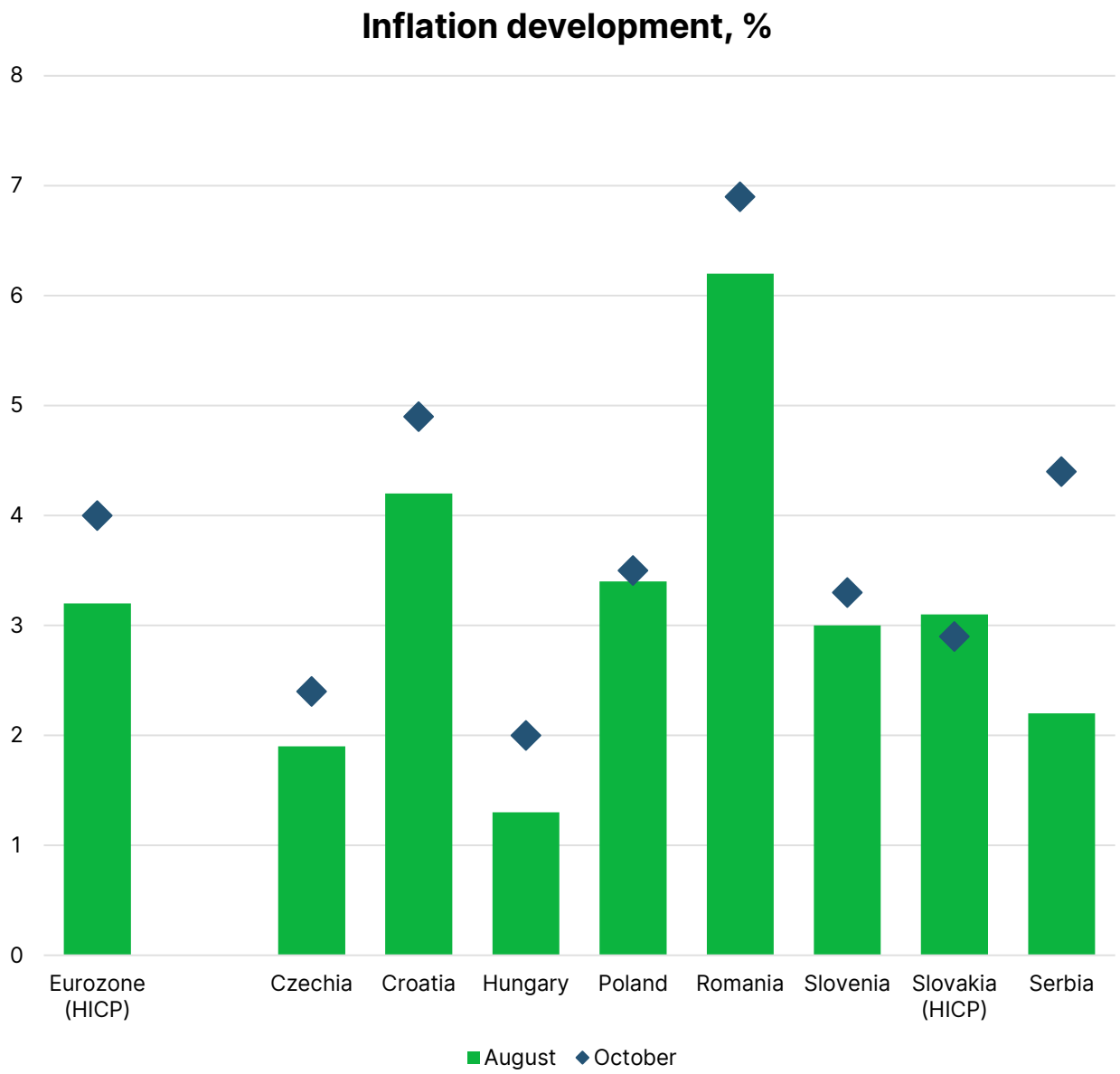
As 2026 comes to an end, we shift our focus toward 2027 prospects. In most of the CEE countries, economic growth is expected to accelerate next year. In Croatia, Czechia and Hungary, we see growth slightly above 2%. Romania should rise from recession and expand by 2.2% in 2027. Slovakia's economy should accelerate toward 1.7%, while Serbia is set to outperform with 4% growth. There are two exceptions, however. In Poland and Slovenia, growth dynamics are expected to slow down in the next year.



