FINANCIAL MARKET INFLATION EXPECTATIONS 4/2026

CONTENTS

1 SUMMARY

Sixteen domestic and three foreign analysts took part in the April survey. The group of foreign respondents has been expanded to include Tomáš Dvořák from Oxford Economics. By contrast, the group of domestic analysts has been reduced following the departure of Radomír Jáč, who has ended his engagement at Generali Investments.

The results show a marked increase in the one-year inflation forecast. This was due to the fact that some respondents have incorporated the assumption of a longer-lasting conflict in the Middle East into their forecasts. By contrast, these developments have not yet affected the average three-year forecast, and medium-term inflation expectations thus remain anchored very close to the CNB's 2% target. The outlook for Czech economic growth has been revised downwards both for this year and next year. Most respondents continue to expect key interest rates to remain at their current level one year ahead. The one-month forecast for the koruna exchange rate also remained unchanged. At the one-year horizon, the koruna is predicted to be slightly weaker. The expected growth in nominal wages this year has remained unchanged, while the outlook for next year has been revised downwards slightly.

DOMESTIC ANALYSTS	I.	II.	III.	IV.	V.	VI.	VII.	VIII.	IX.	X.	XI.	XII.
Jiří Polanský, Česká spořitelna	+	+	+	+								
Jan Vejmělek, Komerční banka	+	+	+	+								
Jiří Pour, 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	+	+	+	+								
Tomáš Dvořák, Oxford Economics				+								

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

Prague, 28 April 2026

2 INFLATION

Forecast for Y/Y CPI growth

(%)

April 2026	CPI 1Y	CPI 3Y
minimum	1.8	1.9
average	2.7	2.1
maximum	5.0	2.5

1y and 3y forecast for CPI growth

(%)

Date of Prediction	ANALYSTS 1Y	ANALYSTS 3Y	CNB (%) 1Y
IV.25	2.2	2.1	
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
III.26	2.4	2.1	1Q: 2.3
IV.26	2.7	2.1	2Q: 2,4

Growth in fuel prices started to feed through to inflation in March. The year-on-year consumer price index reached 1.9%, which is 0.5 percentage point higher than in February. Had the increase in transport prices not been offset by developments in prices of food and non-alcoholic beverages, March inflation would have been even higher. Prices of goods rose by 0.1% overall, while prices of services continued to grow at a strong pace (+4.7%). In month-on-month terms, higher fuel prices was reflected in an increase in the consumer price index of 0.6 percentage point, with prices of goods rising by 0.8% and prices of services by 0.3% overall.

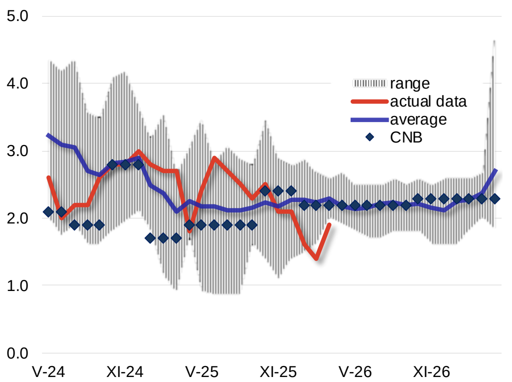
Adverse geopolitical developments led to an increase in the one-year forecast in our survey, which rose from 2.4% in March to the current level of 2.7%. The range of individual estimates widened significantly owing to a sharp rise in the maximum value. This reflects the fact that some respondents based their forecasts on the assumption that the war in the Persian Gulf would persist, which would adversely affect growth in domestic consumer prices. By contrast, long-term inflation expectations remain anchored just above the CNB's 2% target, unchanged from March at 2.1%. The maximum and minimum values of the three-year forecasts were unchanged, and their range thus also stayed at its previous level.

According to the analysts, domestic inflation is being driven mainly by strong domestic demand alongside rising fuel prices. Food and energy prices are having the opposite effect, although the anti-inflationary effect of energy prices has weakened markedly due to higher fuel prices. Looking ahead, developments in the Middle East will be a key factor, as high commodity prices will gradually feed through into other (especially more energy-intensive) sectors of the real economy, including services (not only transport). Inflation is expected to stay in the upper half of the tolerance band for the rest of this year. Next year, it could be at a similar level to this year, or slightly lower. Inflation pressures could be dampened by a cooling of the labour market and domestic demand and – in the event of a drop in energy commodity prices – also by base effects.

