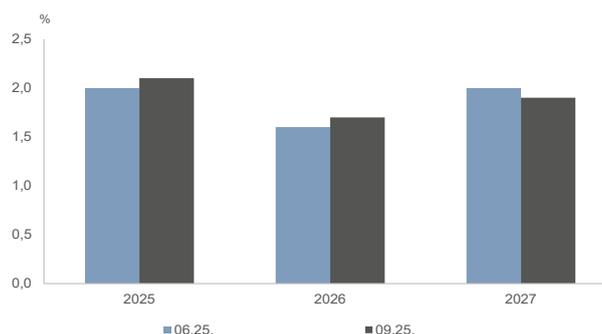


## NUMBER 915, SEPTEMBER 15, 2025

### The ECB's meeting without surprises

- At the last week's meeting, the ECB maintained interest rates at the existing levels. Such a decision had already been announced via its leaders' statements, so a week earlier a member of the Executive Board, I. Schnabel<sup>1</sup>, explicitly stated that she saw no reason

ECB staff projections: HICP, average, y/y change



Interest rates maintained

for the change: "At the current juncture, I see no reason to adjust the policy stance in either direction. Interest rates are in a good place. Medium-term inflation is projected to be around 2% and inflation expectations are anchored. We are at full employment and the economy is growing around trend." She further explained that, although the June projections indicate one further cut this year, the models cannot be that precise, emphasizing that she "does not see a reason for a further rate cut in the current situation".

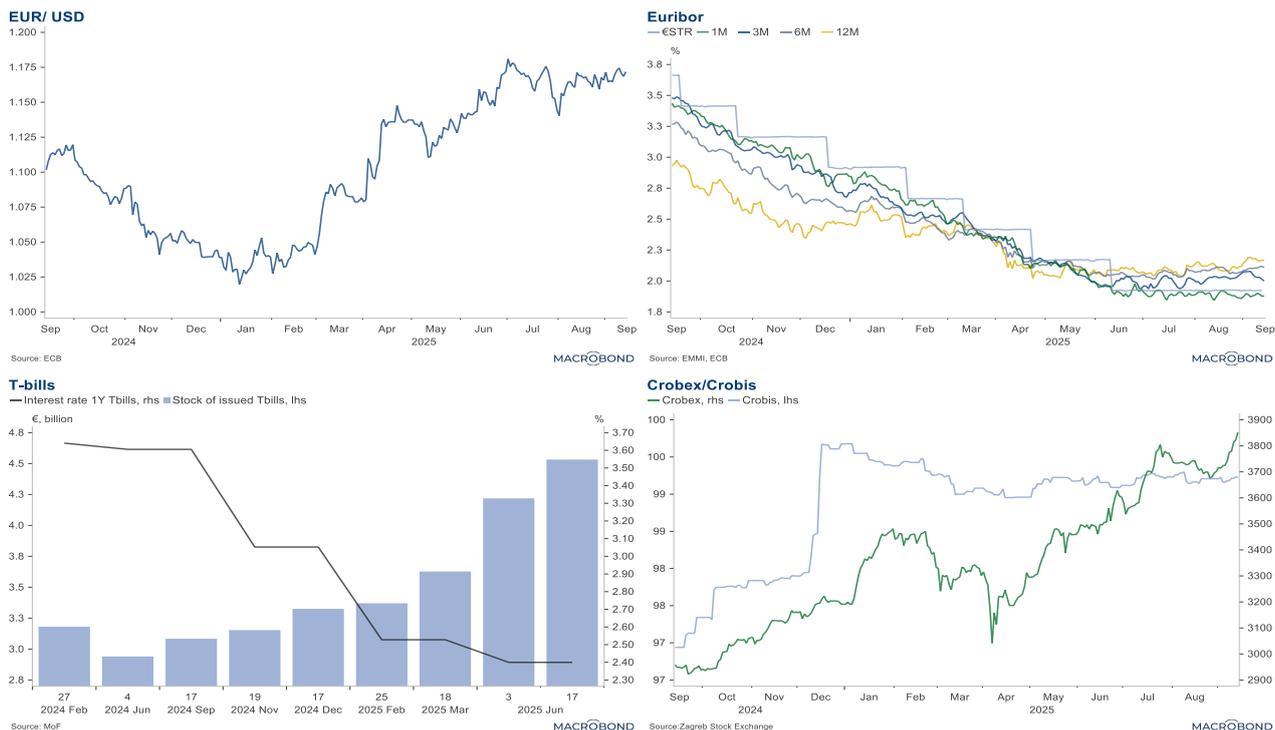
- The statement issued after the meeting did not provide any forward guidance, reiterating that the ECB will stick to a data-based approach and that the Governing Council's assessment of the inflation outlook is broadly unchanged. Projections for the average annual inflation rate is therefore only slightly revised up in the September scenario compared to June, by 0.1 p.p. upwards to 2.1%, i.e., 1.7% in 2025 and 2026, while in 2027 it is lowered by 0.1 p.p. to 1.9%. Expected GDP growth in 2025 has been raised to 1.2% from 0.9% in June. The growth projection for 2026 has been lowered by 0.1 p. p. to 1.0%, while it has been confirmed at 1.3% for 2027. Risks to growth are now assessed as more balanced than before. After the September meeting, we expect the ECB to cut rates by another 25 bps by the end of the year, in December. However, this move is not entirely certain, the markets currently considering this less likely than the probability of rate stagnation, and the press conference did not provide any more insight into the monetary policy stance. When asked about the outlook of inflation declining below the