Source: Erste Group Research
November 16, 2026

CEE GROWTH NAVIGATOR

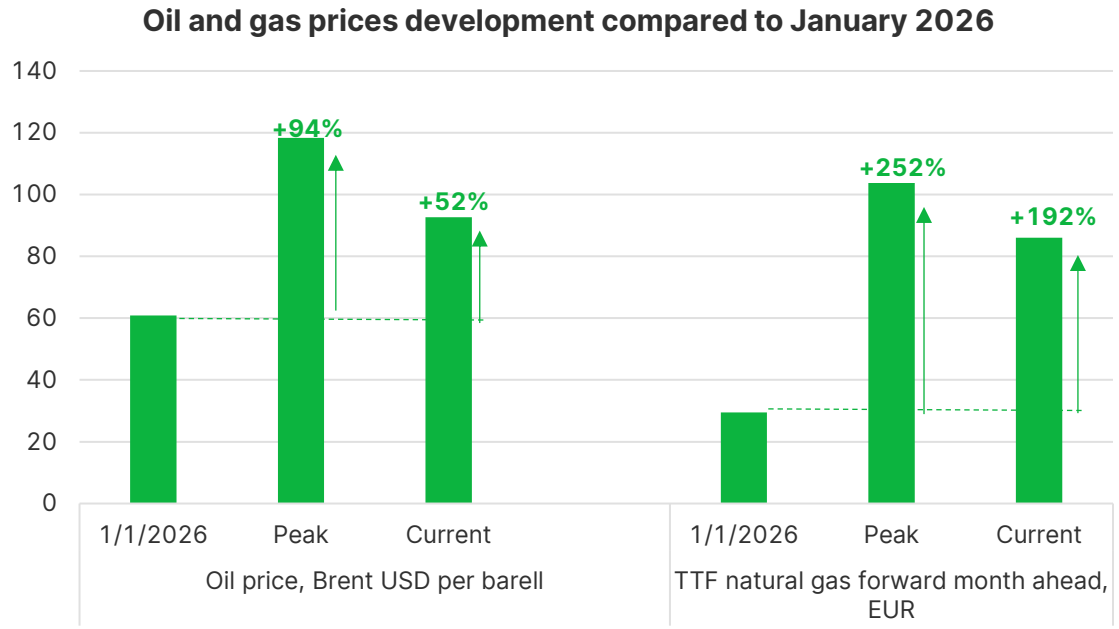
Inflation rising again, with peak expected in early 2027

