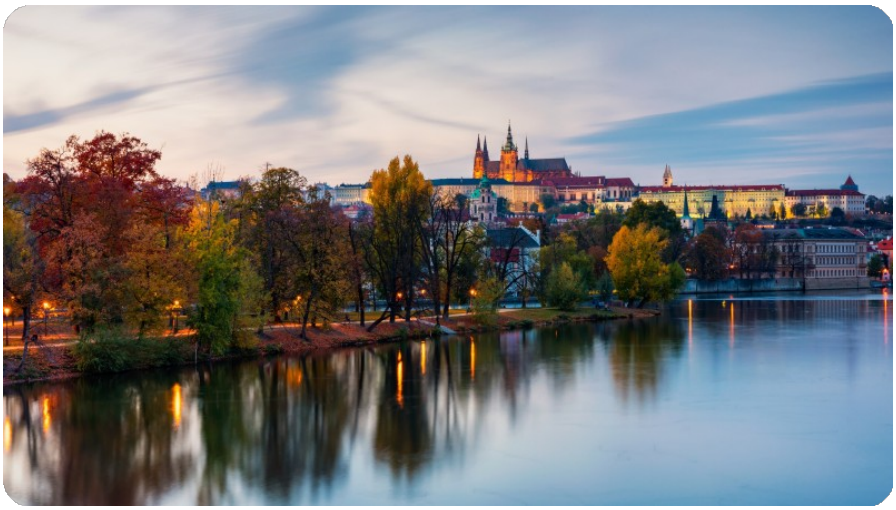
Article | 12 October 2026

FX TALKING

EMEA FX Talking: External headwinds up against local stories

Like many emerging market currencies, those in the EMEA region have been hit by higher US Treasury yields and the stronger dollar. Yet the domestic stories look constructive for many, and a combination of some local rate hikes as well as light foreign positioning (ex Hungary) can insulate these currencies from the global bond market sell-off



Light foreign positioning and some local rate hikes can keep EMEA currencies relatively insulated

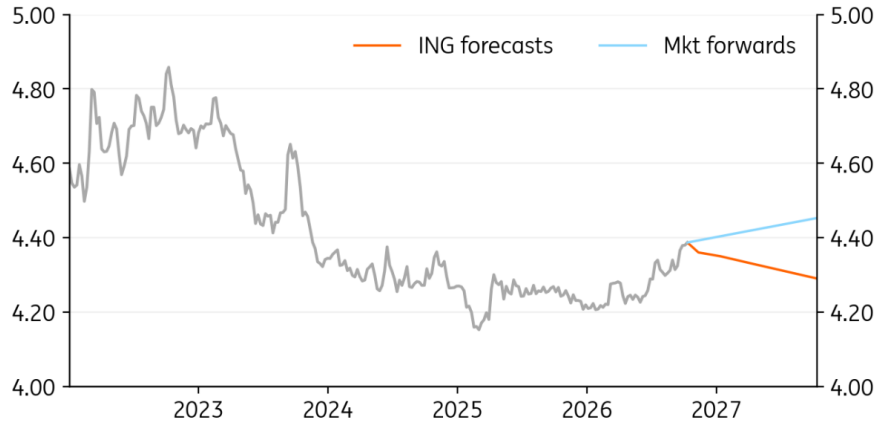
Main ING EMEA FX Forecasts

	EUR/CZK	EUR/PLN	EUR/HUF
1M	24.40 ↑	4.36 ↓	360 ↓
3M	24.40 ↓	4.35 ↓	355 ↓
6M	24.35 ↓	4.33 ↓	360 ↓
12M	24.30 ↓	4.29 ↓	362 ↓

EUR/PLN: Zloty swings with market sentiment

	Spot	One month bias	1M	3M	6M	12M
EUR/PLN	4.3877	Mildly Bearish ↘	4.36	4.35	4.33	4.29

- EUR/PLN has moved towards 4.40 after trading around the 4.30 level during summer. With market sentiment deteriorating amid geopolitical tensions in Iran, France and Russia, the coming weeks could challenge the zloty.
- PLN has recently strengthened its correlation with EUR/USD, so the dollar's future moves will be the key driver in the currency's performance, while domestic factors are likely to take a back seat.
- We retain a broadly positive stance on the zloty in the medium term due to solid GDP momentum and persistent outperformance. However, the balance of risks has become less favourable; the National Bank of Poland may deliver fewer hikes than priced, and a hot budget debate could reveal vulnerabilities.

