MNI CEEMEA Week Ahead: NBH, CNB, CBR Rate Decisions

Rate decisions in Hungary, Czechia and Russia take focus across CEEMEA, while CPI inflation data for November is due in South Africa. No change is expected from the NBH, but we have noted that the minutes from the previous meeting indicated potential for a dovish shift in language. In South Africa, headline inflation likely remained above the SARB's new +3.0% Y/Y target but within the +/-1ppt tolerance band, with core inflation expected to stay contained in the immediate vicinity of the point-target.

Data Releases:

Monday 15th

- **Poland final November CPI** (Flash: +2.4% Y/Y)

The downside surprise and NBP target undershoot revealed by the preliminary report supported the central bank's decision to deliver another 25bp rate cut at the final monetary policy meeting of the year. The final report will shed more light on the structure of the data.

- **Poland October current account and trade data**
- **Poland November YTD budget balance**
- **Czechia October monthly current account** (Est: CZK 16bn; Prior: CZK 29bn)
- **Israel November CPI** (Est: +2.4% Y/Y; Prior: +2.5%)
- **Israel November unemployment rate** (Prior: 3.0%)

Tuesday 16th

- **Poland November core CPI** (Est: +2.7% Y/Y; Prior: +3.0%)

NBP Governor noted that according to initial estimates, core inflation fell below +3.0% Y/Y in November. This would be the first sub-3% reading since November 2019.

- **NBH rate decision** (Est: 6.50%; Prior: 6.50%)

The final NBH meeting of the year could present the central bank with an opportunity to lay the groundwork for a rate cut in Q1/Q2 next year. While the overwhelming likelihood is that the base rate will remain unchanged until after the elections next year, the December Inflation Report may present the case for a dovish shift in language. See our full preview here.

- **Czech November PPI** (Est: -1.7% Y/Y; Prior: -1.2%)
- **Israel preliminary Q3 GDP** (Prior: +12.4% Y/Y)
- **Turkey November home sales, home price index data**

Wednesday 17th

- **Poland December consumer confidence** (Est: -9.5; Prior: -9.9)
- **Hungary December economic sentiment** (Prior: -14.4)
- **South Africa November CPI** (Est: +3.6% Y/Y; Prior: +3.6%)

Headline inflation likely remained above the SARB's new +3.0% Y/Y objective but within the +/-1pp tolerance band, with core inflation expected to stay contained in the immediate vicinity of the point-target.

- **Russia November PPI** (Prior: +0.7% Y/Y)

Thursday 18th

- **Poland November average gross wages** (Est: +6.2% Y/Y; Prior: +6.6%)

A significant slowdown in private-sector wage growth was among the key dovish data surprises that preceded the NBP's decision this month to reduce interest rates by 25bp. The ongoing normalisation of wage pressures prompted the MPC to stop mentioning labour market tensions among pro-inflationary risks.

- **Poland November employment** (Est: -0.9% Y/Y; Prior: -0.8%)
- **Poland November industrial production** (Est: +2.8% Y/Y; Prior: +3.2%)
- **Poland November PPI** (Est: -2.5% Y/Y; Prior: -2.2%)
- **CNB rate decision** (Est: 3.50%; Prior: 3.50%)

The final round of comments from Bank Board members ahead of the start of their media blackout reaffirmed expectations of another unanimous on-hold rate decision. The CNB said that Deputy Governor Eva Zamrazilová will not attend the meeting but did not provide any reasons for her absence.

- **South Africa November PPI** (Est: +2.8% Y/Y; Prior: +2.9%)

Friday 19th

- **Hungary October average gross wages** (Est: +9.7% Y/Y; Prior: +9.5%)
- **CBR rate decision** (Est: 16.00%; Prior: 16.50%)

17 of 23 analysts polled by Vedomosti expect the CBR to lower its key interest rate by 50bps to 16%, in what would be its fifth consecutive rate cut. Another 3 analysts expect a deeper cut to 15.50%. The faster slowdown of inflation gives the CBR room to ease monetary policy further.