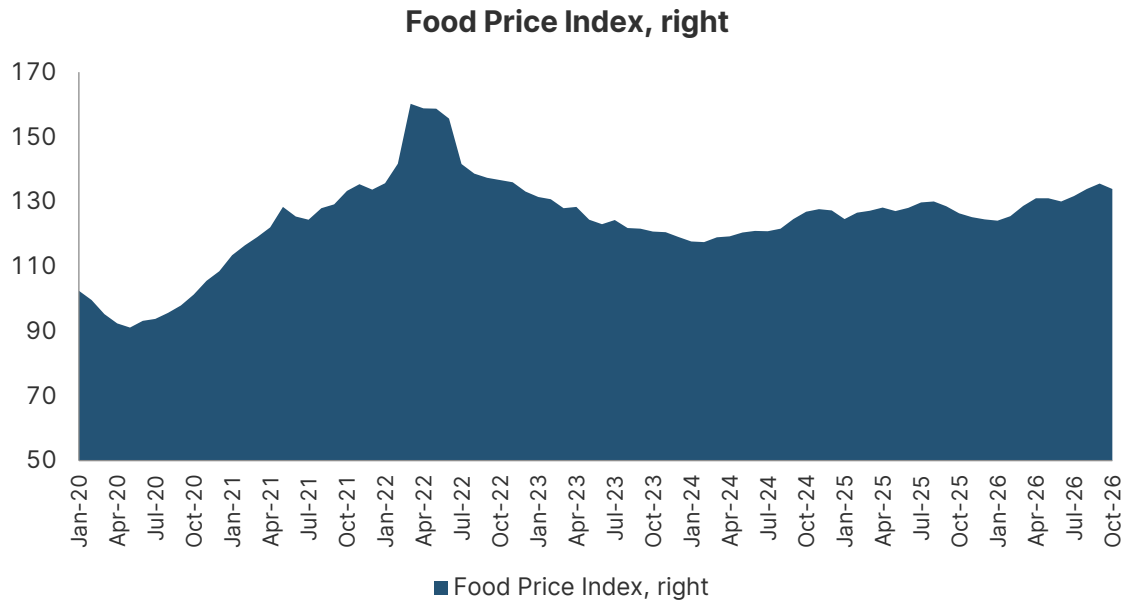


The recent inflation development was given as a key reason by Serbia's central bank to increase interest rates to 6% on Thursday. The inflation rate went up to 4.4% y/y in October, from around 2% a couple of months ago. In Romania, the inflation rate increased to 6.9%, but the central bank decided to keep the 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 and Hungary, it has been more contained at 2.4% y/y and 2.0% y/y, respectively. Only in Poland and Slovakia have changes compared to the summer months remained rather marginal. In Poland, the government program subsidizing the price of fuel keeps the headline inflation lower than it would have been otherwise. Inflation and the interest rate outlook very much depend on external factors, such as the development of commodity prices in the coming months and the conflict in the Middle East.