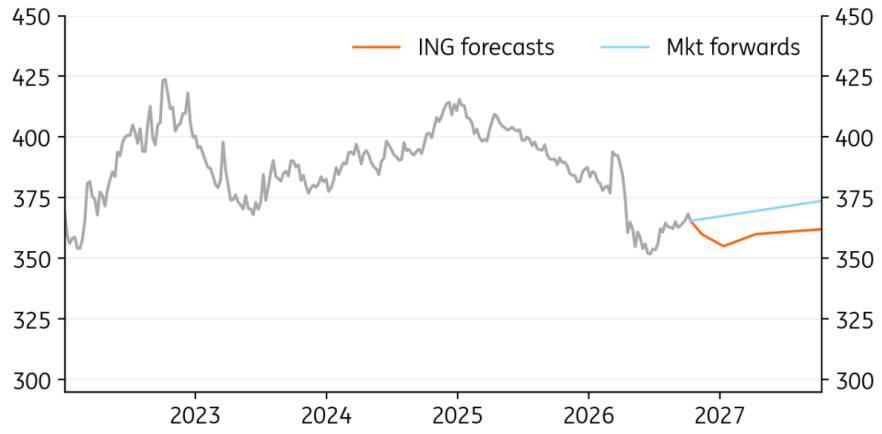


Source: Refinitiv, ING Forecasts

EUR/HUF: A credibility boost is in the making for the forint

	Spot	One month bias	1M	3M	6M	12M
EUR/HUF	364.8900	Bearish ↘	360.00	355.00	360.00	362.00

- While EUR/HUF has shown some volatility recently, the swings have been far more moderate than we used to see. This reflects general positioning and the euro adoption story.
- We think an idiosyncratic shock is coming with the 2027 budget and the mid-term fiscal consolidation plan. If the government delivers a credible plan, as we expect, and announces official talks on joining ERM II, this could provide a credibility boost to the forint.
- A significant drop in the risk premium and some insulation from geopolitical market turbulence could take EUR/HUF down to the 350-355 area over the next month. This would, however, reopen the door to a National Bank of Hungary easing cycle starting in December, putting the HUF on a mild depreciation path over the following 12 months.

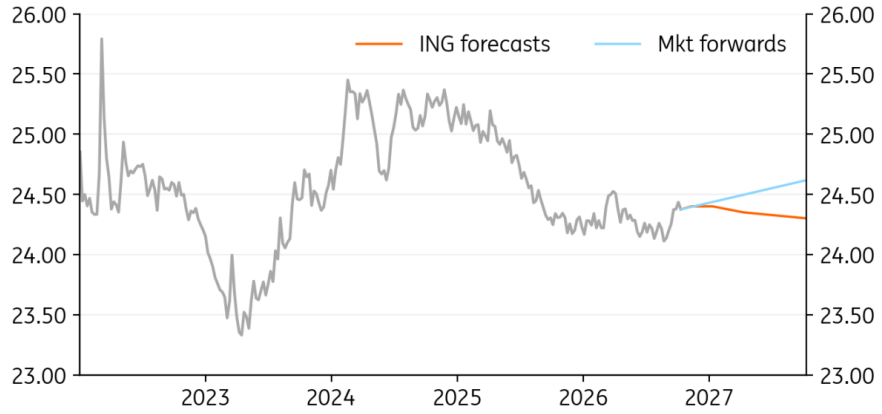


Source: Refinitiv, ING Forecasts

EUR/CZK: Braving the turbulence

	Spot	One month bias	1M	3M	6M	12M
EUR/CZK	24.3900	Neutral	24.40	24.40	24.35	24.30

- The Czech Republic has also been affected by the global bond yield rally, with the turmoil applying depreciation pressure on the koruna. Inflation is set to increase on the back of rallying import prices and second-round effects of the oil price shock starting to bite.
- We believe that equilibrium interest rates are higher than generally assumed, since the cost of capital must adjust to a world of protracted conflict and increased resource scarcity. A higher base rate is warranted to prevent the koruna from weakening further, which would exacerbate domestic price pressures.
- That said, the ECB may turn more hesitant despite elevated inflation, as concerns over French fiscal issues rekindle fears of another euro crisis. In turn, the real interest rate differential should help the koruna withstand the turmoil and gradually appreciate once things have calmed down.