The CNB's spring forecast expects consumer prices to grow by 2.4% year on year in 2027 Q2.

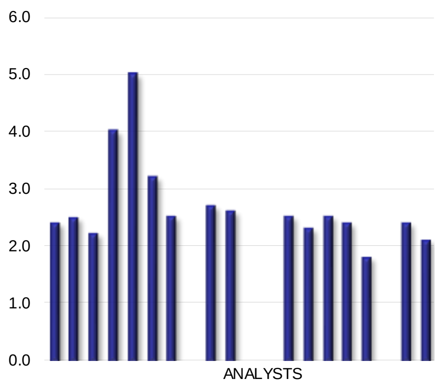
Consumer price index

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

(%)

April 2026	current year	current+ 1Y
minimum	1.4	1.7
average	2.2	2.3
maximum	2.7	2.7

Forecast for GDP growth

(%)

Date of Prediction	current year	current+1Y
IV.25	1.8	2.1
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
III.26	2.5	2.5
IV.26	2.2	2.3

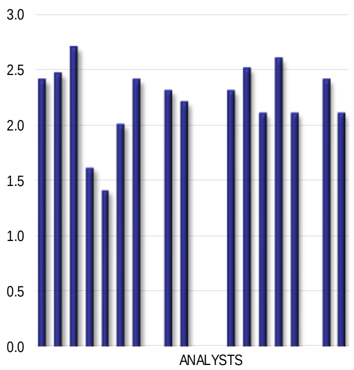
The CZSO again revised the growth of the Czech economy in 2025 Q4 – this time to 2.7%, which is 0.1 percentage point higher than the previous estimate. In quarter-on-quarter terms, GDP increased by 0.7%. The figure for economic performance in 2025 as a whole remains unchanged (+2.6%). The average monthly income from employment rose by 4.1% in real terms last year, and real household consumption increased by 3.0%. The corporate profit rate dropped by 1.3 percentage points to 43.0%. This, however, remains above the EU average of around 40%.

The revision of GDP data had no significant impact on the analysts' forecasts and was completely overshadowed by developments in the Persian Gulf, which have the potential to substantially affect household consumption due to weaker growth in real wages and concerns about future developments that may lead households to act more cautiously in their spending. A rise in the domestic yield curve may weigh on investment activity. A decline in foreign demand, a depreciation of the koruna and the potential effects of US tariffs would have a negative impact on exports. The analysts therefore adopted a less optimistic stance on average and revised their growth forecasts downwards. Economic growth is thus now expected to reach 2.2% this year, which is 0.3 percentage point less than in the previous survey. The forecast for next year was lowered by 0.2 percentage point to 2.3%. The range of the individual estimates for both 2026 and 2027 widened due to a drop in the minimum values.

According to the CNB's spring forecast, GDP will grow by 2.5% in 2026 and 2.7% in 2027.

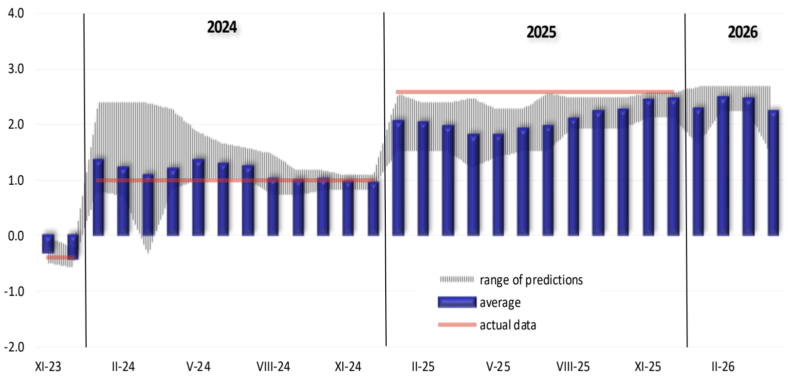
Individual 1Y predictions

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
IV.25	3.59	3.13	3.42	3.26	3.38	3.40	3.65	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
III.26	3.50	3.47	3.60	3.63	4.12	3.94	4.32	4.13
IV.26	3.50	3.52	3.66	3.68	4.09	4.04	4.27	4.23

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

(%)

