The Investment Institute
by UniCredit

Coffee Break

Coffee Break is our daily publication, offering topical insights as an intellectual ingot to start the day.

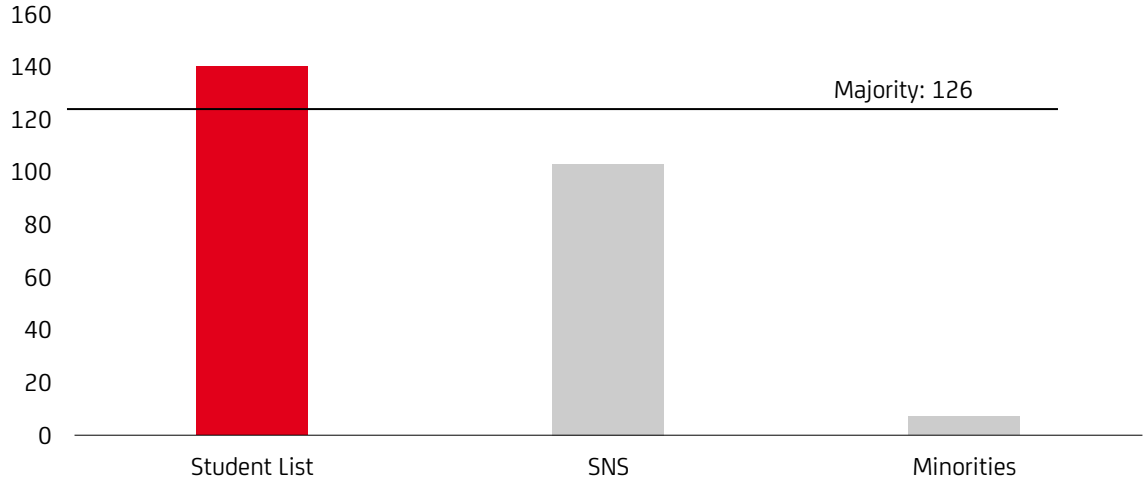
Student List majority marks biggest shift in Serbian politics since 2012

26 October 2026

The Student List secured a parliamentary majority, marking the biggest shift in Serbian politics since 2012 and ending the dominance of the SNS and its allies. The result suggests strong support for the rule of law, accountability and stronger institutions – issues that also feature prominently in Serbia's EU accession process. Attention now turns to government formation.

STUDENT LIST WINS PARLIAMENTARY MAJORITY, ENDING SNS DOMINANCE

SEATS IN THE NATIONALY ASSEMBLY



Source: CeSID, Serbian Electoral Commission, The Investment Institute by UniCredit
Note: The National Assembly consists of 250 seats. SNS= Serbian Progressive Party.

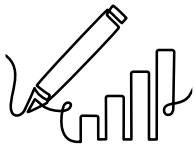
THE CONTEXT

The Serbian parliamentary election was held against the backdrop of an extended student-led protest movement that brought concerns over governance, accountability and corruption to the forefront of political debate. The result marks the most significant change in Serbia's political landscape since the Serbian Progressive Party (SNS) came to power in 2012, with the Student List translating a protest movement into an electoral majority. As the largest economy in the Western Balkans and a candidate for EU membership, Serbia occupies a central position in the region. The Student List's victory suggests that demands for reform, accountability and stronger institutions resonated with a broad segment of the electorate. These priorities have also long been central to Serbia's EU accession efforts.



THE DATA

The election resulted in a historic breakthrough for the Student List, which is projected by the Center for Free Elections and Democracy (CeSID) and Ipsos to secure 140 seats in the 250-member National Assembly, comfortably exceeding the 126 seats required for a parliamentary majority. The SNS-led bloc is projected to win 103 seats, representing a substantial decline compared with previous elections and ending more than a decade of dominance in parliament. Minority parties secured the remaining seats, while the Socialist Party of Serbia (SPS), a long-standing coalition partner of the SNS, failed to cross the 3% electoral threshold. Voter turnout increased from 58.6% in the previous parliamentary election to almost 70%, suggesting heightened public engagement and reflecting the high stakes of the contest. Aleksandar Vučić, leader of the SNS-led bloc and the dominant figure in Serbian politics for more than a decade, conceded defeat on election night.

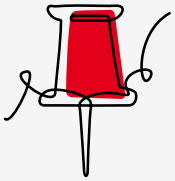


OUR VIEW

The Student List's victory marks a significant turning point in Serbian politics.

The size of the parliamentary majority provides the movement with a clear mandate to govern and should make it easier to form a government, while giving the new administration greater scope to advance its legislative agenda. Attention is now likely to shift from the electoral campaign to the practical implementation of the movement's agenda.

In policy terms, a Student List-led government is likely to place greater emphasis on accountability, transparency, the rule of law and anti-corruption measures. On economic policy, the movement has generally signalled support for an open, market-oriented economy, although the campaign offered relatively limited detail on specific economic measures, making it difficult to assess how far economic policy is likely to change. Foreign policy was not a central issue during the campaign, suggesting limited changes to Serbia's broader international positioning, although engagement with the EU could receive somewhat greater emphasis. Looking ahead, attention is likely to turn quickly to government formation and the presidential election scheduled for December, which could provide an early test of the new political landscape.



OTHER THINGS TO NOTE

Moody's: no decision on France

Last Friday, Moody's unexpectedly maintained France's sovereign rating at Aa3 with a negative outlook, despite recent market tensions and a deterioration in fiscal metrics. The agency assumes that the 2027 budget will be adopted and will deliver a modest reduction in the deficit (0.2pp of GDP), but stressed that significant and sustained fiscal consolidation extending beyond the 2027 presidential election will be required to stabilise public debt. Moody's also warned that any prolonged delay or reversal of structural reforms, particularly pension reform, could increase downward pressure on the rating. The decision leaves Moody's rating one notch above those of its peers, as both Fitch and S&P rate France at A+ following previous downgrades. (T. Bucco)

BRL to come under renewed pressure after Lula is re-elected president of Brazil

Investors are bracing for a heavy sell-off in Brazilian assets today, including a sharp drop in the BRL back towards pre-election levels, with USD-BRL moving well above 5.00 with futures already pointing to values towards 5.50, after Luiz Inácio Lula da Silva was re-elected president of Brazil with 51.8% of the vote, beating Flávio Blosonaro (48.2%) by more than 4.4mn votes. Bolsonaro said he would seek to have the election annulled, calling the last-minute extensions of voting hours ordered by the Supreme Court "unacceptable". (R. Mialich)

TODAY'S DATA RELEASES

Time (CET)	Country	Data	Period	UniCredit	Consensus	Previous
10:00	GE	Ifo Business Climate (Index)	Oct	90.5	90.0	89.9
10:00	GE	Ifo Expectations (Index)	Oct	91.0	90.0	90.4
10:00	GE	Ifo Current Assessment (Index)	Oct	90.0	89.9	89.5

Source: Bloomberg, The Investment Institute by UniCredit

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