Source: Erste Group Research
November 16, 2026

Further decline of commodity prices would be strongly disinflationary



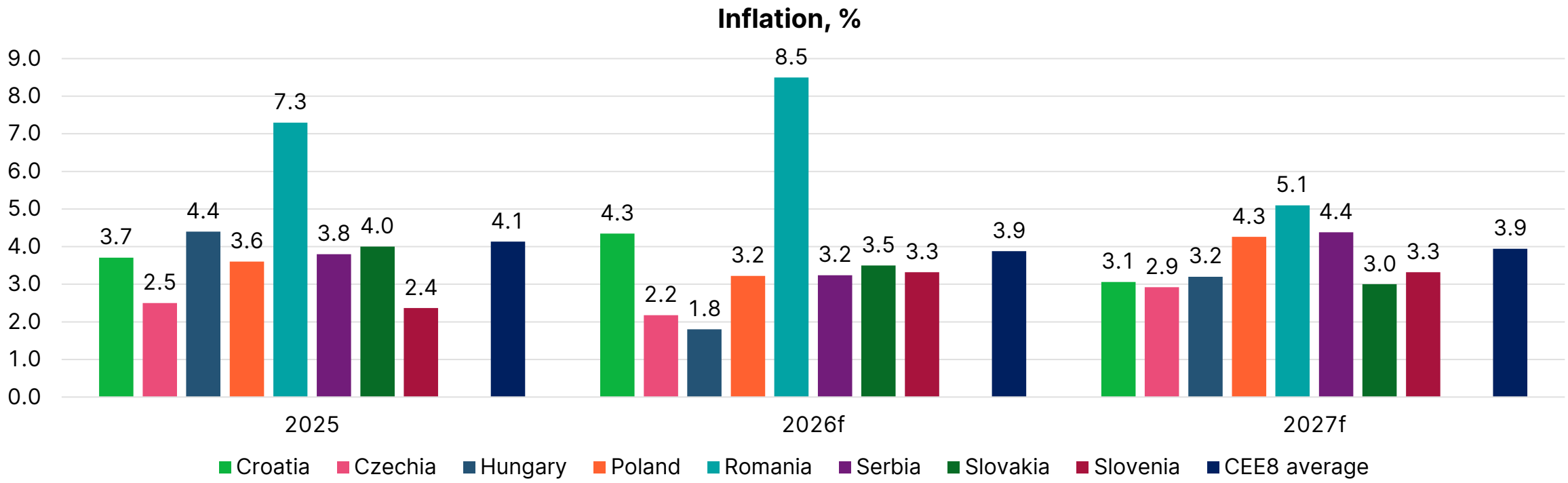


Energy prices have retreated from their 2026 peaks, but remain significantly above their January levels. Brent oil prices are currently 52% higher than at the beginning of the year, compared with a peak increase of 94%, while natural gas prices remain almost three times their January level, despite declining from their peak. Further declines in energy prices would provide a strong disinflationary impulse, reducing both direct energy costs for households and production costs for businesses. However, food prices remain an important upside risk to the inflation outlook. The Global Food Price Index has gradually increased throughout 2026 and remains elevated by historical standards. Renewed upward pressure on food prices could offset some of the disinflationary impact of lower energy prices and slow the return of inflation towards central bank targets.

Source: Erste Group Research
November 16, 2026

Current inflation outlook: 2027 to be third year with average inflation in CEE close to 4%

Inflation is likely to remain elevated, and the outlook depends heavily on global developments. In Romania, we expect inflation to fall substantially over the course of 2027. In Croatia, Slovakia and Slovenia, we also expect inflationary pressure to ease. In other CEE countries, however, average inflation in 2027 is expected to be slightly higher.