April	2W repo rate		12M PRIBOR		5Y IRS		10Y IRS	
2026	1M	1Y	1M	1Y	1M	1Y	1M	1Y
minimum	3.50	3.00	3.50	3.30	3.55	3.30	3.80	3.40
average	3.50	3.52	3.66	3.68	4.09	4.04	4.27	4.23
maximum	3.50	4.00	3.87	4.00	4.31	4.80	4.50	5.10

Actual indicator values as of forecast deadline

(%)

	2W repo rate	12M PRIBOR	5Y IRS	10Y IRS
15.4.	3.50	3.65	4.09	4.27

Against the backdrop of the CNB's cautious communication and uncertainty surrounding the conflict in the Persian Gulf, all of the respondents who participated in the April survey continued to expect that the CNB's key interest rates would remain unchanged at the upcoming Bank Board meeting. At the one-year horizon, the prevailing view is that key rates will stay at their current level. However, the analysts point to a rising risk of monetary policy tightening by the CNB due to the slow decline in commodity prices. One respondent even acknowledged that, in light of the Bank Board's communication, he had adjusted his forecast to one of rate stability, despite his model signalling an increase in rates of 50–75 basis points this year, followed by rate cuts in 2027. Fiscal policy also represents an uncertainty for the outlook; in the event of expansion, it could have an inflationary effect and have an upward effect on key interest rates.

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

(%)

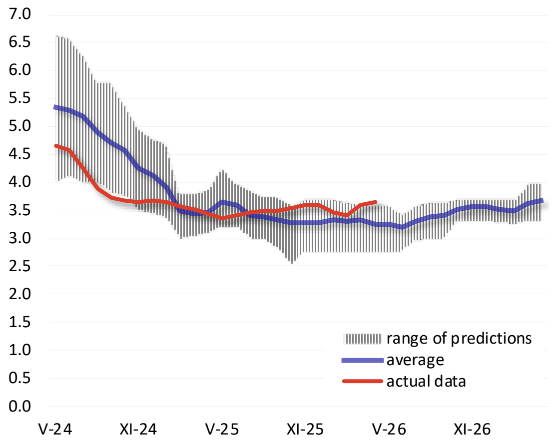
2W repo rate level in 1Y (%)	2.75	3.00	3.25	3.50	3.75	4.00
number of analysts - current survey	0	1	1	11	2	1
-previous survey	0	1	2	11	2	0

The forecasts for the 12M PRIBOR rates again moved in line with developments in the current reference interbank rates. The 12M PRIBOR rate has increased by 3 basis points since the previous survey, and the corresponding average one-month and one-year forecasts have risen by 5 basis points. The developments in interest rate derivatives were more mixed. While the market 5Y and 10Y IRS rates partly corrected their previous sharp rise and declined by 39 and 37 basis points respectively, the one-month forecasts in our survey also fell, but only by 3 and 5 basis points, and one-year estimates continued to increase, rising by 10 and 11 basis points. The expected yield curve has maintained its standard, slightly rising shape. For the 5Y and 10Y rates, a slight decline is still expected at the one-year horizon, as their one-year forecasts remain below the current market rates.

The CNB's spring forecast implies a 2W repo rate of 3.5% in 2027 Q2.