- **Turkey December consumer confidence** (Prior: 85.0)

N.B. All estimates via the Bloomberg analyst survey as of 12/12/25

Bond Auctions:

Monday: Romania to sell RON 500mn of 2040 bonds

Tuesday: South Africa to sell bonds

Thursday: Romania to sell RON 600mn of 2030 bonds

Notable Option Expiries:

Thursday: EUR/HUF 386.00 (E314mn), 392.00 (E324mn)

Friday: EUR/HUF 400.00 (E400mn)

Friday: USD/ZAR 16.90 ($955mn), 17.10 ($1.24bn)

Friday: EUR/PLN 4.18 (E500mn), 4.23 (E500mn)

Key Technical Levels

EURPLN: Continues to trade inside tight range

- RES 2: 4.3102 Apr 16 high and key resistance
- RES 1: 4.2693 Oct 10 high
- PRICE: 4.2237 @ 14:45GMT 12/12/25
- SUP 1: 4.2230 May 15 low and key short-term support
- SUP 2: 4.2000

EURHUF: Key resistance intact for now

- RES 2: 385.71 50-day EMA and key resistance
- PRICE: 384.40 @ 14:45GMT 12/12/25
- SUP 1: 380.00
- SUP 2: 379.20 1.618 projection of the Jan 7 - Mar 21 - Apr 14 price swing

USDZAR: Trend condition unchanged and bearish

- RES 2: 17.2337 Nov 5 high
- RES 1: 17.0629 20-day EMA
- PRICE: 16.8500 @ 14:45GMT 12/12/25
- SUP 1: 16.8280 1.00 projection of the Sep - Oct 9 - Nov 5 price swing
- SUP 3: 16.6508 1.236 projection of the Sep - Oct 9 - Nov 5 price swing

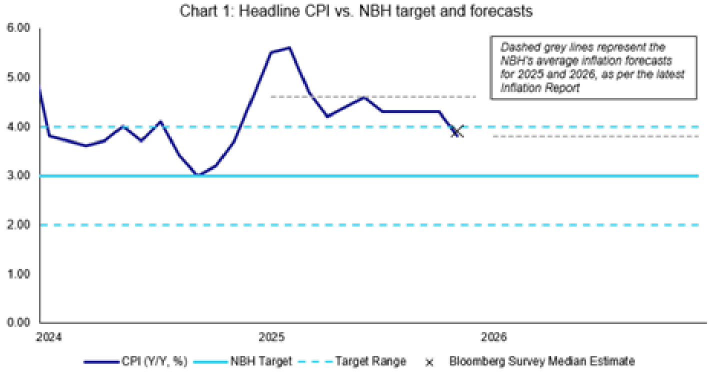
MNI Macro Insights

HUNGARY: Annual Inflation Slows to +3.8% Y/Y, Led by Tame Food and Fuel Prices

Annual inflation slowed to +3.8% Y/Y from +4.3% in October – a touch below analyst estimates of +3.9% – with the bulk of the decline led by more benign food and fuel prices. This marks the first reading for the headline series below the upper bound of the central bank's tolerance range since November last year. Prices rose just 0.1% on a monthly basis (Est: +0.1%; Prior: unchanged), while core edged lower to +4.0% Y/Y from +4.2%.

