Article | 7 September 2026 FX

EMEA FX Talking: High yield and CEE remain in demand

A modest adjustment in US interest rates looks unlikely to unnerve the carry trade environment, and investors look likely to keep positions in the Turkish lira. Amongst the CEE currencies, the forint should come back bid after a recent correction. Medium-term fiscal plans should be presented in October which will keep the euro entry in the spotlight

The Polish zloty has come under pressure, with renewed geopolitical tensions fuelling a broader risk-off mood across markets

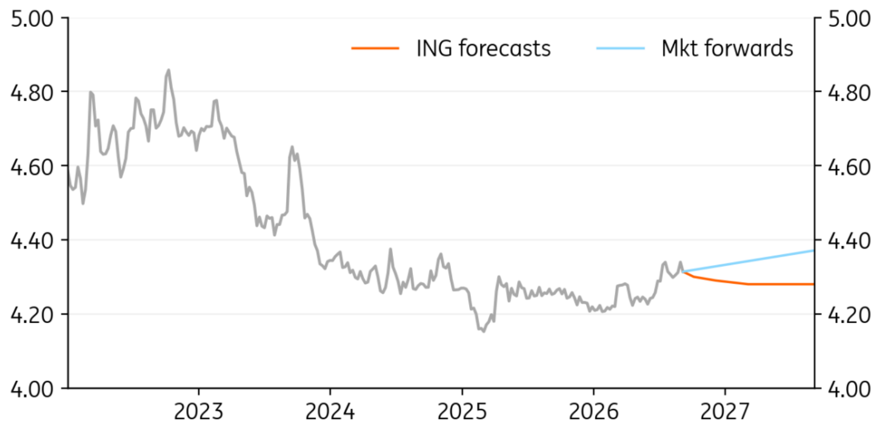
Main ING EMEA FX Forecasts

	EUR/CZK		EUR/PLN		EUR/HUF	
1M	24.20	↓	4.30	↑	365	↑
3M	24.20	↓	4.29	↑	360	↓
6M	24.15	↓	4.28	↑	355	↓
12M	24.10	↓	4.28	↑	362	↓

EUR/PLN: Zloty hit by risk-off mood

	Spot	One month bias	1M	3M	6M	12M
EUR/PLN	4.3129	Neutral	4.30	4.29	4.28	4.28

- The zloty weakened as the US-Iran conflict re-escalated and concerns about Russian hybrid warfare in Europe fuelled a risk-off mood. EUR/PLN recently rose towards 4.35, but we expect the move to be short-lived.
- Although we do not share the market's expectations of interest rate hikes in Poland in the coming months, those bets prevent the zloty from the negative impact of external factors.
- Our mid-term view on the zloty remains unchanged. Expect a limited rise in €/USD in 2H26; sustainable GDP outperformance of regional peers and expected inflows of EU funds justify slightly lower levels of the €/PLN exchange rate.

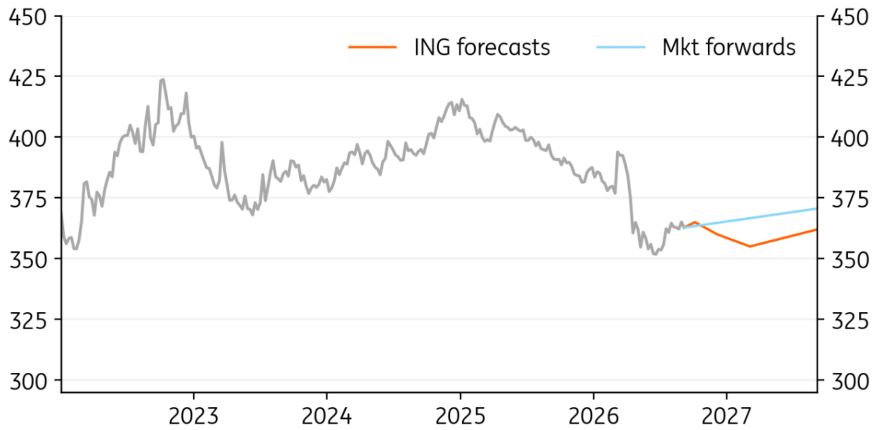


Source: Refinitiv, ING Forecasts

EUR/HUF: The gloomy days won't last too long for the forint

	Spot	One month bias	1M	3M	6M	12M
EUR/HUF	362.1800	Mildly Bullish	365.00	360.00	355.00	362.00

- With the HUF having outperformed peers and experienced a one-sided market since April, a correction was inevitable. However, we believe that the outlook remains positive.
- The Monetary Council is rightfully non-committal in the current environment. On the one hand, the inflation outlook is much better than the central bank anticipated in June. However, unfavourable developments in risk premiums and energy prices counterbalance this. As a result, markets are pricing in only a small chance of further rate cuts.
- We believe that a brief pause in the easing cycle and some calmness in global markets could see the EUR/HUF move back to 360 or even lower. This is especially likely if the inflation target review and the medium-term budget plan, both of which are due in autumn, are credible.