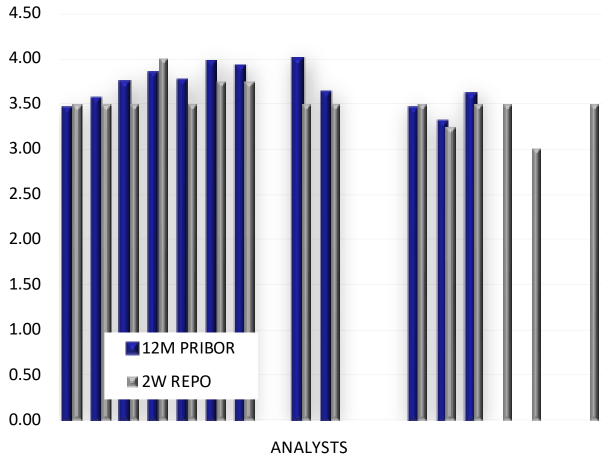
12M PRIBOR at 1Y

actual data, average and range of predictions



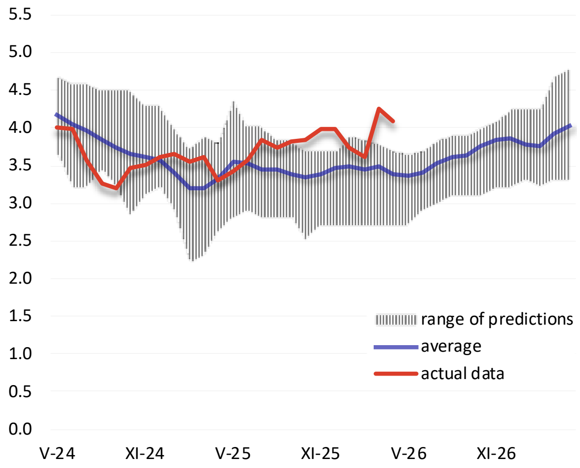
2W repo and 12M PRIBOR at 1Y

predictions of individual analysts



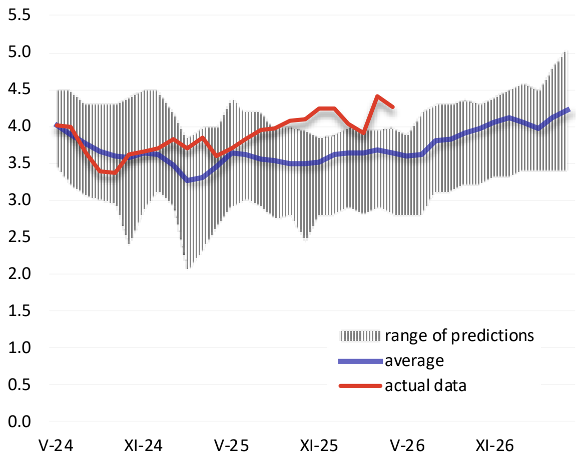
5Y IRS at 1Y

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
IV.25	25.05	24.88
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
III.26	24.40	24.19
IV.26	24.40	24.28

Exchange rate forecast

April 2026	EUR/CZK	
	1M	1Y
minimum	24.20	24.00
average	24.40	24.28
maximum	24.55	24.70

Actual EUR/CZK as of forecast deadline

15.4.	24.36

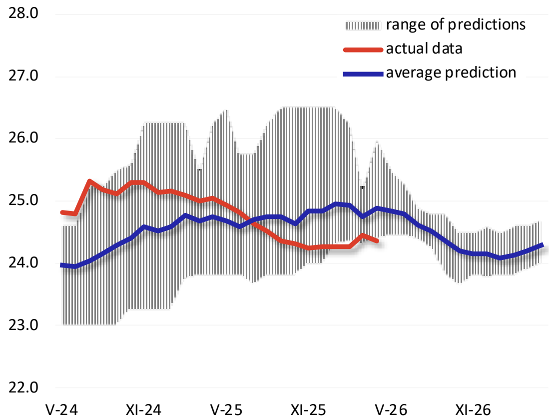
Despite heightened geopolitical tensions, the koruna exchange rate has not changed significantly since the previous survey. It appreciated by just seven hellers to CZK 24.36 to the euro. The analysts thus had no reason to significantly revise their one-month forecasts. At the one-month horizon, their average estimate even remained the same as in March at CZK 24.40 to the euro. The one-year forecasts shifted to a slightly weaker level on average, by nine hellers to CZK 24.28 to the euro.

Analysts continue to confirm that the domestic currency is sensitive to geopolitical factors and is likely to remain so in the future, given the nature of the Czech economy. At present, this mainly concerns the situation in the Middle East. This is illustrated, for example, by the koruna's appreciation following the temporary reopening of the Strait of Hormuz. If the conflict between Iran and the USA is resolved quickly, the koruna could strengthen. Conversely, a prolongation of the conflict could cause the domestic currency to depreciate and stay at weaker levels. At the same time, there is a view among the analysts that further sell-offs of the koruna due to investors' flight to safety are unlikely to occur on a large scale given the relatively strong domestic fundamentals. Nevertheless, geopolitical risks are naturally not limited to the Persian Gulf, and other factors fuelling nervousness in global financial markets could also affect the koruna. From a medium-term perspective, a convergence scenario with a moderate trend appreciation remains in place. This will be based on a continued recovery of the Czech economy in an environment of tighter monetary policy.

The CNB's spring forecast expects the koruna at CZK 24.4 to the euro in 2027 Q2.

