CEE MACRO AND FI DAILY

Inflation concerns resurface across CEE

On the Radar

- Slovenian PPI inflation for October is due at 10:30 CET today.
- Slovak unemployment for October should be published as well.

Price trends over next 12 months, CEE8

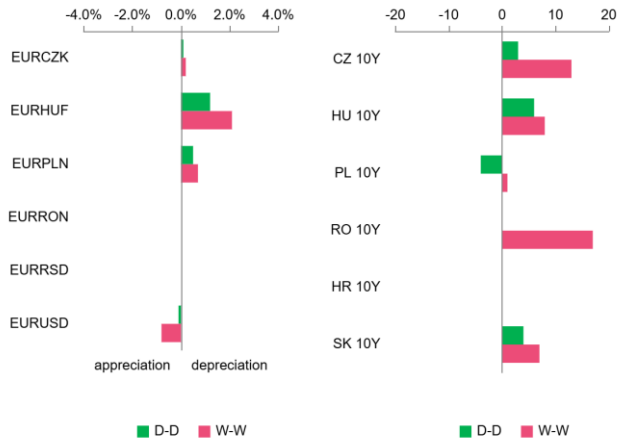


Source: Erste Group Research

Economic developments

Consumer inflation expectations in CEE have moderated considerably from their 2022 peak but have been increasing lately, suggesting that inflation concerns rise again. Fortunately, not to the extent seen in 2022. Throughout 2026, expectations have been volatile. In January the CEE8 average of price trends over next 12 months was close to 30. It reached around 40 in spring before temporarily easing below 30 and subsequently recovering to approximately 35 in October. Elevated energy prices, geopolitical uncertainty and potential increases in food prices continue to pose upside risks to the inflation outlook. Persistent inflation concerns may also weigh on household confidence and consumption decisions, potentially limiting the positive impact of real wage growth on private consumption. At the EU level, consumer inflation expectations have been elevated as well. In the European Commission survey businesses reported rising selling price expectations across all four surveyed sectors, particularly industry and retail trade. This points to continued inflationary pressure and suggests that a sustained return to price stability could remain challenging.

Market performance



Source: Erste Group Research

Market developments

The past week brought renewed upward pressure from global rates and energy prices. Fed officials signaled support for further tightening from the 3.75%-4.00% range, while euro-area inflation at 4% and higher gas prices underpinned expectations of a 25bp ECB deposit-rate hike in December. Price of oil Brent is around USD 90 per barrel on Middle East shipping and supply risks. CEE currencies weakened against the euro over the week where they moved, with the EURHUF moving up as high as 372.8. In Czechia, the Vice-Governor Eva Zamrazilova defended the policy-rate increase to 4%, pointing to a 2027 inflation forecast of 3.2%, above the 2% target, and services inflation still running at 4–5%. She also believes that wage increases are inflationary. In Croatia, the Finance Ministry issued EUR 1.46bn of 364-day T-bills, above the EUR 1bn target. Hungary also sold HUF77.5bn of government securities against HUF50bn planned. In Romania, Finance Minister Nazare said the 2027 budget will target a deficit "towards 5%" of GDP on a 1.7% growth assumption. He also confirmed that the minimum turnover tax will be scrapped. Finally in Serbia, parliament elected Studentska lista MP Aleksandar Čupić as speaker. Another six deputy speakers also came from Studentska lista. As for the process of government formation: the 90-day deadline to form a government runs to February 15, 2027. Dejan Šoškić, Ilija Srdanović and Branko Milutinović are cited as possible prime-ministerial candidates.

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Upcoming releases in CEE

Date	Time	Country	Indicator	Period	Survey	Erste Est.	Prev.
20. Nov		**SK**	Unemployment Rate	Oct			5.22%
	10:30	**SI**	PPI (y/y)	Oct			3.9%

FX Market

	Last	Change (%) d/d	w/w
EUR/CZK	24.41	0.1	0.2
EUR/HUF	372.83	1.2	2.1
EUR/PLN	4.43	0.5	0.7
EUR/RON	5.34	0.0	0.0
EUR/RSD	117.49	0.0	0.0
EUR/USD	1.10	-0.1	-0.8

3M Market

	Last	Change (bps) d-d	w-w
CZK	4.11	1	1
HUF	5.50	0	0
PLN	3.89	-3	-1
RON	6.07	-1	0
RSD	4.95	1	24
EUR	2.85	2	8

10Y Yields

	Last	Change (bps) d-d	w-w
CZ 10Y	5.30	3	13
HU 10Y	5.52	6	8
PL 10Y	6.22	-4	1
RO 10Y	7.12	0	17
HR 10Y	3.83	0	0
SK 10Y	4.32	4	7

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