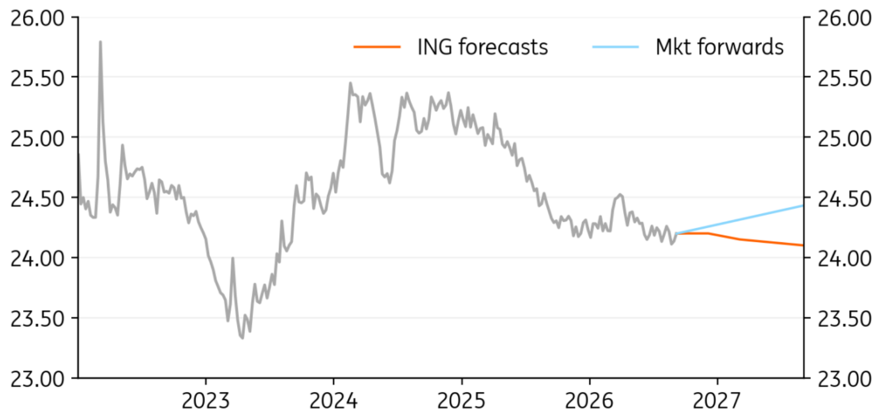


Source: Refinitiv, ING Forecasts

EUR/CZK: Koruna’s main advantage will lose its lustre

	Spot	One month bias	1M	3M	6M	12M
EUR/CZK	24.2100	Neutral	24.20	24.20	24.15	24.10

- A positive interest rate differential in both nominal and real terms has given the koruna a significant advantage over the euro in recent years. This advantage has intensified since late 2024 in real terms, reaching 2.6 percentage points in August.
- The Czech real interest rate has averaged 1.8% so far this year, while the eurozone real interest rate has remained negative since March. However, the expected pickup in Czech headline inflation is set to push the real yield close to zero early next year, reducing the koruna's leading advantage.
- Add the somewhat disappointing economic performance over 1H26, and you can conclude that the koruna is no longer poised for any substantial appreciation as it saw in 2025. The currency will hold its current value, while a gradual strengthening trend is subject to a stronger economic rebound.

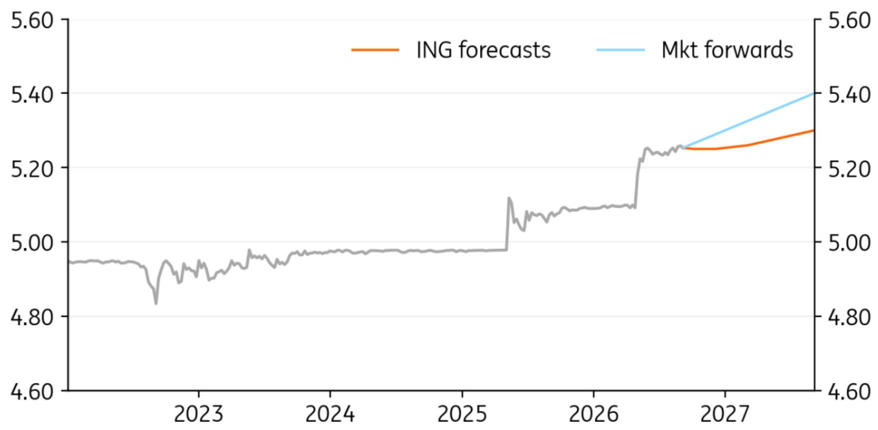


Source: Refinitiv, ING Forecasts

EUR/RON: Pressures could amplify in the near term

	Spot	One month bias	1M	3M	6M	12M
EUR/RON	5.2520	Neutral	5.25	5.25	5.26	5.30

- EUR/RON moves have amplified slightly over the past month but have nevertheless remained contained in the 5.23-5.26 range. With the upcoming S&P rating decision due on 2 October, rating worries have been mounting. Positively, the budget deficit stood at 2.34% of GDP as of July 2026 (vs 3.99% in July last year), a key positive factor supporting Romania's credit story.
- That said, the main development to watch remains the push for a fully empowered government committed to fiscal consolidation. After narrowly escaping a downgrade in the summer, our base case is that Romania will maintain it provided a solid governance deal is sealed soon.
- We expect the pair to remain within its current range and close the year near 5.25.