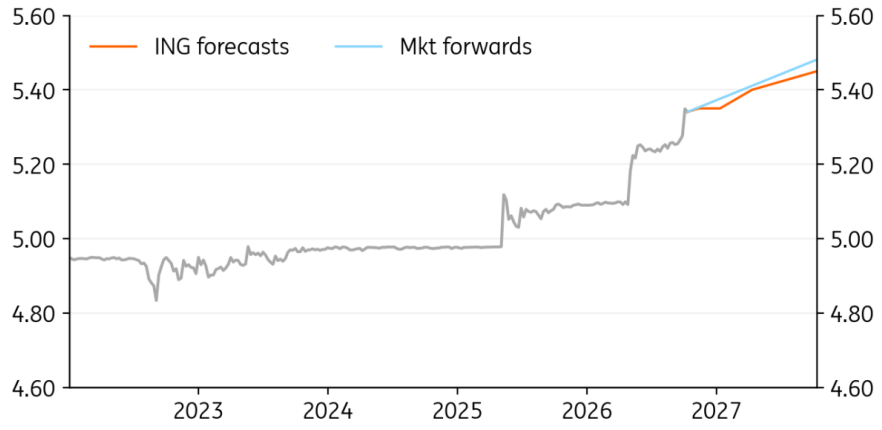


Source: Refinitiv, ING Forecasts

EUR/RON: Rating downgrade avoided, RON still vulnerable

	Spot	One month bias	1M	3M	6M	12M
EUR/RON	5.3383	Neutral	5.35	5.35	5.40	5.45

- EUR/RON had its second major move of the year, climbing from 5.28 to 5.35, which looks to be the near-term level. Official interventions have likely moderated the impact of significant outflow pressures through both September and so far in October – with the fear of rating downgrades and the protracted political instability as key drivers.
- While the rating remained in place, the political arena is yet to find its consensus. The key positive element supporting the credit story remains the budget deficit, which stood at 2.89% of GDP as of August 2026 (vs 4.50% in August last year).
- A tighter liquidity management has recently led FX implied yields to the highest levels since May 2025, although funding pressures have diminished from their early October peak. We expect the pair to remain around its current levels by year-end and close next year near 5.45.

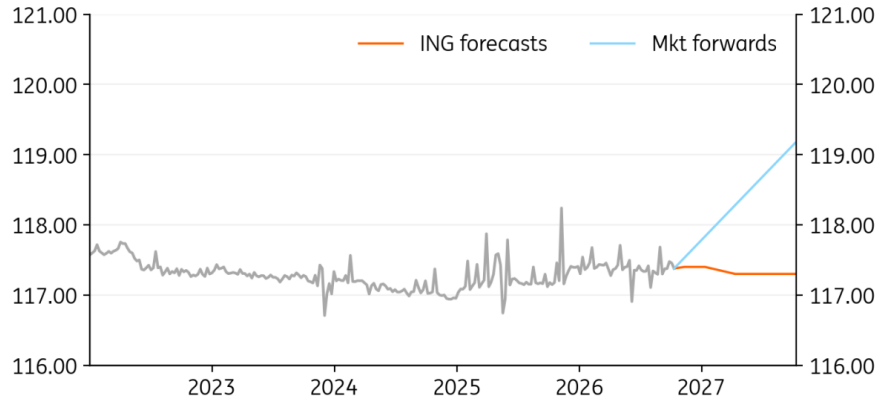


Source: Refinitiv, ING Forecasts

EUR/RSD: RSD stable ahead of parliamentary elections

	Spot	One month bias	1M	3M	6M	12M
EUR/RSD	117.4200	Neutral	117.40	117.40	117.30	117.30