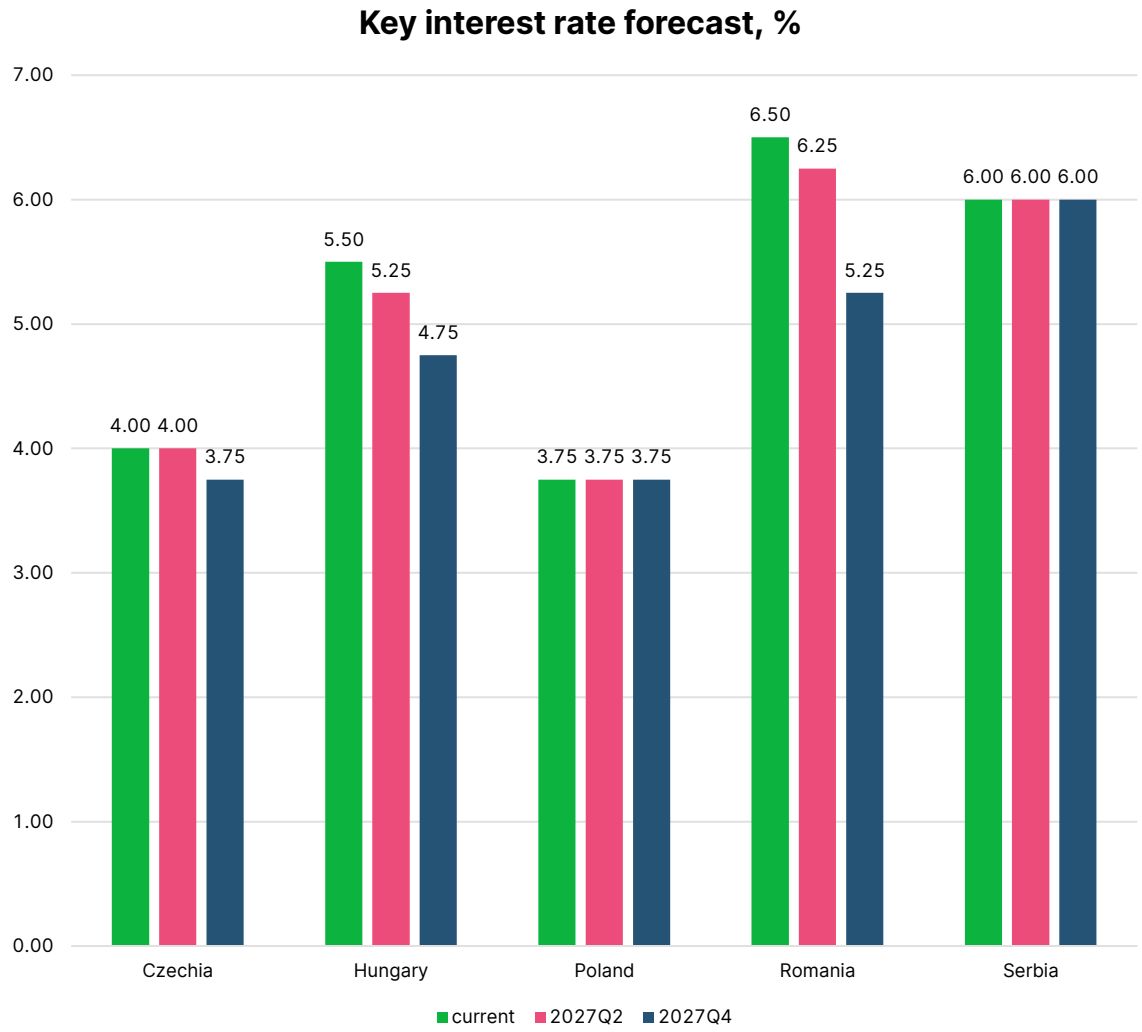


Source: Erste Group Research
November 16, 2026

Monetary policy outlook

Czechia and Serbia were the two CEE countries that decided to tighten monetary conditions in response to the energy shock stemming from the war in the Middle East. Czechia's central bank raised the key interest rate by 50 basis points this year, Serbia's by 25 basis points.

Interest rate forecasts point to a gradual but differentiated monetary easing cycle in 2027. Romania is expected to deliver the largest rate cuts, reducing its key policy rate by 125bp from the current 6.5% to 5.25% by end-2027. Hungary is also expected to continue monetary easing, with the policy rate declining from 5.5% to 4.75% next year. In Czechia, monetary policy is expected to remain unchanged through the first half of 2027, followed by a modest 25bp cut to 3.75% in the second half of 2027. By contrast, the central bank in Poland is expected to keep the policy rate unchanged throughout 2027 at 3.75%. In Serbia, we also bet on stability of rates going forward.



Source: Erste Group Research
November 16, 2026

Economic Forecasts

Real GDP growth (%)	2024	2025	2026f	2027f
Croatia	3.9	3.5	2.1	2.2
Czechia	1.1	2.7	1.8	2.4
Hungary	0.7	0.7	1.7	2.2
Poland	3.2	3.8	3.8	3.0
Romania	1.1	0.8	-0.1	2.2
Serbia	3.9	2.0	3.5	4.0
Slovakia	2.6	0.9	0.9	1.7
Slovenia	1.7	1.1	3.4	3.4
CEE8 avg	2.2	2.5	2.3	2.6

Average inflation (%)	2024	2025	2026f	2027f
Croatia	3.0	3.7	4.3	3.1
Czechia	2.4	2.5	2.2	2.9
Hungary	3.7	4.4	1.8	3.2
Poland	3.6	3.6	3.2	4.3
Romania	5.6	7.3	8.5	5.1
Serbia	4.6	3.8	3.2	4.4
Slovakia	2.7	4.0	3.5	3.0
Slovenia	2.0	2.4	3.3	3.3
CEE8 avg	3.6	4.1	3.9	3.9

Unemployment (%)	2024	2025	2026f	2027f
Croatia	5.0	4.9	4.8	4.7
Czechia	2.7	2.9	3.2	3.5
Hungary	4.4	4.4	4.5	4.3
Poland	5.1	5.7	6.0	6.1
Romania	5.5	6.1	6.4	5.8
Serbia	8.6	8.7	7.8	7.5
Slovakia	5.3	5.4	6.0	6.0
Slovenia	3.7	3.9	3.9	3.9
CEE8 avg	4.8	5.2	5.4	5.4