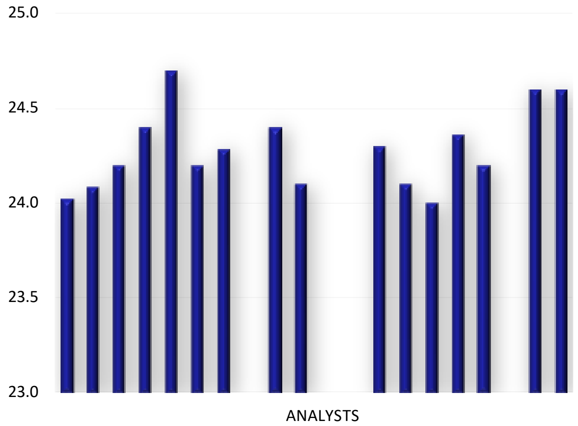
EUR/CZK

actual data, 1Y predictions and their range



EUR/CZK AT 1Y

predictions of individual analysts



6 NOMINAL WAGES

Forecast for nominal wage growth

(%)

April 2026	current year	current+1Y
minimum	5.5	4.0
average	6.0	5.2
maximum	6.9	6.1

Forecast for nominal wage growth

(%)

Date of Prediction	current year	current+1Y
IV.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
III.26	6.0	5.3
IV.26	6.0	5.2

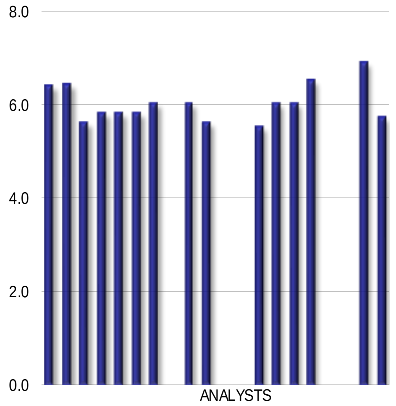
Labour market conditions are tightening, as the share of registered unemployed persons declined by 0.2 percentage point month on month to 5% at the end of March. As every year, the start of seasonal work led to a decline in the number of registered job seekers, falling by 977 compared with the end of February to 372,338. However, this is still 50,198 more than a year ago. In addition, the number of advertised vacancies rose by 1,840 month on month to 91,545. This figure is very close to the level recorded last April, when the Czech Labour Office's statistics showed 91,752 vacancies.

In light of the macroeconomic developments over the past month, the analysts have not changed their average view on nominal wage growth this year. They expect wages to continue to grow strongly due to persistently low unemployment, which will allow employees to demand compensation for the recent decline in real wages in wage negotiations. Growth in public sector pay and an increase in the minimum wage will also play a role. Nominal wages are thus expected to rise by 6.0% this year. Next year, however, wage growth is expected to slow to 5.2%, which is 0.1 percentage point less than in the previous survey. The lower pace of wage growth is expected to stem from a cooling of the labour market and lower corporate margins in an environment of the CNB's restrictive key interest rates. According to the analysts, the conflict in the Middle East will have only a very limited impact on nominal wages for the time being.

The CNB's spring forecast expects nominal wages to grow by 6.4% in 2026 and slow to 5.4% in 2027.

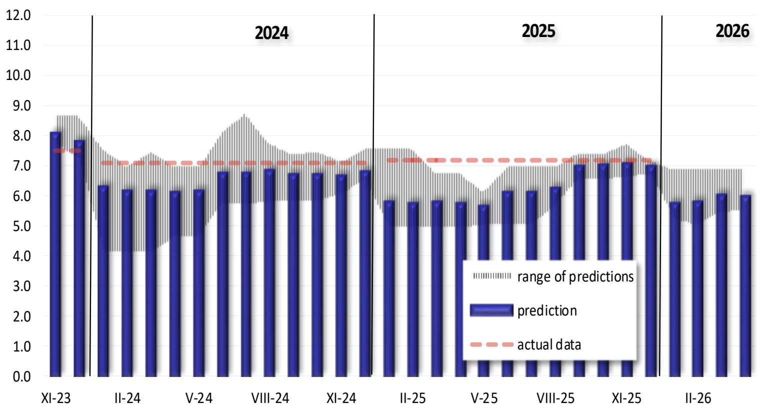
Individual 1Y predictions

outlook for this year



Nominal wage growth

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



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