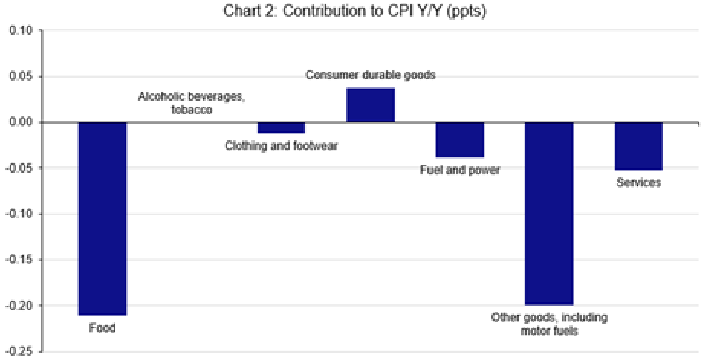
- Looking at the details, the 'Food' and 'Other goods, including motor fuels' subcomponents drove much of the decline, each contributing around -0.2ppts to the change in the annual figure (see chart 2 below).
- On a month-on-month basis, both food and services prices were tame at just +0.2% and -0.1% respectively, while electricity, gas and other fuel prices lessened by 0.4%. Meanwhile, the +3.2% Y/Y reading for food marks the lowest for that individual component since September 2024.
- The slowdown in headline inflation was anticipated by the NBH, and merely marks the beginning of what is expected to be a more volatile period for Hungarian inflation. That is because the government-imposed profit caps on certain foods and basic goods continues to suppress price growth, with inflation expected to surge following the expiry of these measures in February 2026.
- Although FRAs continue to indicate that rate cuts have been priced out in the next six months, in its latest minutes release the NBH stated that "The Council was in agreement that the projection in the December issue of the Inflation Report was going to be crucial from the perspective of next year's monetary policy stance." We note that associating the stance of monetary policy for 2026 with the December Inflation Report could set the stage for a dovish shift in tone from the central bank before year-end.

Chart 1: Headline CPI vs. NBH target and forecasts



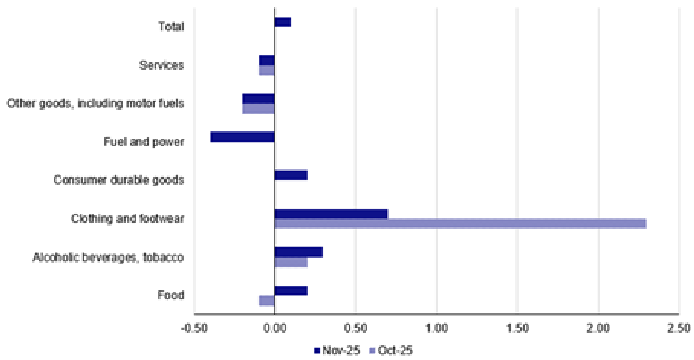
Source: MNI/HCSO

Chart 2: Contribution to CPI Y/Y (ppts)



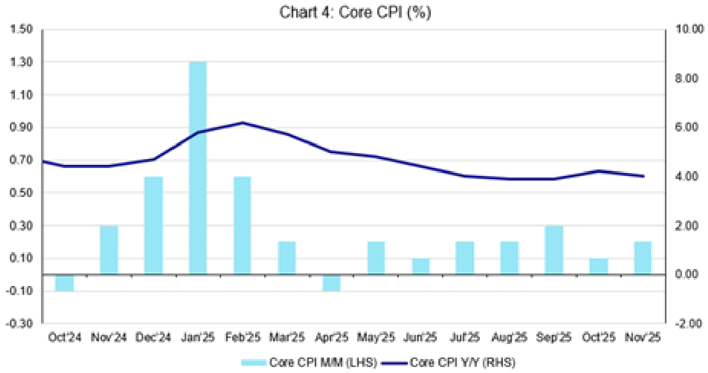
Source: MNI/HCSO

Chart 3: CPI (M/M, %) by component



Source: MNI/HCSO

Chart 4: Core CPI (%)

