

## Key events in EMEA and Latam

A packed calendar in EMEA next week - the focus will be on Turkey's and Russian's central bank meetings which should result in a cut following lower than expected inflation numbers. Also keep an eye out for Czech industrial production and an inflation reading from Hungary



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### ✓ Turkey: Expect a cut

Given the downside surprise in November inflation, improving inflation expectations, currency stability and low-interest rate environment globally, we expect the central bank to act, with a modest 100 basis point rate cut, pulling the policy rate down to 13%. [Read our full preview here.](#)

### ✓ Russian's central bank likely to cut

In November, CPI continued to underperform expectations (3.5% YoY) while inflationary expectations in November reached their lowest levels since April 2018, so it is possible that December CPI will approach the lower bound of the CBR's target of 3.2-3.7%, building the case for a 25 basis point cut in the key rate in December.

With few internal obstacles, only a negative external surprise (including a hawkish Federal Reserve) could prevent the CBR from cutting.

## ✔ Hungary: All eyes on inflation

The most important release in Hungary next week is the inflation reading. With previous price increases in energy products falling out of the base, there is upward pressure on the year-on-year headline rate. Against this backdrop, we see fuel prices along with more expensive food items pushing the headline reading up 3.4% from a year ago. As inflation in market services is expected to strengthen further, core inflation could rise to 4.1% year-on-year. However, as tax effects remain significant, core inflation excluding indirect taxes is expected to come in at 3.8%, an 11-year high. Separately, we expect the budget to post a notable deficit in November due to seasonal factors, but the year-to-date reading should remain significantly better than planned.

## ✔ Czech: Industrial production still on a downward path amid weaker foreign demand

October industrial production will fall in YoY terms – mainly due to the calendar bias, as October had one less working day. But even the adjusted figures should confirm the trend of previous months, i.e. stagnation or a slight YoY decline in domestic industrial production due to weaker foreign demand.

November inflation will be the most interesting release next week, however, as there is potential to hit the 3% upper tolerance band, if food prices increase more than 0.4% month-on-month. Even weaker monthly growth will push annual food prices significantly higher due to the base effect, from 2.8% in September to more than 4.5% YoY, which will increase the contribution of food prices to YoY CPI growth by 0.3 percentage points. If inflation does break the 3% upper tolerance band, it will be because of volatile food prices and this isn't likely to affect the CNB's decision to stay on hold in December.

## EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 9 December</b>					
Czech Rep	0800 Oct	Construction Output (YoY%)	-	-	0.2
	0800 Oct	Trade Balance (CZKmn)	-	-	25.1
	0800 Oct	Industrial Output (YoY%)	-3.1	-	4.9
	0800 Nov	Unemployment Rate (%)	2.6	-	2.6
	0900 Nov	International Reserves (US\$bn)	-	-	147.1
Hungary	0800 Oct	P Trade Balance (€mn)	500	-	538.9
	1000 Nov	Budget Balance (YTD HUF bn)	-825	-	-575.4
Ukraine	-	Nov CPI (MoM/YoY%)	-/-	-/-	0.7/6.5
Romania	0700 Oct	Avg Net Wages (YoY%)	-	-	14.66
Kazakhstan	0900	Key Policy Rate (%)	-	-	9.25
Bulgaria	0900 Oct	Industrial Production (YoY%)	-	-	-0.14
	0900 Oct	Industrial Production (MoM/YoY%)	-/-	-/-	0.3/2.6
	0900 Oct	Retail Sales (MoM%)	-	-	0.3
Croatia	1000 Sep	Trade Balance (HRK m)	-	-	-5484
Israel	-	Bank of Israel Publishes Minutes of Rate Meeting			
Mexico	1200 Nov	CPI (MoM/YoY%)	0.8/3.0	0.8/3.0	0.5/3.0
<b>Tuesday 10 December</b>					
Czech Rep	0800 Nov	CPI (MoM/YoY%)	0.0/2.9	-/-	0.5/2.7
	0800 Oct	Export Price Index (YoY%)	-	-	0.9
	0800 Oct	Import Price Index (YoY%)	-	-	-0.7
Hungary	0800 Nov	CPI (MoM/YoY%)	0.2/3.4	-/-	0.6/2.9
Romania	0700 Oct	Trade Balance (€m)	-	-	-1189.1
Kazakhstan	-	Nov International Reserves (US\$bn)	-	-	29.5
Croatia	1000 Oct	Tourism arrivals (YoY%)	-	-	-0.9
South Africa	1100 Oct	Manufacturing Production (SA, MoM%)	-	-	-2.4
<b>Wednesday 11 December</b>					
Turkey	0700 Oct	C/A (US\$bn)	1.8	-	2.48
Romania	0700 Nov	CPI (MoM/YoY%)	0.2/3.8	-/-	0.43/3.4
South Africa	0800 Nov	CPI (MoM%/YoY%)	-/-	-/-	0.0/3.7
	1100 Oct	Retail Sales (MoM%)	-	-	0.5
Israel	1100 Nov	Trade Balance (US\$mn)	-	-	-2179
Brazil	1200 Oct	Retail Sales (YoY%)	1.8	-	2.1
	2120	Selic Rate	4.5	4.5	5.0
<b>Thursday 12 December</b>					
Russia	1300 3Q	P GDP (YoY%)	-	1.7	1.7
	1300 Oct	Trade Balance (US\$bn)	-	15.1	14.1
Turkey	1100	Benchmark Repurchase Rate	13	-	14
Ukraine	1200	Key Rate (%)	-	-	15.5
Romania	0700 Oct	Industrial Production (MoM/YoY%)	-/-	-/-	1.9/-4.8
	0700 Oct	Industrial Sales (MoM/YoY%)	-/-	-/-	12.0/5.2
Serbia	1100 Nov	CPI (MoM/YoY%)	-0.1/1.2	-/-	0.1/1.0
	1100	Repo rate (%)	2.25	-	2.25
South Africa	0900 Oct	Mining Production (YoY%)	-	-	0.2
	0900 Oct	Mining Production Volume Index YoY	-	-	-2.02
	0930 Nov	PPI (MoM/YoY%)	-/-	-/-	0.3/3.0
	-	3Q Non-Farm payroll (QoQ/YoY%)	-/-	-/-	0.0/1.4
Mexico	1200 Oct	Industrial Production (YoY%)	-2.1	-	-1.8
<b>Friday 13 December</b>					
Russia	1030	Key Rate (%)	6.25	6.25	6.5
Turkey	0700 Oct	Industrial Production (MoM%/YoY%)	/4.2	-/-	3.2/3.4
Poland	0900 Nov	F CPI (MoM%/YoY%)	-/-	-/-	0.1/2.6
Kazakhstan	-	Nov Industrial Production Yearly	-	-	5.4

Source: ING, Bloomberg

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