



Weekly overview of short news

- The price of gold fell from \$4,191.35 to \$4,165.58 per ounce this week as a result of stronger inflationary pressures in the U.S. and expectations of further interest rate increase by the Fed, but it partially rose towards the end of the week due to falling stocks and softening expectations of monetary tightening.
- The price of oil rose from \$102.89 to \$108.50 a barrel this week due to heightened geopolitical tensions in the Middle East and uncertainty over Russian energy supplies, raising concerns about possible supply disruptions.
- The IMF forecasts that global economic growth will accelerate to 3.4% in 2027, while the growth forecast for this year slightly increased to 3.1%. Nevertheless, the IMF warns that the resilience of the global economy is approaching its limits due to disturbances in the energy sector, growing financial risks and high public debt.
- The ECB Governing Council member, Martins Kazaks, stated that the central bank does not currently need to hurry with interest rate changes. He noted that inflationary pressures remain stronger in the short term, but that the recent selloff in the bond market could begin to weigh on economic activity. Another member of the Council, Primož Dolenc, said that the ECB may not have to react as much as it would if financial conditions continue to tighten.

EUR/USD Exchange Rate



The EUR/USD exchange rate rose from 1.1192 to 1.1239 during the reporting week, despite volatile developments during the week. The dollar strengthened at the beginning of the period due to increased demand for safe assets, fuelled by fiscal concerns in France, while lower liquidity due to the U.S. holiday further affected market trends. The euro recovered in the rest of the week due to the weakening of the dollar and falling yields on European government bonds. Still, the deepening fiscal crisis in France and political instability in the euro area put pressure on the common currency on Wednesday. On the other hand, the U.S. inflation data fuelled expectations regarding the Federal Reserve's monetary policy, supporting the dollar in the second half of the day. The exchange rate trended higher on Thursday, as falling yields on the U.S. treasuries and concerns about borrowing to finance AI investments weakened the dollar. The exchange rate also rose on Friday, as the statements of Kevin Warsh, the Fed Board of Governors member, did not provide significant support for the American currency.

Table 4 - Economic indicators (12 - 16 October 2026)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Industrial Production It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply).	August MoM%, SA YoY%, WDA	0.0% -0.1%	-0.5% -1.1%	-0.3% -0.3%
	Trade Balance The difference between exports and imports of goods and services. This is one of the most represented components of Europe's Balance of Payments, so it gives a valid insight into the pressures to which the European currency is exposed.	August, SA	-	-6.8b	1.4b
	Consumer price index (CPI) Estimates changes in the cost of living by measuring changes in the prices of certain items for which the consumers allocate their money.	September F MoM% YoY%	0.6% 3.8%	0.6% 3.8%	0.6% 3.8%
	CPI Core This index tracks price changes in the basket of consumer goods and services used by the average household, but excludes items subject to frequent price changes - food, energy, alcohol and cigarettes.	September F YoY%	2.5%	2.5%	2.5%
Great Britain	Monthly GDP Measures the final market value of all products and services produced within the country. GDP is the most commonly used indicator of economic activity.	August MoM% 3M/3M	-0.1% 0.5%	0.1% 0.7%	0.4% 0.5%
	Industrial Production It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply).	August MoM% YoY%	-0.1% 0.7%	0.8% 1.6%	0.3% 0.8%
USA	Consumer price index (CPI) Estimates changes in the cost of living by measuring changes in the prices of certain items for which the consumers allocate their money.	September MoM% YoY%	0.6% 3.6%	0.6% 3.7%	0.4% 3.4%
	Empire Manufacturing This survey, conducted monthly by the New York Fed, tracks New York producers' confidence.	October	12.0	25.2	7.6
	Producer Price Index (PPI Final Demand) It measures the change in producer prices from the moment they leave the production site. Those are the prices the domestic producers receive for their output either at local or foreign market.	September MoM% YoY%	0.6% 5.4%	1.3% 6.3%	0.5% 5.6%

Abbreviations: P-preliminary data, F-final data, S-second estimate, T-third and final estimate, k-thousand, b-billion, SA-adjusted for seasonal fluctuations, WDA-working days adjusted, A-actual, 3M/3M - past 3 months in relation to previous 3 months

Exchange rates of the most important currencies

	12-Oct-2026 ¹	16-Oct-2026 ²	% Change
EUR/USD	1.1200	1.1239	0.35
EUR/GBP	0.84637	0.84333	-0.36
EUR/JPY	177.34	177.58	0.14
EUR/AUD	1.60357	1.61781	0.89
EUR/CHF	0.92985	0.92597	-0.42
USD/JPY	158.31	158.02	-0.18
GBP/USD	1.3234	1.3327	0.70

