FINANCIAL MARKET INFLATION EXPECTATIONS 2/2026

CONTENTS

1 SUMMARY

Sixteen domestic and one foreign analyst contributed to the February survey of financial market inflation expectations. The results indicate that the one-year inflation forecast has increased against the backdrop of higher expected domestic economic growth this year. The three-year inflation forecast and the GDP growth outlook for next year are unchanged. At the same time, most of the analysts expect that the CNB's key interest rates will not be changed at the upcoming Bank Board meeting, and according to the majority view, they will stay unchanged throughout the rest of this year. The koruna has been relatively stable in recent weeks, and current forecasts have likewise shown no major changes. The view on the pace of nominal wage growth in 2026 is unchanged, while the outlook for 2027 is more optimistic.

DOMESTIC ANALYSTS	**I.**	**II.**	**III.**	**IV.**	**V.**	**VI.**	**VII.**	**VIII.**	**IX.**	**X.**	**XI.**	**XII.**
Jiří Polanský, Česká spořitelna	+	+										
Jan Vejmělek, Komerční banka	+	+										
Patrik Rožumberský, Unicredit Global Research	+	+										
Helena Horská, Martin Kron, Raiffeisenbank	+	+										
Petr Dufek, Banka CREDITAS	+	+										
Adam Ruschka, J&T Banka	+	+										
Radomír Jáč, Generali Investments CEE	+	+										
David Havrlant, ING	+	+										
Kamil Kovář, Moody's Analytics		+										
Jan Kudláček, Tomáš Lébl, Václav Franče, UNIQA	+	+										
Jaromír Šindel, ČBA		+										
Lukáš Kovanda, Trinity Bank	+	+										
Michal Šoltés, Roklen	+	+										
Martin Janíčko, MND	+	+										
Jan Bureš, Dominik Rusinko, ČSOB	+	+										
Martin Motl, Citi	+	+										
FOREIGN ANALYSTS												
Basak Edizgil, Goldman Sachs	+											
Sili Tian, The Economist Intelligence Unit												
Jose A. Cerveira, JP Morgan	+	+										

We would like to thank everyone who contributed to this survey of financial market inflation expectations.

Prague, 20 February 2026

2 INFLATION

Forecast for Y/Y CPI growth

(%)

February 2026	CPI 1Y	CPI 3Y
minimum	1,8	1,9
average	2,3	2,1
maximum	2,6	2,5

1y and 3y forecast for CPI growth

(%)

Date of Prediction	ANALYSTS 1Y	ANALYSTS 3Y	CNB (%) 1Y
II.25	2,2	2,1	1Q: 2.2
V.25	2,1	2,1	2Q: 2.2
VII.25	2,2	2,1	
VIII.25	2,2	2,2	3Q: 2.2
X.25	2,2	2,2	
XII.25	2,1	2,2	4Q:2.3
I.26	2,2	2,1	
II.26	2,3	2,1	1Q: 2.3

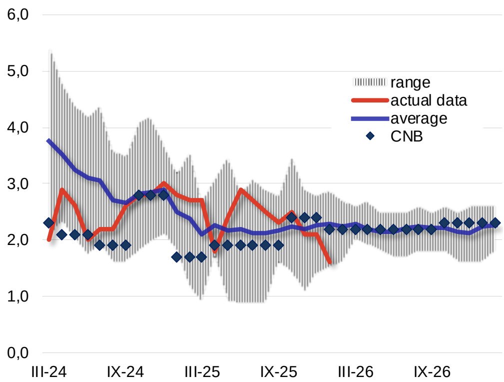
Annual consumer price inflation slowed to 1.6% in January, 0.5 percentage point less than in December and the lowest figure since November 2016. As expected, the abolition of the renewable energy charge had a significant effect on January inflation, leading to a year-on-year decline in electricity prices of 12%. Fuel prices also played an important role. Overall, goods prices fell by 0.4%, while services prices rose by 4.7%. The higher pace of services inflation thus persists. In month-on-month terms, consumer prices increased by 0.9%, driven again largely by volatile food prices, together with higher prices of alcoholic beverages and package holidays. Goods prices rose by 0.7% month on month overall, while services prices increased by 1.0%. Although January inflation slowed markedly, the one-year forecast in our survey increased slightly. On average, the analysts currently expect the year-on-year consumer price index to stand at 2.3% twelve months ahead, 0.1 percentage point higher than in January. The range of the estimates narrowed due to an increase in the minimum value. The three-year forecast remains unchanged at 2.1%. Conversely, the range of the three-year forecasts widened slightly owing to a small decline in the minimum value.