Public debt (% of GDP)	2024	2025	2026f	2027f
Croatia	56.5	55.7	55.0	55.2
Czechia	43.2	44.2	45.2	46.8
Hungary	73.5	74.4	77.4	77.2
Poland	54.8	59.7	67.8	70.5
Romania	54.6	58.3	61.1	63.0
Serbia	46.7	44.5	44.0	43.5
Slovakia	58.9	60.5	62.5	64.3
Slovenia	66.4	65.7	64.8	64.8
CEE8 avg	55.1	57.9	62.3	64.0

C/A (%GDP)	2024	2025	2026f	2027f
Croatia	-2.2	-3.5	-3.5	-3.8
Czechia	1.7	0.7	0.4	0.8
Hungary	1.7	2.2	-0.2	0.4
Poland	0.3	-1.0	-2.1	-2.9
Romania	-8.1	-7.4	-7.2	-6.2
Serbia	-4.5	-4.9	-4.5	-3.0
Slovakia	-4.9	-3.6	-2.7	-2.5
Slovenia	5.2	4.1	3.5	3.5
CEE8 avg	-1.2	-1.7	-2.4	-2.4

Budget Balance (%GDP)	2024	2025	2026f	2027f
Croatia	-2.3	-3.0	-3.0	-3.0
Czechia	-2.0	-2.2	-2.6	-3.4
Hungary	-5.1	-4.7	-7.3	-5.3
Poland	-6.4	-7.3	-7.1	-7.1
Romania	-9.2	-7.8	-6.0	-5.5
Serbia	-2.0	-2.4	-3.0	-3.0
Slovakia	-5.4	-4.5	-4.5	-5.0
Slovenia	-0.9	-2.5	-3.2	-3.2
CEE8 avg	-5.4	-5.6	-5.6	-5.5

Market Forecasts

LCY Government bond yields	Latest	2026Q4	2027Q1	2027Q2	2027Q3
Czechia 10Y	5.22	4.89	4.71	4.56	4.44
Hungary 10Y	5.47	5.58	5.48	5.45	5.43
Poland 10Y	6.29	6.40	6.40	6.00	5.75
Romania10Y	7.12	7.49	7.37	7.21	6.96
Serbia 10Y	5.55	5.70	5.75	5.80	5.80
Spreads vs. German Bunds (bps)					
Croatia 10Y	40.00	65.00	65.00	60.00	55.00
Slovakia 10Y	90.00	95.00	90.00	90.00	75.00
Slovenia 10Y	53.00	55.00	55.00	50.00	45.00
DE10Y yields	3.39	3.40	3.40	3.20	3.20

FX	Latest	2026Q4	2027Q1	2027Q2	2027Q3
EURCZK	24.39	24.25	24.19	24.11	24.05
EURHUF	364.6	360.0	360.0	355.0	355.0
EURPLN	4.40	4.30	4.30	4.30	4.30
EURRON	5.35	5.35	5.36	5.38	5.39
EURRSD	117.6	117.4	117.4	117.2	117.2
EURUSD	1.10	1.10	1.08	1.10	1.10

3M Money Market Rate	Latest	2026Q4	2027Q1	2027Q2	2027Q3
Czechia	4.10	4.05	4.05	3.99	3.81
Hungary	5.50	5.50	5.45	5.20	4.95
Poland	3.89	3.85	3.85	3.85	3.85
Romania	6.07	5.90	5.90	5.81	5.43
Serbia	4.84	4.83	4.83	4.83	4.83
Eurozone	2.78	2.78	2.78	2.79	2.79

Key Interest Rate (deposit facility in Eurozone)	Latest	2026Q4	2027Q1	2027Q2	2027Q3
Czechia	4.00	4.00	4.00	4.00	3.75
Hungary	5.50	5.50	5.50	5.25	5.00
Poland	3.75	3.75	3.75	3.75	3.75
Romania	6.50	6.50	6.50	6.25	5.75
Serbia	5.75	6.00	6.00	6.00	6.00
Eurozone	2.50	2.75	2.75	2.75	2.75

