



Weekly overview of short news

- The price of gold recorded an increase from \$4,349.08 to \$4,378.49 per ounce during the reporting period, mostly due to the drop in oil prices and the weakening of inflationary expectations.
- The price of oil fell from \$103.5 to \$99.53 per barrel in the reporting period as a result of signals that Saudi Arabia plans to restore about half of the capacity of the key oil pipeline in the next few days, which was the target of a drone attack last week.
- The Fed increased the interest rate by 25bp. This is the first interest rate increase since July 2023. The reference interest rate is now in the range of 3.75-4.00%. In his remarks to reporters, the Fed chairman reiterated his concerns about inflation, saying that too many product and service categories are showing annual growth above 3% on a six-month and twelve-month basis. The Fed chairman admitted at this conference that the central bank has no real possibility to stop the main source of inflation, which is the rise in energy prices. In a new set of interest rate projections, Fed officials' median year-end forecast rose by 3.8% to 4.1%, signalling growing support for an interest rate increase. Sixteen officials projected at least one additional increase this year, up from six in June who projected at least two total increases in 2026. The medial projection for 2027 indicated that there would be no additional interest rate increases next year. However, eight policymakers believe that interest rates should be increased by another quarter of a percentage point compared to the current level by end-2027.
- The Bank of England voted 6 to 3 to keep interest rates at the same level, which is 3.75%.
- The Bank of Japan raised its key interest rate by a quarter of a percentage point to 1.25%, an action that all economists had predicted. The decision was made by a 7-2 vote.

EUR/USD Exchange Rate



The EUR/USD exchange rate fell from 1.1612 to 1.1486 during the week. The exchange rate had a downward trend on Monday owing to the stronger dollar. Ahead of the Federal Reserve meeting, the market increased expectations that the bank will raise interest rates, while higher yields on U.S. treasuries further increased the attractiveness of the dollar. The exchange rate stabilized the next day, only to fall sharply on Wednesday once the Fed members unanimously raised interest rates by 25bp - the first increase since 2023. At the same time, the Fed's projections left open the possibility of another increase by the year-end. Such a decision reinforced expectations that the U.S. interest rates will remain higher for a longer period of time, which supported the dollar and caused EUR/USD to fall sharply. The single currency's weakness is compounded by the continued deterioration in French fiscal sentiment: the French government faces the threat of a no-confidence vote on its 2027 budget, and OAT spreads against German government bonds have widened sharply in recent weeks, with 10-year OATs having the yield of 4.45% against Germany's 3.48%. The exchange rate has been fluctuating for the last two days. The producer price index (PPI) in Germany for August significantly exceeded expectations, with growth of 4.6% on an annual basis and 1.1% on a monthly basis, which supports the arguments for continued tightening of the ECB's monetary policy.

Table 4 - Economic indicators (14 - 18 September 2026)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Consumer price index (CPI) It estimates the cost-of-living changes by measuring changes in the price level of market basket of consumer goods and services purchased by an average household. Therefore, it is the key inflation measure.	F August MoM% YoY%	0.4% 3.3%	0.4% 3.2%	0.4% 3.3%
	Industrial Production SA It measures the output in mining and quarrying, manufacturing and utilities (electricity, gas and water supply). The data has been processed to remove seasonal effects, as production fluctuates throughout the year due to holidays, weather conditions, annual leaves, etc.	July MoM%	-0.2%	-0.1%	-0.1%
Germany	Producer Price Index (PPI) This indicator measures the change in the price paid by domestic producers. The indicator rise is an early inflation indicator.	August MoM% YoY%	0.6% 3.9%	1.1% 4.6%	1.1% 3.0%
Great Britain	Consumer price index (CPI) It estimates the cost-of-living changes by measuring changes in the price level of market basket of consumer goods and services purchased by an average household. Therefore, it is the key inflation measure.	August MoM% YoY%	0.5% 3.1%	0.5% 3.1%	0.5% 2.9%
USA	Industrial production It measures the changes in output of production, service and mining sectors.	August MoM%	0.3%	0.0%	0.2%
	Housing Starts It shows a change in the number of new real estate built in the US (the increase in this indicator indicates investment growth and business optimism).	August MoM%	6.7%	-2.6%	-9.0%
	Initial Jobless Claims Number of inhabitants receiving unemployment benefits.	12 September	207 K	196k	206 K
	Manufacturing Production MoM This indicator measures the percentage growth or decline in the volume of production in the manufacturing sector in relation to the previous month.	August MoM%	0.3%	-0.3%	0.2%
Japan	Natl CPI ex Fresh Food, Energy It estimates changes in the cost of living, by measuring changes in the goods and services' prices, excluding fresh food and energy. This index measures the change in prices from the consumer's perspective. It is a key way of measuring changes in buying trends and inflation.	August YoY%	2.0%	1.9%	1.9%