From the perspective of some analysts, January inflation fell slightly short of expectations. It remains evident that consumer price inflation is being driven mainly by strong household demand, supported by relatively favourable labour market conditions and positive sentiment among households. The prevailing view is that inflation could temporarily remain below the CNB's 2% target in the coming months, although its core component is unlikely to fall below this level. Demand-side pressures will continue to fuel inflation over the course of this year, aided by fiscal policy, which will increase households' disposable income, among other things through lower electricity prices. Next year, inflation is expected to rise above 2% against the backdrop of ongoing fiscal expansion and faster economic growth. In 2028, inflation will be further supported by the planned launch of ETS2.

The CNB's winter forecast expects consumer prices to increase by 2.1% year on year in 2027 Q1.

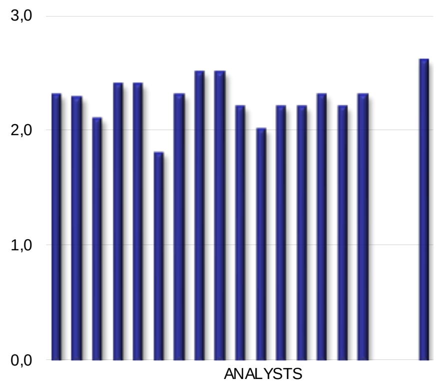
Consumer price index

actual data and 1Y predictions of analysts (average) and of CNB (%)



Consumer price index at 1Y

predictions of individual analysts (%)



3 GROSS DOMESTIC PRODUCT

Forecast for GDP growth

(%)

February 2026	current year	current+ 1Y
minimum	2,2	2,1
average	2,5	2,5
maximum	2,7	2,7

Forecast for GDP growth

(%)

Date of Prediction	current year	current+1Y
II.25	2,0	2,3
V.25	1,8	2,0
VII.25	2,0	1,9
VIII.25	2,1	2,0
X.25	2,3	2,1
XII.25	2,5	2,3
I.26	2,3	2,5
II.26	2,5	2,5

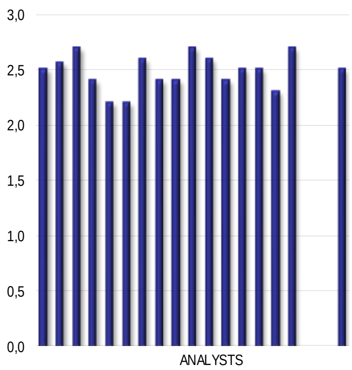
According to the CZSO's preliminary estimate, the Czech economy grew by 2.4% year on year in 2025 Q4. Household final consumption remained the main driver, while external demand also made a slightly positive contribution. By contrast, gross capital formation had a negative effect. In quarter-on-quarter terms, GDP increased by 0.5%. For 2025 as a whole (compared with the previous year), GDP rose by 2.5%, supported mainly by domestic demand.

Many analysts considered the performance of the domestic economy in 2025 Q4 disappointing, and some would not be surprised to see an upward revision. Even so, they still regard Czech GDP growth as brisk. According to the analysts, the domestic economy should maintain solid growth this year as well. The average forecast in our survey has increased by 0.2 percentage point to 2.5%. The analysts believe that the Czech economy has demonstrated greater resilience despite adverse influences; for example, industry has managed to cope with the negative effects of higher US tariffs. It could additionally be supported by lower energy prices related to the transfer of renewable energy charges to the state, or by an expanding defence sector. Expansionary fiscal policy and the expected recovery of the Czech Republic's most important trading partner – Germany – are also likely to have a positive impact on GDP. Improved economic sentiment could, in turn, support stronger investment activity. In 2028, the analysts expect the pace of economic growth to remain unchanged at 2.5%.