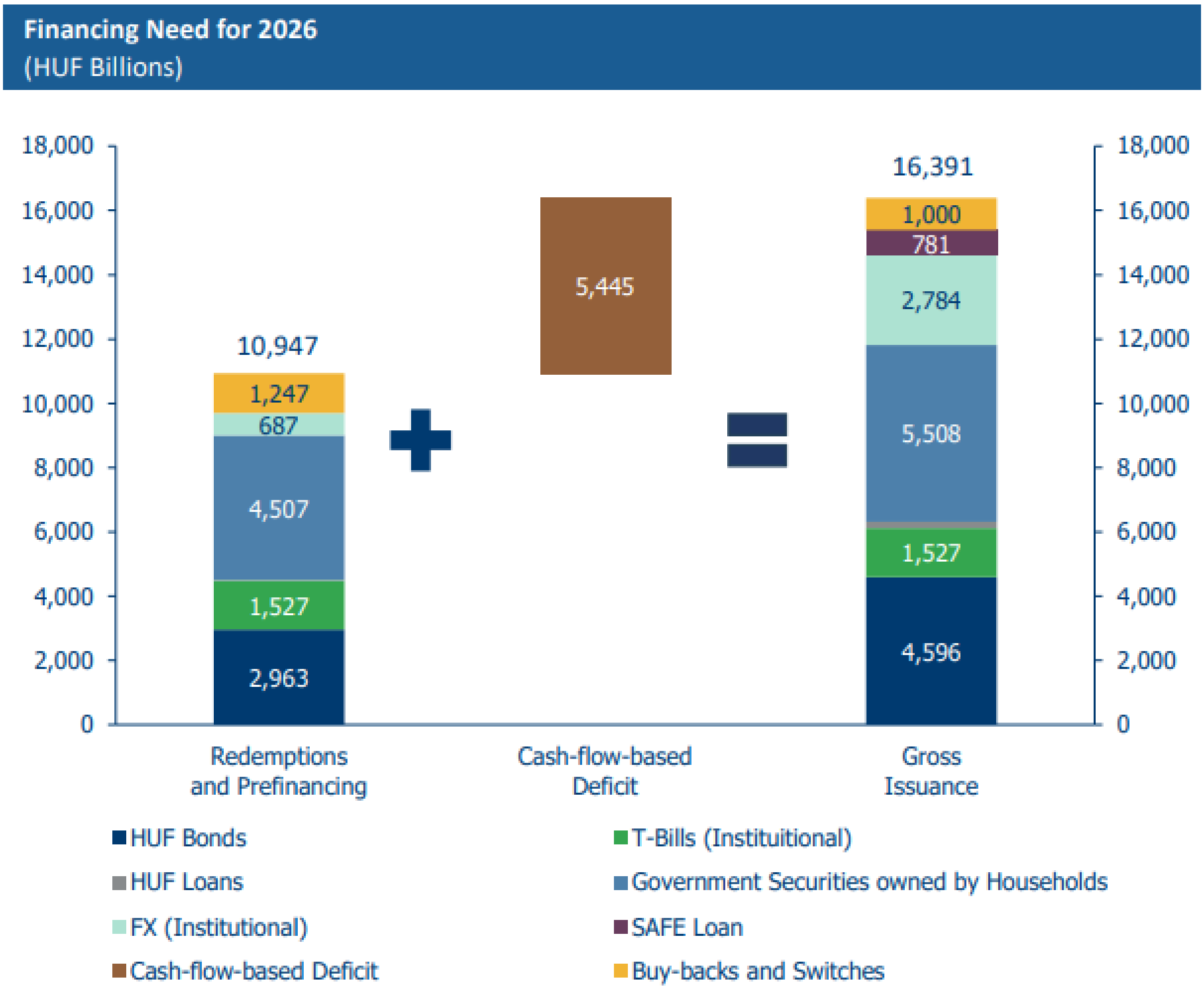


Source: MNI/HCSO

HUNGARY: Debt Management Office Presents 2026 Financing Plan

The updated AKK financing plan sees a net of HUF 1.482tn equivalent in 2026 FX bond sales, with the EU's 'SAFE' defense loans to help Hungary cut market funding. The AKK announced changes regarding four of the benchmarks in connection with the structure of the government debt as well – full text on page 3 here. Other highlights from the plan:

- Share of foreign currency debt within the total debt a medium-term target of 30% is set with a tolerance band of +/- 3 percentage points.
- Ratio of fixed rate elements in the total debt portfolio set at a range of 70-90% within the total debt.
- Benchmark range for the share of government securities owned by households remains unchanged at 20-25% of total debt, but AKK will also take into account institutional government securities owned by the retail investors in this benchmark from 2026 onwards.
- Benchmark for the average time-to-refixing (ATR) of the total debt is increased to at least 4.5 years from at least 4 years.