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

Table 1 - Exchange rates of the most important currencies

	14-Sep-2026 ¹	18-Sep-2026 ²	% Change
EUR/USD	1.1599	1.1486	-0.97
EUR/GBP	0.85742	0.85743	0.00
EUR/JPY	178.11	180.23	1.19
EUR/AUD	1.61776	1.61249	-0.33
EUR/CHF	0.94690	0.94424	-0.28
USD/JPY	153.61	156.88	2.13
GBP/USD	1.3524	1.3395	-0.95

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%	29.10.2026.
Federal Reserves (Fed)	Federal Funds Target Rate	4.00% ↑	28.10.2026.
Bank of Japan (BoJ)	Overnight Call Rate	1.25% ↑	30.10.2026.
Bank of England (BoE)	Official Bank Rate	3.75%	05.11.2026.
Swiss National Bank (SNB)	Libor Target Rate	0.00%	24.09.2026.
Bank of Canada (BoC)	Target Overnight Rate	2.25%	28.10.2026.
Reserve Bank of Australia (RBA)	Cash Rate Target	4.35%	29.09.2026.

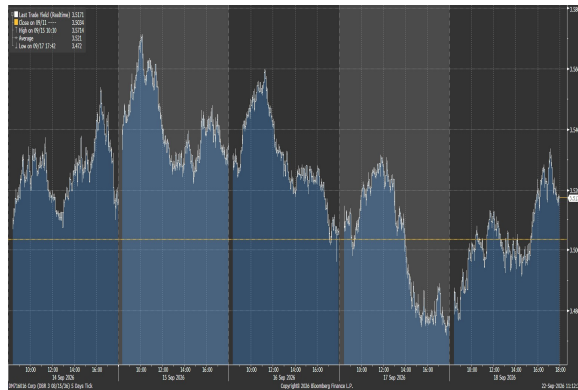
Table 3 – ESTR and Euribor

	14-Sep-2026 ¹	18-Sep-2026 ²	Change in basis points
ESTR	2.189	2.4410	25.2
Euribor 1W	2.237	2.357	12.0
Euribor 1M	2.388	2.473	8.5
Euribor 3M	2.647	2.620	-2.7
Euribor 6M	2.820	2.978	15.8
Euribor 12M	3.160	3.343	18.3