According to the CNB's winter forecast, GDP will grow by 2.9% in both 2026 and 2027.

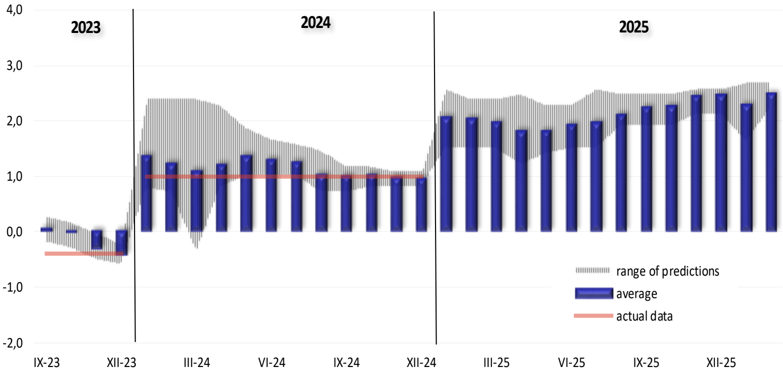
Individual 1Y predictions

outlook for this year



GDP growth at end of year

average and range of predictions



4 INTEREST RATES – 2W REPO, PRIBOR, IRS

Forecast for 2W repo, 12M PRIBOR and 5Y and 10Y IRS

(%)

Date of Prediction	2W repo rate		12M PRIBOR		5Y IRS		10Y IRS	
	1M	1Y	1M	1Y	1M	1Y	1M	1Y
II.25	3,70	3,16	3,54	3,31	3,60	3,46	3,75	3,64
V.25	3,46	3,05	3,40	3,24	3,43	3,37	3,69	3,61
VII.25	3,48	3,16	3,46	3,32	3,61	3,54	3,91	3,81
VIII.25	3,50	3,25	3,49	3,38	3,67	3,61	3,89	3,83
X.25	3,48	3,36	3,54	3,51	3,77	3,76	4,03	3,98
XII.25	3,50	3,40	3,59	3,56	3,95	3,87	4,24	4,13
I.26	3,50	3,39	3,50	3,51	3,78	3,79	4,07	4,05
II.26	3,49	3,44	3,46	3,50	3,65	3,76	3,94	3,97

Forecasts: minimum, average and maximum 2W repo, 12M PRIBOR, 5Y and 10Y IRS

(%)

February	2W repo rate		12M PRIBOR		5Y IRS		10Y IRS	
2026	1M	1Y	1M	1Y	1M	1Y	1M	1Y
minimum	3,25	3,25	3,30	3,25	3,40	3,20	3,60	3,40
average	3,49	3,44	3,46	3,50	3,65	3,76	3,94	3,97
maximum	3,50	3,75	3,60	3,70	3,90	4,25	4,30	4,50

Actual indicator values as of forecast deadline

(%)

	2W repo rate	12M PRIBOR	5Y IRS	10Y IRS
15.2.	3,50	3,42	3,62	3,94

Most respondents in the February survey again expected the CNB’s key interest rates to remain unchanged at the upcoming – i.e. March – Bank Board meeting, with the 2W repo rate staying at 3.5%. Only one analyst expects key interest rates to be lowered by 25 basis points. The main arguments for keeping monetary policy unchanged are core inflation, which remains above the 2% level, and uncertainty about the scale of fiscal expansion, which could also have a significant upward effect on inflation. According to some analysts, the currently relatively strong performance of the domestic economy is another reason for caution in monetary policy. However, they acknowledge that, given the change in the rhetoric of some CNB Bank Board members, a reduction in key interest rates later this year cannot be entirely ruled out.