Source: Hungary Government Debt Management Agency

HUNGARY: Our Thoughts on the Orban Presidency Report

Bloomberg reported that Prime Minister Viktor Orban is toying with the idea of assuming the presidency and rewriting laws to make it into the most powerful office in the country. Orban is said to have raised the prospect of a presidential system after a meeting at the White House last month with President Donald Trump, saying the plan was "always on the table." Earlier in the week, Hungary's parliament approved a bill from Orban's Fidesz party making it harder for lawmakers to remove a president from the post in future.

- The possibility of pushing through the reform to a more dominant presidential system could be politically damaging – as the Bloomberg piece notes: "That path would be risky, though, if it was seen as going against the popular will." Furthermore, Orban would need to use Fidesz's current supermajority in parliament before April's election to push through the change.
- It is also worth noting that at least some of Bloomberg's sources are from the Tisza party – "The possibility of Orban pushing through an overhaul of the presidency is one of many scenarios Tisza hasn't ruled out, according to a person familiar with the thinking of the party's leadership" – and therefore it would not be surprising to see Orban refute the report as political gamesmanship.
- Just last month, in response to a question about a presidential system, the head of the PM's Office, Gergely Gulyas, said the issue had been raised when the constitution was being redrawn after 2010 but it was decided that the parliamentary system was in line with Hungarian public law traditions and characteristic of functioning democracies in the region. "No change is expected, even in the event of a two-thirds victory," he said.

TURKEY: CBRT Maintains Easing Pace

Expectations ahead of this month's meeting were finely split, so it does not come as a significant surprise that the CBRT accelerated its easing pace to 150bps. The central bank pointed to the improvement in both headline inflation as well as its underlying measures, but continued to note that inflation expectations and pricing behaviour poses risks to the disinflation process.

- Guidance was unchanged, with the Bank set to determine the step size "prudently on a meeting-by-meeting basis". Alongside the 150bp cut to the repo rate, the CBRT adjusted either side of its rate corridor by 150bps, thereby maintaining the 300bp gap between the one-week rate (38%) and the overnight lending rate (41%), providing policymakers with the flexibility to tighten conditions by shifting funding across windows.
- October's policy statement highlighted that data had been pointing to a slowdown in disinflation – with a particular emphasis on the threat posed by food prices as well as pricing behaviour and inflation expectations – which ultimately warranted a slowdown in the easing pace to 100bps. While this month's edition continues to flag the risk posed by the latter, it also notes that the "underlying trend of inflation declined slightly in October and November," and that "consumer inflation was lower than expected" overall.
- Otherwise, the policy statement was nearly identical to October's (see comparison on next page), with the step size of future moves to be reviewed "prudently on a meeting-by-meeting basis with a focus on the inflation outlook," and the monetary policy stance to be tightened "in case of a significant deviation in inflation outlook from the interim targets".
- Our full review, with a summary of sell-side analyst views, can be found here.

CZECHIA: Headline CPI Confirmed at +2.1% Y/Y

Headline CPI was confirmed at +2.1% Y/Y, with the CNB's official estimate of core CPI at +2.6% Y/Y (compared to a forecast of +2.8% outlined in the Autumn MPR). The CZSO noted that the annual price development 'was significantly influenced by prices of food'. Services price inflation, one of the key sources of concern for the CNB, printed at +4.6% Y/Y.

- Commenting on the data, the CNB noted that: "We welcome the decline in inflation but would like to point out that it is driven by volatile items of the consumer basket such as food and alcohol. The good news on low price growth in these categories may easily be followed by a surprise in the opposite direction. It is therefore important that inflation also subsides permanently in sectors where it is persistently elevated, especially in services."
- It also noted that "growth in market services prices slowed only slightly, with this area remaining a risk factor." The CNB added that the appreciation of the koruna this year, not only against the euro but even more markedly against the US dollar, is also having a cooling effect on the prices of imported food and other goods.