- EUR/RSD has remained relatively flat in the range of 117.3–117.5. Yet again, the US Treasury's Office of Foreign Assets Control (OFAC) has extended the operating waiver for Serbia's NIS refinery until 30 October. The NIS ownership issue is yet to be resolved.
- Snap parliamentary elections have been called for 25 October, with President Aleksandar Vucic resigning in order to pursue premiership. The fiscal deficit has recently been revised higher, from 3.0% to 3.5% of GDP in 2026, mainly reflecting higher social expenditure.
- At its October meeting, the National Bank of Serbia kept the key rate in place at 5.75%, continuing to highlight inflation uncertainty. Between January and August, the Bank sold €407m to keep the pair stable. We expect the pair to remain around the current levels ahead.

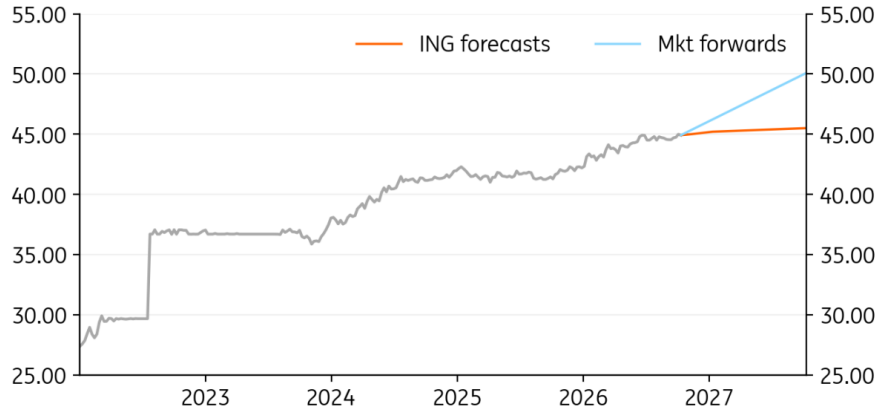


Source: Refinitiv, ING Forecasts

USD/UAH: NBU efforts to protect the UAH

	Spot	One month bias	1M	3M	6M	12M
USD/UAH	44.9200	Neutral	45.00	45.20	45.30	45.50

- The hryvnia remained under pressure as the dollar strengthened, partly due to renewed Middle East tensions. Consequently, USD/UAH temporarily broke above 45.0, reaching its highest level on record.
- Hryvnia depreciation could have been sharper, but National Bank of Ukraine action provided support. In September, the central bank raised rates by 50bp to 16.0% and maintained sizeable FX interventions, with the four-week average near record highs.
- The outlook for the hryvnia appears cloudy as the macroeconomic environment remains challenging – particularly as the ongoing war with Russia poses an increasing threat to the Ukrainian economy.



Source: Refinitiv, ING Forecasts

USD/KZT: Growing state FX sales backlog to boost KZT resilience

	Spot	One month bias	1M	3M	6M	12M
USD/KZT	452.0400	Neutral	455.00	450.00	440.00	465.00

- The tenge gained 5% against the US dollar in September, driven mainly by private capital inflows, particularly continued non-resident demand for KZT government bonds.
- Combined net FX sales by the state oil fund (NFRK) and National Bank of Kazakhstan fell to zero in September, compared with $1.0–1.3bn per month in 1H26. As NFRK sales have remained below fiscal financing needs since mid-2026, an estimated $1.0–1.5bn backlog of FX sales has accumulated.
- After gaining 25% YoY against USD, the tenge has limited upside, particularly amid global risk aversion and regional geopolitical uncertainty. At the same time, Kazakhstan's high real rates should continue to attract carry-trade inflows, while the eventual release of the state FX sales backlog could ensure KZT resilience if market sentiment deteriorates.