At the one-year horizon, however, most respondents continue to expect interest rates to remain at their current level. Compared with the previous survey, the average one-year forecast for the 2W repo rate has increased to 3.44%, although it still lies below the current level of 3.50%. The reason for the increase in the average is that, unlike in the January survey, none of the respondents now expects a cut in key interest rates of more than 25 basis points, while one respondent anticipates one standard rate increase.

Analysts’ forecast – 2W repo rate level in 1Y

(%)

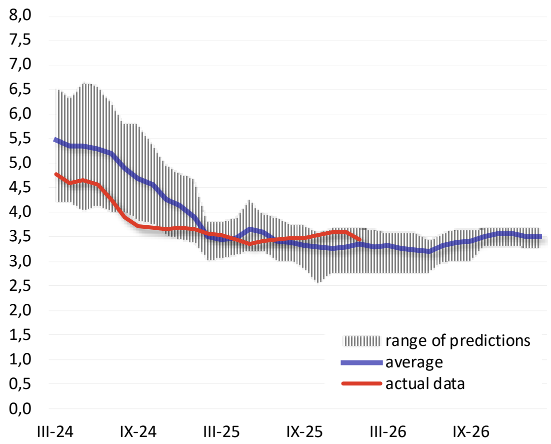
2W repo rate level in 1Y (%)	2,50	2,75	3,00	3,25	3,50	3,75
number of analysts - current survey	0	0	0	5	11	1
-previous survey	0	1	0	4	11	0

The forecasts for 12M PRIBOR rates and for 5Y and 10Y IRS rates also followed the decline in current interbank reference rates and the corresponding market swap rates this time. While the 12M PRIBOR rate fell by 6 basis points and market swap rates by 6–13 basis points, the forecasts were reduced by between 1 and 14 basis points. Following these shifts, the expected yield curve retains its standard shape, with expected yields rising slightly with longer maturities. At the same time, the one-month forecasts remain below the one-year estimates.

The CNB’s winter forecast implies a 2W repo rate of 3.9% in 2027 Q1.