November 2025	year-on-year in %	
	actual value	MPR Autumn 2025
CPI	2.1	2.2
Administered prices	0.1	0.4
First-round impacts of changes to indirect taxes	0.2	0.2
Adjusted for changes to indirect taxes		
Prices of food, beverages, tobacco	2.1	2.0
Core inflation	2.6	2.8
Fuel prices	-2.6	-5.3
Monetary policy-relevant inflation	1.9	2.0

Source: Czech National Bank

POLAND: MPC Members See Potential for Further Easing Next Year

A number of Monetary Policy Council members took the floor this week to discuss their views on the monetary policy outlook after the expiry of the media blackout following their final meeting of 2025 (-25bp). As a reminder, Governor Adam Glapiński indicated that he would be comfortable with leaving the reference rate at 4%, but other members may push for further cuts to 3.75-3.50% after a pause at the beginning of 2026.

- Ireneusz Dąbrowski said that further interest-rate cuts are possible in 2026 but the MPC may move into 'wait-and-see' mode at the beginning of 2026 because of uncertainty around inflation data and the need to proceed with caution. While he was unable to provide clarity on the likely timing of the next cut, he did not rule out eventually taking the reference rate to or below 3% over the longer term, if inflation trends remain benign.
- Henryk Wnorowski noted that the key rate could fall to around 3% in 2026, adding that his terminal-rate estimate shifted closer to this round figure from 3.5% before. At the same time, he noted that he would not rule out raising rates if necessary, something that he wouldn't have said before.
- Iwona Duda signalled that the room for monetary easing is narrowing, even as the panel still has an easing bias. She revealed that March was being mentioned in discussions about the next interest-rate cut as the MPC stuck with its data-dependent stance. She saw the terminal rate at 3.75-3.50%.
- Ludwik Kotecki noted that the central bank could deliver another 25bp rate cut in March or April at the earliest and signalled comfort with a real rate of 1%. This would mean a reference rate of 3.75%, with headline inflation expected to be within the +2.5-3.0% Y/Y range in the coming months.

- Przemysław Litwiniuk suggested that his 'preliminary' view was that there was room for c. 50bp worth of rate cuts next year.
- Joanna Tyrowicz said that 'it can't be said that we are already on the safe side' in the fight against inflation as volatile energy disinflation outweighs heightened services inflation.
- As a reminder, Cezary Kochalski will retire from the Monetary Policy Council on December 21, with President Karol Nawrocki yet to appoint his successor.

POLAND: NBP Infighting Escalates as MPC Issues Call to Management Board

The National Bank of Poland on Tuesday published a resolution adopted by the Monetary Policy Council, in which seven members call on the central bank's Management Board 'not to escalate actions undermining the stable relationship, established over almost 30 years, between the three constitutional NBP organs, and to respect the role of the central bank organ that is the NBP Governor.'

- The 'Statement of the Monetary Policy Council on the Situation in the NBP Management Board' is signed by Governor Adam Glapiński and six other members. Those appointed by the Senate (Kotecki, Litwiniuk and Tyrowicz) did not sign the statement.
- Earlier media reports suggested that the resolution is part of the ongoing tug-of-war between factions within the Management Board, with a group of members pushing for changes that would reduce the Governor's powers and strengthen the Board.
- The conservative tabloid wPolsce24 portal sympathetic to Glapiński reported that five Board members have been brewing a 'coup' against the Governor, potentially trying to force his ouster. This should be taken with a pinch of salt and probably read as part of internal information warfare. The Governor can only be removed by the Sejm on the President's request on very specific conditions.
- Unlike in some other central banks, the NBP's Management Board is an entirely separate body from the Monetary Policy Council and the Governor is the only official sitting on both panels.