Absence of forward guidance

<sup>1</sup> [Interview with Reuters](#)

target level in 2027, Lagarde explained that this is a delayed effect of a stronger euro, a minimal and temporary deviation that does not require a prompt response from monetary policymakers.

- Unfavourable trends in the labour market and growing expectations that the Fed will cut interest rates this week led to the dollar weakening to 1.1718 dollars to the euro on Friday, up by 0.2% w-o-w.
- Euribor noted a slight shift w-o-w so 3M and 6M were 2.0, i.e., 2.1% at the end of the week. The first round of subscriptions of 3M T-bills is ending and the second round is taking place this week, with the targeted amount of issuance of EUR 1.2 billion.
- Stock recovery is continuing, so Crobex recorded a growth of 3% w-o-w to 3,852 points. Of sectoral indices, CROBEXindustry and CROBEXnutris continued a positive trend with a growth of 8.5, i.e., 1.6% (to 3,359 and 856 points), while CROBEXtourist lingered in negative territory (-0.5% at 4,688 points). Crobis stagnated at 99.2 points.



## LEGAL DISCLAIMER

This publication is issued by PRIVREDNA BANKA ZAGREB-DIONIČKO DRUŠTVO, Zagreb, Radnička 50 (hereinafter: PBZ) and aimed at clients of the PBZ Group. This publication is intended for information purposes only and may not in any way be considered an offer or invitation to purchase any property or rights mentioned in it. The informative nature of this publication means that it may not serve as a substitute for the personal judgment and assessment of any reader or anyone who receives this publication. The information, opinions, analyses, conclusions, forecasts and projections given here are founded on publicly available data whose accuracy PBZ relies on but cannot guarantee. Accordingly, all the opinions, attitudes, conclusions, forecasts and projections given in this publication are subject to changes, which depend on changes to the data as published by the source used. PBZ allows further utilization of the data given in this publication on the condition that the publication is indicated as the source. All the property mentioned in this publication and whose movement is the subject of comment may from time to time be the subject of trade or positions taken by PBZ.

## ECONOMIC RESEARCH

Ivana Jović  
Ana Lokin

## TRANSLATION

Ana Biloš  
Jelena Marinović

[www.pbz.hr](http://www.pbz.hr)