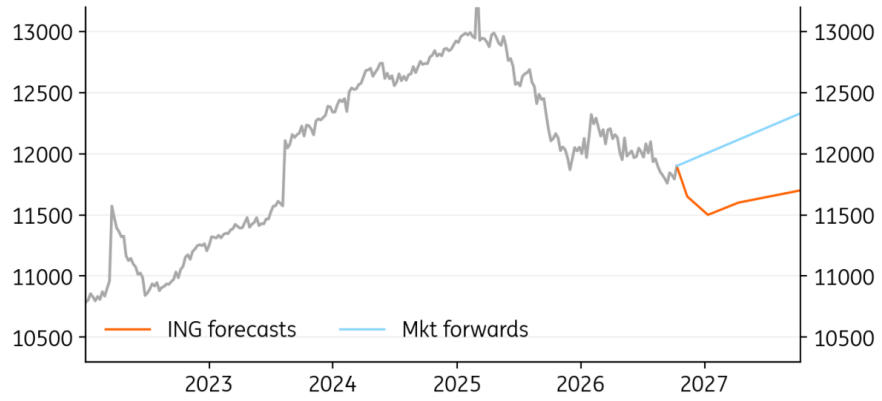


Source: Refinitiv, ING Forecasts

USD/UZS: Still waiting for gold exports to catch up

	Spot	One month bias	1M	3M	6M	12M
USD/UZS	11,898.0000	Bearish ↘	11650.00	11500.00	11600.00	11700.00

- After appreciating 1% against the US dollar in August, the soum was broadly flat in September and early October. This was slightly weaker than we expected, but still resilient given the global dollar rally and lower gold prices.
- Gold exports remain a key variable for Uzbekistan's FX market. There were no exports in August, and gold was exported only in April and July this year. Year-to-date volumes stand at just 18 mt, implying a substantial backlog compared with 85 mt in FY25 and the historical annual range of 80–120 mt.
- Like Kazakhstan, Uzbekistan offers high real rates and is likely to continue doing so despite a potential monetary policy easing. As inflation has stabilised at 6.2–6.4% YoY, we see some room for a cautious cut from the current 14.00% policy rate before the end of the year.

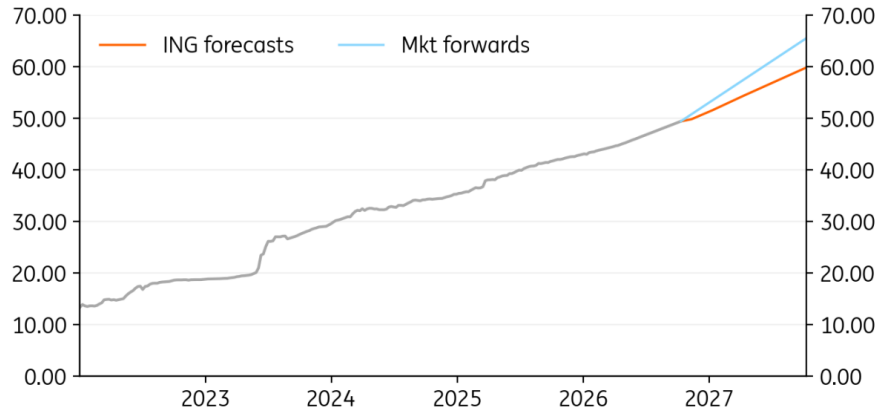


Source: Refinitiv, ING Forecasts

USD/TRY: Rate cut expectations build as inflation eases

	Spot	One month bias	1M	3M	6M	12M
USD/TRY	49.3400	Bullish ↗	49.75	51.50	54.30	59.80

- Fund volatility has not affected the dollarisation ratio. Net outflows in lira-denominated funds turned TRY625bn between the end of August and 6 October, excluding suspended funds. Meanwhile, outflows from FX-linked fund assets totalled $2.2bn, while higher TRY deposits and repo balances suggest dollarisation remains contained.
- September's CPI came in below consensus, supported by favourable food and transport. Annual CPI fell to 29.7% from 31.5% in August. Seasonally adjusted CPI, a key indicator closely monitored by the Central Bank of Turkey, slowed to 1.6% month-on-month from 2.2% in August, marking one of the lowest readings seen in recent years.
- This backdrop increases the likelihood of a shift toward policy rate cuts. The recent investment fund disruption is likely to raise downside risks to activity. Given September's CPI and weak domestic demand, we expect two 100bp cuts in October and December.

