WEEKLY ANALYSIS

NO. 955, 14 SEPTEMBER 2026

As expected, ECB raised interest rates by 25bps; tourism continued with solid growth

- Last week's ECB decision to raise the deposit rate from 2.25% to 2.5% had been clearly signalled by policymakers ahead of time and was fully discounted by financial markets. Accordingly, the interest rates on the main refinancing operations and the marginal lending facility will be increased to 2.65% and 2.90% respectively, with effect from 16 September 2026.

  The ECB has left its inflation forecast for this year unchanged at 3.0% but raised it slightly for next year, from 2.3% to 2.5%, and for 2028, from 2.0% to 2.1%. The Bank has also raised its forecast for core inflation next year fractionally, from 2.5% to 2.6% and – most notably– pushed it up to 2.3% in 2028 (from 2.2% previously). Also, the statement says the risks to inflation are still tilted to the upside. The baseline projection for economic growth is 0.9% for 2026, 1.4% for 2027 and 1.5% for 2028. This is an upward revision for both 2026 and 2027, mainly reflecting the greater than expected resilience of the euro area economy.

  Depo rate raised to 2,50%, refi rate to 2.65% and marginal lending facility to2.90%

  Given the high level of uncertainty, the ECB is once again refraining from committing to a predetermined path for interest rate setting: decisions will continue to be taken on a meeting-by-meeting basis, based on the data, with the sole concern being that the reaction function is well understood by the markets.

  Regarding the timing of any further rate rises, there are three considerations. Firstly, unlike in 2022, the ECB has acted proactively, and monetary policy is already at the upper end of the neutral range: it does not need to implement aggressive monetary policy tightening to compensate for delays in action. Secondly, so far, the pass-through of price rises has been less than expected, and evidence of a change in the outlook on this front will be needed to justify further rate rises. And thirdly, the energy outlook is highly volatile: a larger-than-expected expansion in crude oil production outside the Middle East, or a faster-than-expected recovery in flows from the Gulf, could still ease tensions.

  For these reasons, barring a drastic deterioration in inflation data, the position of our HO Research is that the ECB Governing Council will wait until the December 2026 review of the projections before seriously considering the option of a further rate rise: any further move is unlikely to come before 17 December. The meeting on 29 October is likely to be a stopgap. Thus, for the time being, we keep our base-case scenario unchanged, which sees official rates stable at the level reached following recent move. Moreover, our inflation projections are currently lower than those of the ECB, and less concerned about second-round effects. However, the risks are entirely one-sided and that what is priced in by the markets (a target range of 3.00–3.25%, at current prices) cannot be considered inconsistent with the ECB's reaction function across all possible scenarios.

- August data confirmed a solid continuation of the tourist season: total arrivals +2.3% with a tangible 1.6% more foreign and an impressive 8.3% more domestic tourists, which pushed cumulative arrivals for the eight-month period to +1.6%, with domestic guests up by 7.7% compared to the last year's same period and foreign guests up by 0.6%. Meanwhile, total overnight stays in August rose by 0.6% compared to the last year's same month, „powered by" domestic tourists who recorded 4.1% more overnight stays, while foreign tourists de facto stagnanted (+0.1%), thus staying below the level seen in 2024, considering that last year's August recorded a 1.9% decline.Tourist season peak (July and August) thus noted 0.8% more overnight stays, with 3.5% more domestic tourists and 0.4% more foreign tourists' overnight stays. The cumulative figure for the first eight months thus, unfortunately, did not change significantly and total overnight stays increased by 0.6%, domestic by 4.5% and foreign by 0.1%. Although the financial results for Q3 will be known to us only at the end of the year, fiscalisation data indicate that the (adjusted) amount of invoices in the Accommodation sector grew by 7.8% in July and August (Q2: +8.0%), while the turnover in the Food and beverage service activities increased by 10.2% (Q2: +9.7%), i.e., by 9.1% overall. With the presumption that the average price growth per HICP was around 4.5% in those two months, data suggest real growth of approximately 4.4%, while in the first eight months growth amounted to only slighty lower 4.3%.