Table 2 - Overview of the leading central banks' interest rates

Central Bank	Reference interest rate	Reference interest rate level	Next meeting
European Central Bank (ECB)	Deposit Facility Rate	2.50%	29-Oct-2026
Federal Reserves (Fed)	Federal Funds Target Rate	4.00%	28-Oct-2026
Bank of Japan (BoJ)	Overnight Call Rate	1.25%	30-Oct-2026
Bank of England (BoE)	Official Bank Rate	3.75%	5-Nov-2026
Swiss National Bank (SNB)	Libor Target Rate	0.00%	10-Dec-2026
Bank of Canada (BoC)	Target Overnight Rate	2.25%	28-Oct-2026
Reserve Bank of Australia (RBA)	Cash Rate Target	4.60%	3-Nov-2026

Table 3 - ESTR and Euribor

	12-Oct-2026¹	16-Oct-2026²	Change in basis points
ESTR	2.437	2.441	0.40
Euribor 1W	2.428	2.397	-3.10
Euribor 1M	2.431	2.432	0.10
Euribor 3M	2.632	2.642	1.00
Euribor 6M	2.909	2.970	6.10
Euribor 12M	3.191	3.215	2.40

¹Opening market value on Monday

²Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



The yields on 10-year German government bonds fell from 3.47% to 3.42% in this reporting week. During the first three days, the yield fluctuated under the influence of oil price trends, inflationary expectations and developments on the U.S. treasuries market. The yield recorded a sharp drop on Thursday from around 3.46% to 3.35%, which was the lowest level in the last five weeks. This decline occurred due to the increase in demand for safe assets due to the sell-off of shares of technology companies. However, the yield returned to the level of around 3.44% very quickly as the expectations regarding the increase of interest rates by the ECB decreased.

U.S. TREASURIES MARKET



The yield on 10-year U.S. treasuries recorded a decline from 5.22% to 5.07% during the reporting period, with pronounced oscillations. The U.S. treasuries market was closed on Monday for the holiday. The yield did not record significant changes on Tuesday, whereas it temporarily rose to 5.32% in mid-week, following the release of data on the U.S. inflation, which fuelled expectations of an increase in interest rates by the Fed. However, falling share prices increased the demand for safe assets, which led to a further decline in yields. The drop continued on Thursday, amid a sell-off in tech stocks and concerns over the economic fallout from high borrowing costs. The yield fluctuated near the lowest level recorded during the week throughout the whole last day of the week.

GOLD



The price of gold fell from \$4,191.35 to \$4,165.58 per ounce this week. The price of gold weakened in the first half of the week as traders assessed the oil prices trend and awaited new indications of further steps by the Fed regarding interest rates. A sharper drop in prices was recorded on Wednesday, after the release of a report that showed the largest increase in the U.S. consumer prices in five months, fuelling expectations that the Fed may continue to raise interest rates to curb inflation. The inflation rate rose from 3.4% in August to 3.7% in September, compared to analysts' forecast of 3.6%. Inflation data showed that high energy prices increased inflationary pressure. During the last two days, the price of gold rose after the fall of stocks led investors to seek refuge in bonds, and the statement of Fed President, Warsh in Bangkok, softened expectations of an increase in interest rates in October. Namely, the Fed President, speaking at the IMF annual meetings in Bangkok on Friday, did not make any comments about the monetary policy or the economic prospects of the USA, except for repeating that the Fed will ensure price stability and will not prejudice the meetings.

OIL



The price of oil rose from \$102.89 to \$108.50 per barrel this week. The price of oil rose at the very beginning of the week due to new Houthi drone and cruise missile attacks on Saudi Arabia. The price of oil fluctuated under the influence of geopolitical factors from Tuesday to Thursday. Intensification of conflicts, from Russia to the Middle East, threatened supply flows. The price of oil rose on the last day of the week. The U.S. lawmakers have introduced a bill to block Trump's deal to supply Russian diesel, lowering expectations of an imminent supply increase and easing pressure on prices. At the same time, Trump's exemption of Russian energy from the customs measures foreseen by Graham's law further increased the uncertainty regarding the possibility of realization of deliveries to the world market. Also, tensions in the Middle East were heightened by the Houthi attack on Aden airport and the interception of drones and missiles by Saudi Arabia.

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