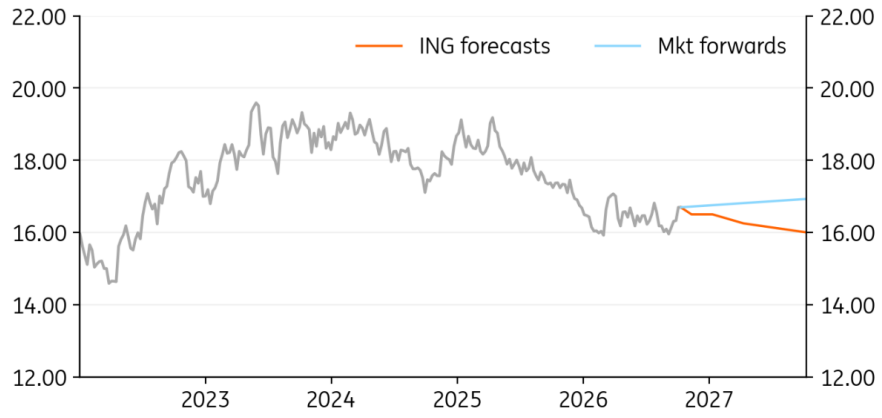


Source: Refinitiv, ING Forecasts

USD/ZAR: A resilient performance from the rand

	Spot	One month bias	1M	3M	6M	12M
USD/ZAR	16.5100	Mildly Bearish ↘	16.50	16.50	16.25	16.00

- The high-yield rand has been one of the better EM performers during the sell-off over the last month. Its fiscal metrics are not particularly great, (5% budget deficit, 80% debt to GDP), but the coalition government looks to be taking things in the right direction; a primary budget surplus is helpful here.
- The South African Reserve Bank is helping out too, having hiked 25bp in September to 7.25%. It is threatening to hike rates again on a baseline view that core central banks hike another 50bp.
- A difficult external environment suggests USD/ZAR may need to trade in a 16.00-16.60 range for the next three to six months. As 2027 progresses, however, the case for sub-16.00 levels builds.

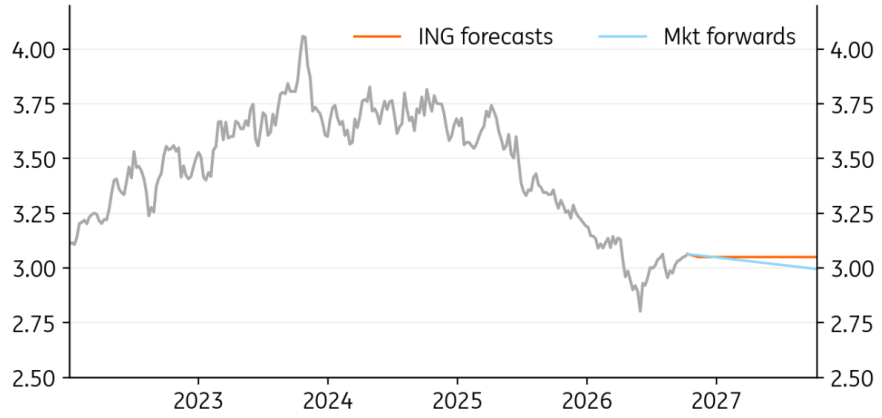


Source: Refinitiv, ING Forecasts

USD/ILS: Israel's higher credit rating provides a buffer

	Spot	One month bias	1M	3M	6M	12M
USD/ILS	3.0713	Neutral	3.05	3.05	3.05	3.05

- Israel's high-quality credit rating (A-) has provided a buffer to the shekel during this debt crisis. That largely stems from Israel's strong external investment position and relatively large domestic capital market. Additionally, the debt sell-off has yet to unhinge the US tech story – of which the shekel is a beneficiary.
- In September, the Bank of Israel cut rates to 3.25%, citing low inflation. Markets currently price further aggressive cuts to the 2.00% area, which seems excessive. The BoI might prefer to save those rate cuts for when the dollar is broadly softer – maybe in 2Q27 – and when USD/ILS is threatening to run away sub-3.00.
- Longer term, the trade-weighted ILS is very firm, and we suspect Israeli authorities will struggle to tolerate much further strength.



Source: Refinitiv, ING Forecasts

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