Follow #ErsteGroupResearch on LinkedIn



Juraj Kotian



Katarzyna Rzentarzewska



Jakub Cery



Alex Maalekji Akkawi

ERSTE Group

Contacts

Visit www.erstegroup.com or type on Bloomberg ERST <GO>

Erste Group Research (Vienna)

Fritz Mostböck, CEFA®, CESGA®
Head of Group Research
+43 5 0100 11902
friedrich.mostboeck@erstegroup.com

Juraj Kotian
Head of CEE Macro/ FI Research
+43 5 0100 17357
juraj.kotian@erstegroup.com

Henning Eßkuchen, CESGA®
Head of CEE Equity Research
+43 5 0100 19634
henning.esskuchen@erstegroup.com

Rainer Singer
Head of Major Markets & Credit Research
+43 5 0100 11909
rainer.singer@erstegroup.com

Local Research Offices

Bratislava
Slovenska Sporitelna
Head: Maria Valachyova
+421 (2) 4862 4158
valachyova.maria@slsp.sk

Budapest
Erste Bank Hungary
Head: Jozsef Miro
+36 (1) 235 5131
Jozsef.Miro@erstebroker.hu

Bucharest
Banca Comerciala Romana (BCR)
Head: Ciprian Dascalu
+40 3735 10 424
ciprian.dascalu@bcr.ro

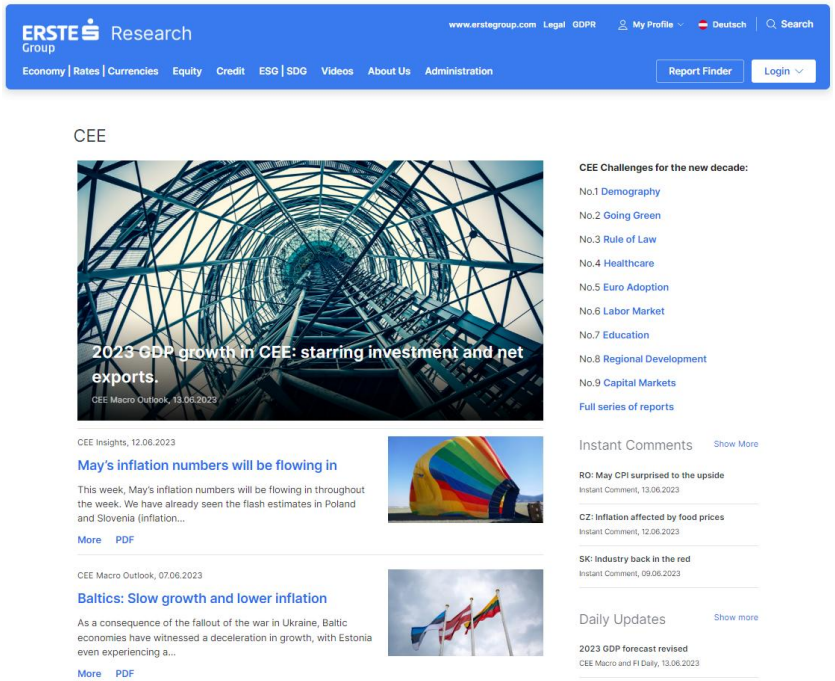
Prague
Ceska Sporitelna
Head: David Navratil
+420 224 995 439
DNavratil@csas.cz

Warsaw
Erste Bank Polska
Head: Piotr Bielski
+48 691 393 119
piotr.bielski@erste.pl

Zagreb/ Belgrade
Erste Bank
Heads: Alen Kovac, Mladen Dodig
+385 72 37 1383, +381 1122 09178
akovac2@erstebank.com
Mladen.Dodig@erstebank.rs

Macro reports & forecasts are publicly available on Erste Group's website and our mobile applications