¹Opening market value on Monday

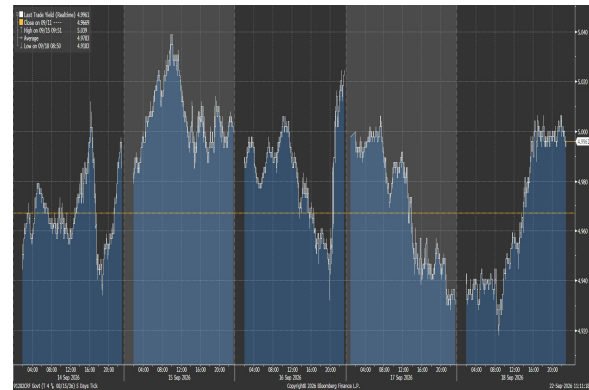
²Closing market value on Friday

EUROPEAN GOVERNMENT BONDS MARKET



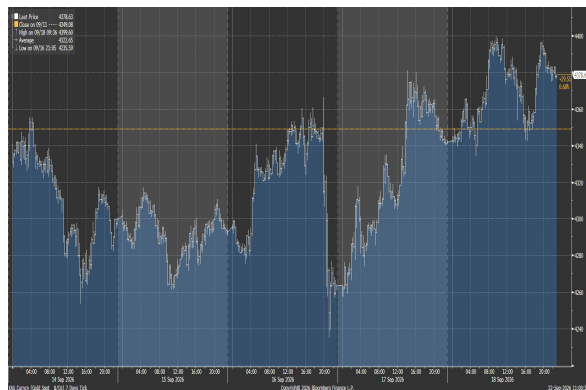
The yield on 10-year German government bonds rose from 3.50% to 3.51% during the reporting week. The yield fluctuated with the uptrend at the beginning of the period, following a global sell-off in government bonds and expectations that the Fed and ECB may continue to raise interest rates. It fell from 3.57% to 3.53% on the second day of the week. The yield continued to weaken in the following days, following the withdrawal of oil prices from the previously reached levels. Falling oil prices eased concerns about additional inflationary pressures, which supported German government bonds and contributed to the fall in yields. The yield rose at the end of the week, whereas a similar trend was recorded for French government bonds. The trend on the French market was particularly pronounced, due to the increased concern of investors regarding the political situation in France and its possible impact on the condition of public finances and the fiscal deficit.

U.S. TREASURIES MARKET



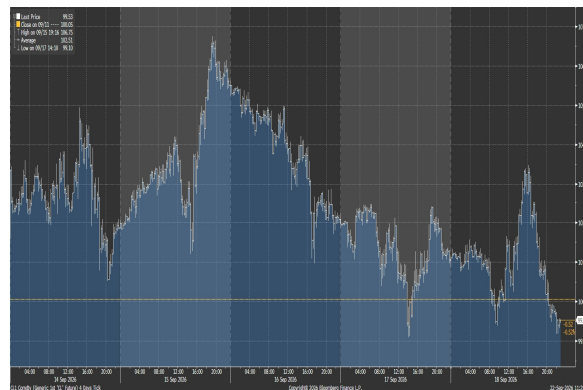
The yield on 10-year U.S. treasuries increased from 4.97% to 4.99% during the reporting period. The yield rose strongly at the beginning of the period and briefly exceeded 5% for the first time since 2023, under the influence of increased inflationary pressures and increased borrowing needs. The yield weakened the next day, despite weaker demand at the 20-year bond auction and rising oil prices. Ahead of the Fed meeting, the yield continued to fall, but a sharp rise followed the decision on rate increase as expectations rose that there could be more rate hikes. The trend reversed again on the fourth day of the week; thus, the yield fell significantly, supported by the drop in oil prices. However, rose strongly again on Friday, following the global sell-off in bonds.

GOLD



The price of gold recorded an increase from \$4,349.08 to \$4,378.49 per ounce during the reporting period. It recorded a decline in early week, which can be linked to the strengthening of the U.S. dollar, the increase in yields on the U.S. treasuries and increased expectations that the Fed may raise interest rates at this week's meeting. The price of gold was relatively stable the following day. A sharp drop in the price of gold came after the Fed meeting. Rising interest rates and expectations regarding further monetary policy put pressure on the price of gold, while higher yields on the U.S. treasuries further reduced the attractiveness of this precious metal. The price of gold rose over the past two days as falling oil prices eased concerns about inflationary pressures.

OIL



The oil price dropped from \$103.5 to \$99.53 per barrel in this reporting period. The price of oil fell in early week following Donald Trump's posts on social media, in which he suggested progress in negotiations regarding the U.S. - Iran conflict as well as in resolving Russia-Ukraine conflict. The U.S. President stated that Kiev and Moscow agreed not to attack energy targets, while at the same time he said that Iran "wants to reach an agreement, quickly and desperately". The oil price rose the next day following the reports of a suspension of oil loading at Saudi Arabia's Yanbu terminal on the Red Sea, adding to supply concerns amid intensifying tensions in the Middle East. After the attack on a key oil pipeline, Saudi Aramco delayed oil deliveries to certain European customers. The price of oil recorded a slight downward trend in the remaining part of the week, after Saudi Arabia announced that it plans to restore about half of the capacity of the key oil pipeline in the next few days, which was the target of a drone attack last week.

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