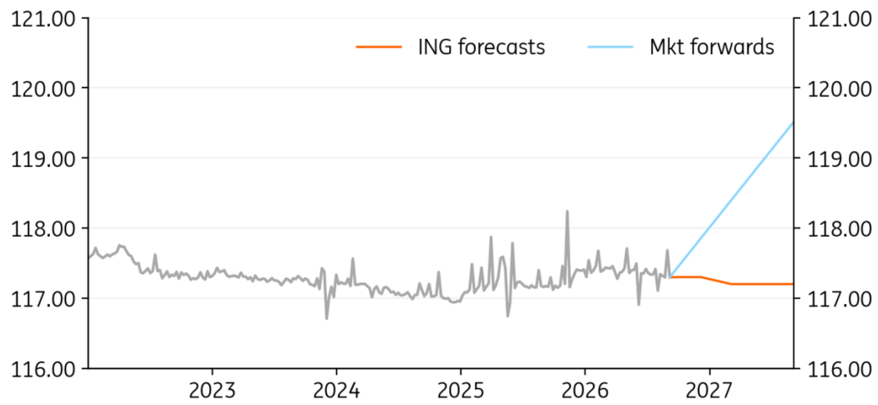


Source: Refinitiv, ING Forecasts

EUR/RSD: No major changes expected in the coming months

	Spot	One month bias	1M	3M	6M	12M
EUR/RSD	117.3500	Neutral	117.30	117.30	117.20	117.20

- EUR/RSD has continued to trade mostly sideways in the range of 117.3–117.4. Importantly, the US Treasury's OFAC has extended the operating waiver for Serbia's NIS refinery until 30 September, as the deal with MOL is in its final stages.
- The recent fiscal expansionary measures led to a revision of the deficit from 3.0% to 3.5% of GDP in 2026, mainly reflecting higher social expenditure. That said, from a macro imbalances standpoint, Serbia's position remains robust at this stage.
- At its August meeting, the National Bank of Serbia kept the key rate in place at 5.75%, noting that uncertainty remains elevated despite a better inflation outlook. Between January and July, the Bank sold €320m to keep the pair stable – we expect FX stability to remain in place.

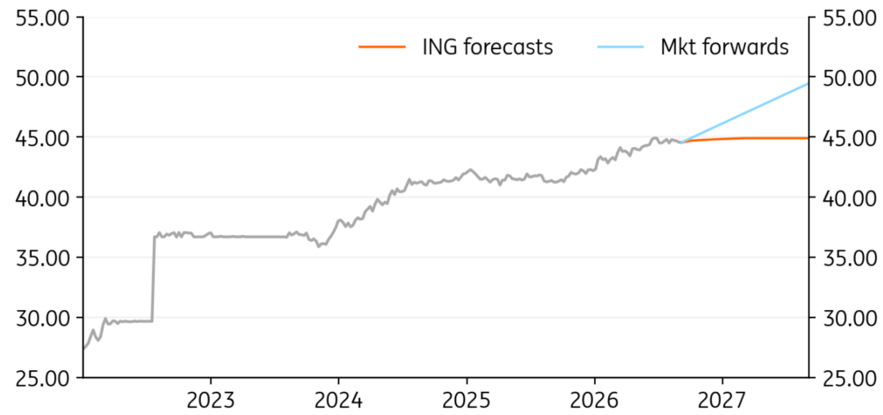


Source: Refinitiv, ING Forecasts

USD/UAH: Hryvnia strengthens despite headwinds

	Spot	One month bias	1M	3M	6M	12M
USD/UAH	44.5300	Bullish	44.70	44.80	44.90	44.90

- Even as the US dollar strengthened globally amid a more hawkish Fed, a renewed escalation in the Middle East and the ongoing war in Ukraine, the hryvnia managed to appreciate slightly.
- The hryvnia was supported by near-record FX interventions by Ukraine's central bank during the summer, and by July's 50bp rate hike to 15.5%, which strengthened the currency's resilience in an increasingly adverse external environment.
- According to National Bank of Ukraine minutes, most rate-setters believe that rates will need to be raised further this year. However, the outlook for the hryvnia remains cloudy as the macroeconomic environment remains challenging.