Open in your **browser**



On your **mobile**



Scan our QR code

Visit our research page:
erstegroup.com/en/research

Source: Erste Group Research
16 November 2026

Disclaimer

This publication was prepared by Erste Group Bank AG or any of its consolidated subsidiaries (together with consolidated subsidiaries "Erste Group") independently and objectively as general information. This publication serves interested investors as additional source of information and provides general information, information about product features or macroeconomic information without emphasizing product selling marketing statements. This publication does not constitute a marketing communication pursuant to Art. 36 (2) delegated Regulation (EU) 2017/565 as no direct buying incentives were included in this publication, which is of information character. This publication provides only other information without making any comment, value judgement or suggestion on its relevance to decisions which an investor may make and is therefore also no recommendation. Thus this publication does not constitute investment research pursuant to Art. 36 (1) delegated Regulation (EU) 2017/565. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to the prohibition on dealing ahead of the dissemination of investment research. The information only serves as non-binding and additional information and is based on the level of knowledge of the person in charge of drawing up the information on the respective date of its preparation. The content of the publication can be changed at any time without notice. This publication does not constitute or form part of, and should not be construed as, an offer, recommendation or invitation for a transaction in any financial instrument or connected financial instruments, and neither this publication nor anything contained herein shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or inclusion of a financial or connected financial instrument in a trading strategy. Information provided in this publication is based on publicly available sources which Erste Group considers as reliable, however, without verifying any such information by independent third persons. While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable, Erste Group (including its representatives and employees) neither expressly nor tacitly makes any guarantee as to or assumes any liability for the up-to-dateness, completeness and correctness of the content of this publication. Erste Group may provide hyperlinks to websites of entities mentioned in this document, however the inclusion of a link does not imply that Erste Group endorses, recommends or approves any material on the linked page or accessible from it. Neither a company of Erste Group nor any of its respective managing directors, supervisory board members, executive board members, directors, officers of other employees shall be in any way liable for any costs, losses or damages (including subsequent damages, indirect damages and loss of profit) howsoever arising from the use of or reliance on this publication. Any opinion, estimate or projection expressed in this publication reflects the current judgment of the author(s) on the date of publication of this document and does not necessarily reflect the opinions of Erste Group. They are subject to change without prior notice. Erste Group has no obligation to update, modify or amend this publication or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. The past performance of a financial or connected financial instrument is not indicative for future results. No assurance can be given that any financial instrument or connected financial instrument or issuer described herein would yield favorable investment results or that particular price levels may be reached. Forecasts in this publication are based on assumptions which are supported by objective data. However, the used forecasts are not indicative for future performance of financial instruments incl. connected financial instruments. Erste Group, principals or employees may have a long or short position or may transact in financial instrument(s) incl. connected financial instruments referred to herein or may trade in such financial instruments with other customers on a principal basis. Erste Group may act as a market maker in financial instruments, connected financial instruments or companies resp. issuers discussed herein and may also perform or seek to perform investment services for those companies resp. issuers. Erste Group may act upon or use the information or conclusion contained in this publication before it is distributed to other persons. This publication is subject to the copyright of Erste Group and may not be copied, distributed or partially or in total provided or transmitted to unauthorized recipients. By accepting this publication, a recipient hereof agrees to be bound by the foregoing restrictions.

Erste Group is not registered or certified as a credit agency in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation). Any assessment of the issuers creditworthiness does not represent a credit rating pursuant to the Credit Rating Agencies Regulation. Interpretations and analysis of the current or future development of credit ratings are based upon existing credit rating documents only and shall not be considered as a credit rating itself.

For U.S. persons only: This research report is a product of Erste Group Bank AG under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. Research reports are intended for distribution by only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Erste Group Bank AG has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer

© Erste Group Bank AG 2026. All rights reserved.

Published by:

Erste Group Bank AG
Group Research
1100 Vienna, Austria, Am Belvedere 1
Head Office: Wien
Commercial Register No: FN 33209m
Commercial Court of Vienna

Erste Group Homepage: www.erstegroup.com