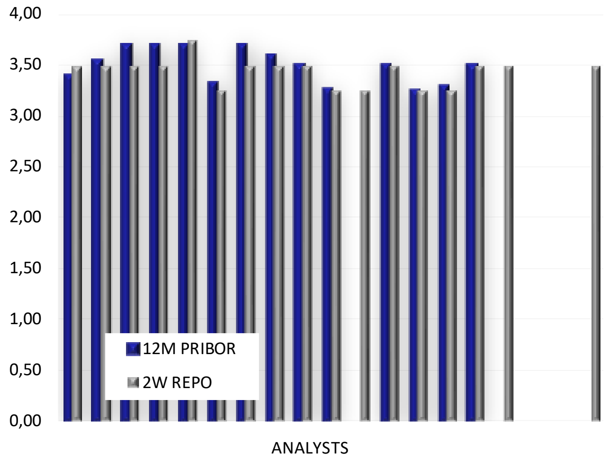
12M PRIBOR at 1Y

actual data, average and range of predictions



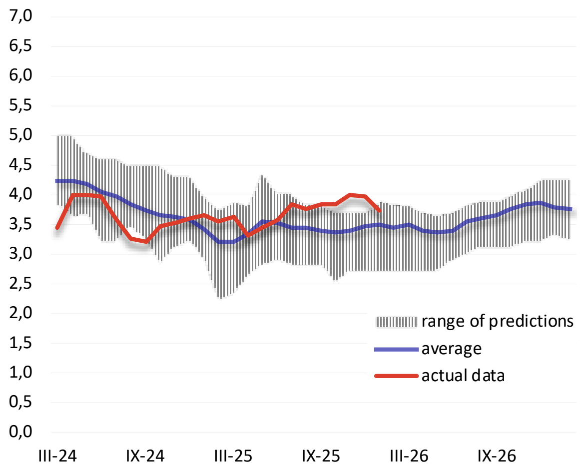
2W repo and 12M PRIBOR at 1Y

predictions of individual analysts



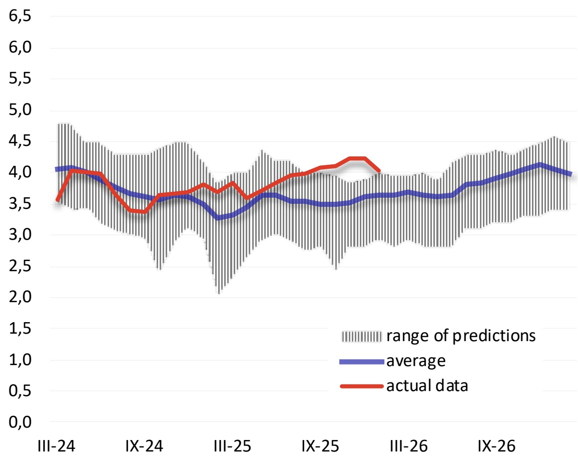
5Y IRS at 1Y

average and range of predictions



10Y IRS at 1Y

average and range of predictions



5 EXCHANGE RATE

1M and 1Y exchange rate forecast

Date of Prediction	EUR/CZK	
	1M	1Y
II.25	25,13	24,93
V.25	24,96	24,84
VII.25	24,71	24,60
VIII.25	24,55	24,51
X.25	24,34	24,20
XII.25	24,29	24,15
I.26	24,26	24,08
II.26	24,26	24,12

Exchange rate forecast

February 2026	EUR/CZK	
	1M	1Y
minimum	24,10	23,80
average	24,26	24,12
maximum	24,39	24,60

Actual EUR/CZK as of forecast deadline

15.2.	24,26

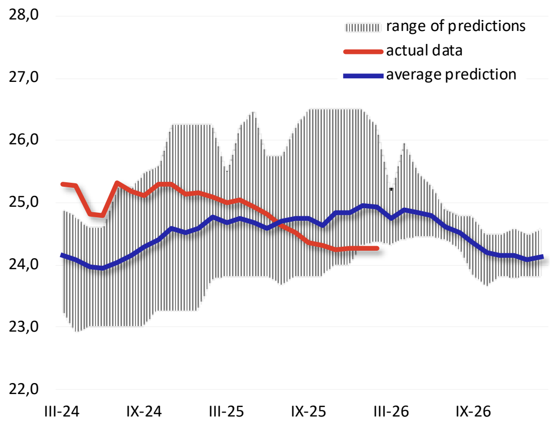
The koruna has changed very little since the previous survey, strengthening by just two hellers to CZK 24.26 to the euro. The one-month forecast in our survey remained unchanged, with analysts expecting the koruna to stand at CZK 24.26 to the euro in mid-March, i.e. at the same level as at the survey's cut-off date. No significant change is expected at the one-year horizon either. By February 2027, the koruna is projected to appreciate to CZK 24.12 to the euro, which is only four hellers weaker than indicated in the previous survey.

The analysts believe that the koruna's exchange rate has recently been influenced most notably by the CNB's rhetoric. The stability of key interest rates, which most respondents expect, may help the koruna to remain at its current levels. In addition, the domestic currency should be supported by the improving domestic economy. However, the koruna's current level is already relatively strong, and the forecasts therefore do not currently allow much room for further appreciation. Some respondents also acknowledge that global financial market sentiment could shift in favour of the US dollar, which could exert depreciation pressure on the koruna. Among the main uncertainties that could affect the future path of the domestic currency are the economic impacts of US tariff barriers and the monetary policy stance of the CNB and the ECB.

The CNB's winter forecast expects the koruna at CZK 24.5 to the euro in 2027 Q1.