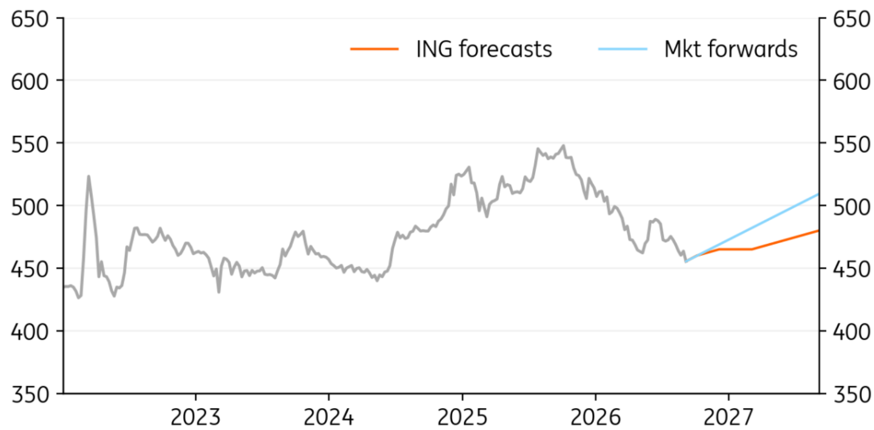


Source: Refinitiv, ING Forecasts

USD/KZT: High real rates favour continued carry-trade

	Spot	One month bias	1M	3M	6M	12M
USD/KZT	455.2100	Bullish ↗	460.00	465.00	465.00	480.00

- Contrary to our cautious expectations, the tenge appreciated to USD by 3% in August, and 5% during the summer months – despite oil flow disruptions and the decline in state support to the domestic FX market.
- In August, the combined net FX sales by quasi-sovereigns, the oil fund and the central bank dropped to $0.3bn vs. $1.7bn in May, while net foreign inflows into state bonds stopped after $0.3-0.5bn inflows in June and July.
- The growing role of private capital flows has increased the KZT's reliance on carry trades, which is currently supported by high real rates which are likely to remain. Meanwhile, in the longer run, appreciation should be limited by structural factors.



Source: Refinitiv, ING Forecasts

USD/UZS: Supported by portfolio flows and restart of gold exports

	Spot	One month bias	1M	3M	6M	12M
USD/UZS	11,790.0000	Mildly Bearish ↘	11710.00	11500.00	11500.00	11700.00

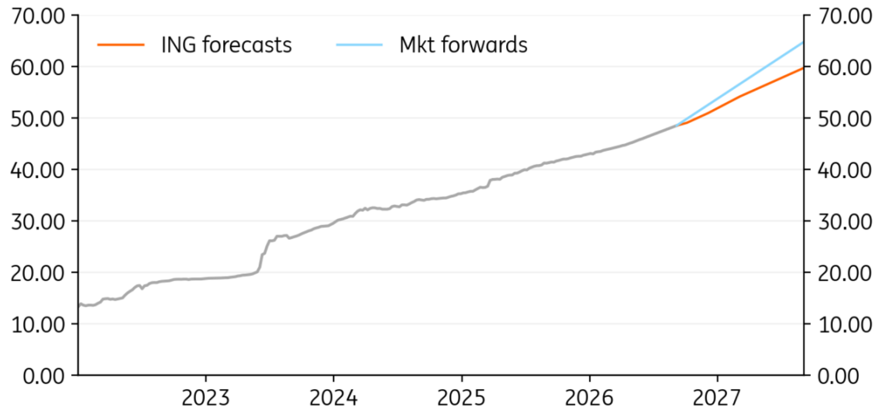
- The soum showed 1% appreciation to USD in August after a relatively flat first two months of the summer. This was likely supported by the restart of gold exports, which totalled $1.3bn in July.
- Between January and July, Uzbekistan exported only 18mt of gold vs. 85mt for the full-year 2025, suggesting scope for a pickup in the rest of the year, keeping us constructive on the current account and USZ prospects.
- Portfolio inflows are also likely to continue, as despite the recent indication from the central bank that the nominal policy rate of 14.00% may be lowered by year-end, the real rates are likely to remain attractive, given the 6.4% CPI.

Source: Refinitiv, ING Forecasts

USD/TRY: Recovery in flows, moderation in growth

	Spot	One month bias	1M	3M	6M	12M
USD/TRY	48.4400	Bullish	49.00	50.90	54.10	59.70

- Foreign investor positioning has recovered from the US-Iran conflict shock, with long TL positions in FX swaps exceeding pre-war levels. However, bond inflows have remained modest. Meanwhile, TL deposit inflows continued, while the sector's dollarisation ratio fell from 39.9% in May to 38.5% by late August. Gross reserves reached US$188.2bn.
- High borrowing costs and tighter macroprudential measures are contributing to a deeper slowdown in 2Q GDP growth. We expect the economy to maintain moderate growth in 2H26, although risks surrounding our 3.0% full-year GDP growth forecast have increased.
- Recently the central bank took a step to normalise liquidity by resuming repo auctions. Effective funding costs fell from 40% to the policy rate at 37%. The CBT is likely to remain on hold in September, but cut by 200bp to 35% in the last quarter.