Solid tourist season peak with a mild increase in foreign overnight stays

Croatia: Tourism Trends

% YoY	YTD 2026	8 2026	7 2026	6 2026	5 2026	4 2026	3 2026	2 2026	1 2026	12 2025	11 2025	10 2025	9 2025	8 2025
Total arrivals	**1.6**	**2.3**	**2.6**	**-6.6**	**8.9**	**-1.1**	**17.7**	**4.6**	**2.5**	**7.4**	**-6.8**	**2.2**	**5.4**	0.5
Domestic tourist arrivals	7.7	8.3	7.0	10.0	-1.0	13.2	14.2	2.4	12.1	7.3	-3.6	7.3	12.2	4.1
Foreign tourist arrivals	0.6	1.6	2.1	-8.8	11.0	-4.4	20.0	6.7	-6.4	7.4	-9.5	1.0	4.7	0.1
Commercial arrivals	1.6	2.3	2.5	-6.6	8.9	-0.8	17.5	4.6	2.6	7.2	-6.9	2.2	5.8	0.4
Non-commercial arrivals	2.5	5.6	4.4	-3.6	4.9	-2.4	13.1	11.4	-7.3	24.3	-5.6	-3.7	1.8	-1.9
Nautica arrivals	-0.5	-1.0	3.6	-10.2	11.5	-11.9	48.9	-25.1	-46.9	6.2	22.3	2.5	-1.4	4.5
Total overnights	**0.6**	**0.6**	0.9	**-5.6**	**13.0**	**-2.6**	**17.5**	**2.0**	**5.0**	**7.7**	**-4.2**	**2.4**	**5.1**	-1.7
Domestic tourist overnights	4.5	4.1	2.8	8.8	-0.3	7.0	11.7	-3.3	15.0	4.3	-2.0	5.9	1.0	0.0
Foreign tourist overnights	0.1	0.1	0.7	-7.1	14.9	-4.2	20.2	5.5	-1.2	9.4	-5.5	1.9	5.5	-1.9
Commercial overnights	0.6	0.5	1.0	-6.1	14.1	-2.6	17.6	0.8	3.3	6.1	-6.1	2.5	6.3	-1.7
Non-commercial overnights	1.1	2.0	0.1	0.1	-2.6	0.1	9.8	19.1	29.5	30.3	21.7	9.0	-2.0	-2.4
Nautica overnights	-0.1	-1.4	1.7	-5.1	8.5	-5.0	62.8	-19.4	-40.5	21.0	-19.7	-2.4	-1.8	3.2

Source: HTZ time series, 11.9.2026.

* possible minor difference compared to www.htz.hr data due to change in hist. data and/or rounding

Overnights by accommodation

%	I-VIII 2026 YoY	I-VIII 2025 YoY	I-VIII 2024 YoY
Hotels	1.8	2.4	4.1
Camps	-0.3	0.0	0.3
Households	-0.5	-0.1	0.8
Commercial accomm.	**0.6**	**0.5**	**1.6**
Non-commercial	1.1	-0.1	-3.1

Source: HTZ

* possible minor difference compared to HTZ data due to change in hist. data and/or rounding

Zagreb Stock Exchange Equity Indices, last 11/09/2026

	Last	Week %	1Y %	YTD %
CROBEX	4,383.13	-0.2	13.8	13.6
CROBEX10	2,867.88	0.4	16.0	16.5
CROBEXindustrija	3,855.41	-0.2	14.8	15.0
CROBEXkonstrukt	1,392.25	-4.8	30.9	30.3
CROBEXnutris	826.90	-0.5	-3.4	1.6
CROBEXplus	2,816.42	-1.6	16.0	15.8
CROBEXtransport	1,535.87	-4.8	24.1	37.3
CROBEXturist	5,898.02	-2.1	25.8	21.8

Source: Zagreb Stock Exchange

MACROBOND

FX Spot Rates

	11/09/2026	2026 Q1	2026 Q2
EUR/USD	1.159	1.17	1.16
USD/JPY	154.470	156.92	159.43
USD/CHF	0.814	0.78	0.79

Source: ECB (European Central Bank), Bank of Japan (BOJ), National Bank of Switzerland (Schweizerische Nationalbank)

MACROBOND

Interest Rates

	31/12/2025	31/03/2026	30/06/2026	11/09/2026
Deposit rate	2.00	2.00	2.25	2.50
Euribor 1m	1.94	1.89	2.20	2.39
Euribor 3m	2.03	2.08	2.32	2.65
Euribor 6m	2.11	2.48	2.57	2.82

Source: ECB (European Central Bank), European Money Markets Institute (EMMI)

MACROBOND

ECONOMIC RESEARCH

Ivana Jović

TRANSLATION

Ana Biloš

Jelena Marinović

www.pbz.hr