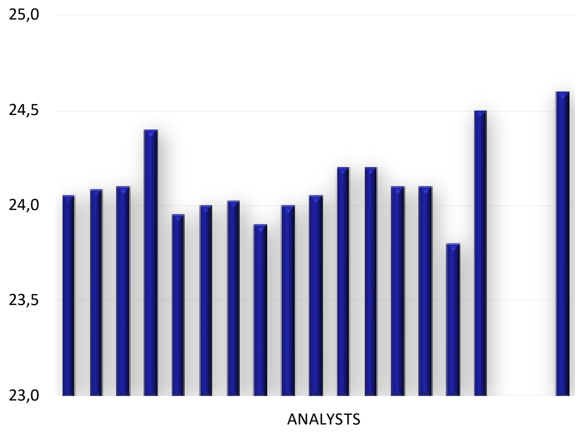
EUR/CZK

actual data, 1Y predictions and their range



EUR/CZK AT 1Y

predictions of individual analysts



6 NOMINAL WAGES

Forecast for nominal wage growth

(%)

February 2026	current year	current+1Y
minimum	5,0	4,0
average	5,8	5,2
maximum	6,9	6,1

Forecast for nominal wage growth

(%)

Date of Prediction	current year	current+1Y
II.25	5,8	5,1
V.25	5,7	4,9
VII.25	6,2	5,1
VIII.25	6,3	5,1
X.25	7,1	5,7
XII.25	7,0	5,7
I.26	5,8	5,0
II.26	5,8	5,2

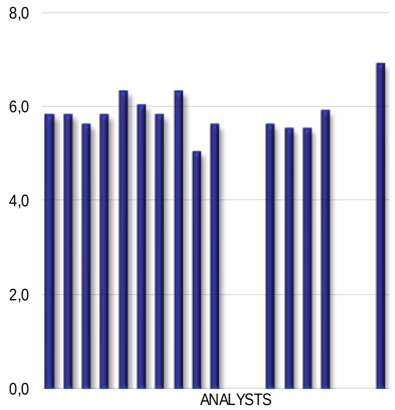
Labour market conditions are easing, with the share of unemployed persons rising by 0.3 percentage point month on month to 5.1% at the end of January. The number of newly registered job seekers increased by 26,000 in January, a year-on-year rise of 14,500. The total number of job seekers reached 378,500, which is 58,000 more than a year earlier. Compared with January last year, however, the number of vacancies also increased, from 83,000 to 86,000.

The analysts believe that the higher unemployment rate is largely linked to seasonality and to labour reallocation across sectors. As seasonal effects fade and the economy continues to grow at a relatively solid pace, the share of unemployed persons could edge down again, keeping labour market conditions tight. Together with the possibility of a more pronounced increase in public sector pay, this will put upward pressure on wage demands and keep wage growth relatively robust. Nominal wages are therefore expected to rise by 5.8% on average this year, the same pace as in the January survey. In 2027, wage growth is then expected to slow only to 5.2%, which is 0.2 percentage point higher than in the previous survey.

The CNB's winter forecast expects nominal wages to grow by 6.1% in 2026 and to slow to 5.0% in 2027.

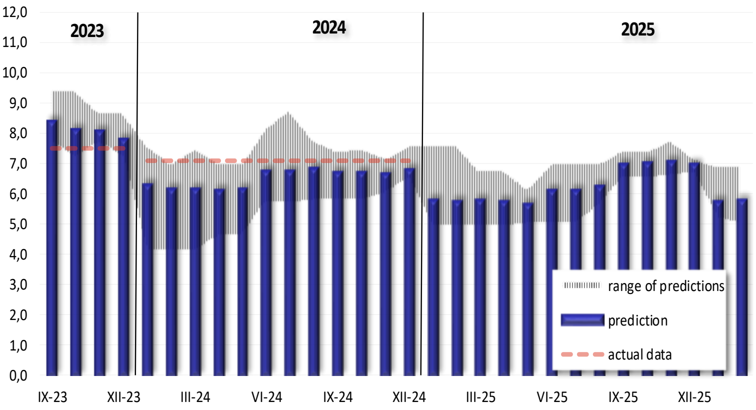
Individual 1Y predictions

outlook for this year



Nominal wage growth

end of current year: average and range of predictions (%)



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