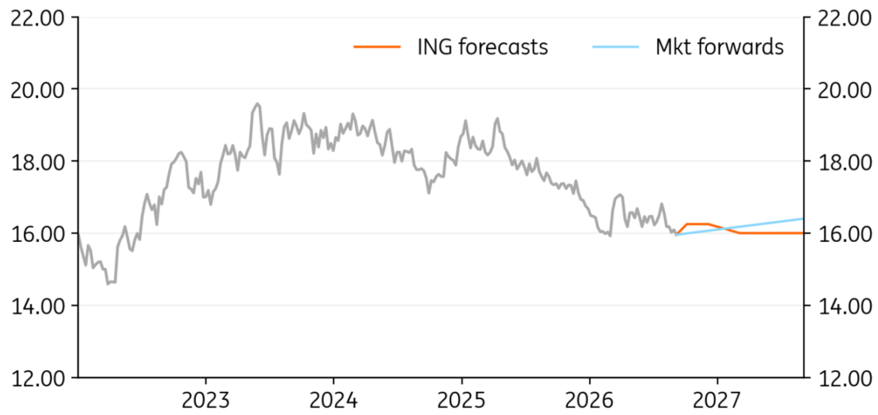


Source: Refinitiv, ING Forecasts

USD/ZAR: Holding its own

	Spot	One month bias	1M	3M	6M	12M
USD/ZAR	15.9600	Bullish ↗	16.25	16.25	16.00	16.00

- The rand is enjoying a strong quarter and is the third-best performer in the EMFX space. It does tend to benefit from the dollar debasement trade, where the pick-up in gold and precious metals tends to be ZAR-supportive. It also performs well in the low-vol carry trade environment, where 6.5% implied yields remain attractive. Here investors think the South African Reserve Bank will need to hike again over the coming quarters.
- Notably, South Africa's sovereign CDS continues to decline, implying a rating closer to BBB than its current BB. Domestic reforms in energy, logistics and fiscal are being welcomed.
- Stronger ZAR gains will probably come in 2Q27, when $ rates drop.

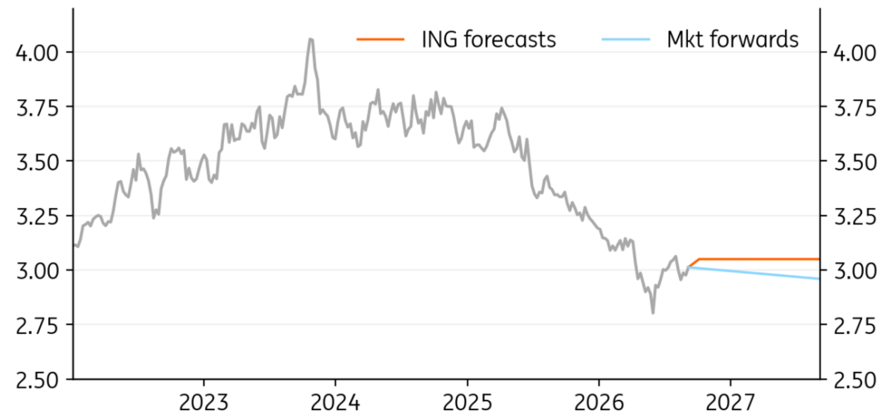


Source: Refinitiv, ING Forecasts

USD/ILS: Low inflation allows rate cuts, weaker shekel

	Spot	One month bias	1M	3M	6M	12M
USD/ILS	3.0042	Bullish	3.05	3.05	3.05	3.05

- Low inflation allowed the Bank of Israel to cut rates again in early September, with the policy rate now at 3.25%. That compares to 4.00% at the start of the year. If money markets are to be believed, investors expect some further aggressive rate cuts over the coming months – potentially taking the policy rate closer to 2.00%. For reference, three-month implied yields stand at 2.40%.
- FX buying intervention earlier in the year, rate cuts and what should now be at least one Fed hike should serve to keep USD/ILS above 3.00 now – which is the BoI preference.
- We also think the shekel is one of the most closely correlated currencies to the tech boom, so any correction here can weigh.



Source: Refinitiv, ING Forecasts

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