

Key events in EMEA and Latam next week

Central banks in Romania and Serbia are likely to leave policy rates unchanged next week



Source: Shutterstock

National Bank of Romania front-run by the government

The National Bank of Romania (NBR) has been at odds with the government over its fiscal policy and its plan to tax bank assets. Recent moves by the ruling Social Democrats have complicated efforts to manage monetary policy and to some extent, have thrown into question the central bank's independence. A ROBOR-linked bank tax, announced last month, will tighten credit conditions, which means further NBR hikes could have an amplified impact. This opens the way for the NBR to cut the reserve requirement ratio (RRR) to ease its stance, leaving the vulnerable Romanian leu at the mercy of global sentiment. Needless to say, we see no change 8 January.

National Bank of Serbia on hold due to external uncertainties

CPI inflation well within the target band, contained inflation expectations and recent currency appreciation could build the case for the National Bank of Serbia (NBS) to restart its rate cutting cycle. While there are some inflationary risks on the horizon from strong domestic growth momentum, a volatile external environment is the main reason for the NBS to stay on hold, in our view.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 7 January					
Poland	1300	Dec Official Reserves Total	-	-	113835.0
Hungary	0800	Nov Retail Sales (YoY%)	-	-	5.5
Romania	0700	Nov Retail Sales (MoM/YoY%)	-/-	-/-	1.3/5.1
South Africa	-	Dec Kagiso PMI	-	-	49.5
Israel	-	Dec Foreign Currency Balance (US\$bn)	-	-	115.1
Tuesday 8 January					
Czech Rep	0800	Nov Construction Output (YoY%)	-	-	10.4
	0800	Nov Industrial Output (YoY%)	-	-	6.7
	0900	Dec International Reserves (US\$bn)	-	-	141.4
Hungary	0800	Nov Industrial Production (MoM/YoY%)	-/-	-/-	2.0/3.3
Romania	-	Repo Rate (%)	2.5	2.5	2.5
Serbia	1100	Dec HPPI (MoM/YoY%)	-/-	-/-	-0.5/1.6
Croatia	1000	Nov F Retail Sales (YoY%)	-	-	4.5
South Africa	0600	Dec Gross Reserves (US\$bn)	-	-	50.7
	0600	Dec Net Open Foreign Currency Position (US\$bn)	-	-	42.6
Brazil	1100	Nov Industrial Production (YoY%)	1.5	-	1.1
Wednesday 9 January					
Poland	-	Base Rate (%)	-	-	1.5
	-	Monetary Policy Council Rate Meeting			
Czech Rep	0800	Nov Trade Balance (CZKmn)	-	-	5.7
	0800	Dec Unemployment Rate (%)	-	-	2.8
Hungary	0800	Nov P Trade Balance (€mn)	-	-	304.0
	1300	Central Bank's Minutes			
Romania	0700	Nov Unemployment Rate 15 - 74 Yrs, SA	-	-	4.0
	0700	Nov Trade Balance (€m)	-	-	-1889.6
Croatia	1000	Oct Trade Balance (HRK m)	-	-	-5146.0
	1000	Dec PPI (MoM/YoY%)	-/-	-/-	0.8/1.2
Mexico	1400	Dec CPI (MoM/YoY%)	0.9/5.0	-/-	0.9/4.7
Thursday 10 January					
Russia	-	Dec F CPI (MoM/YoY%)	-/-	-/3.7	0.8/3.8
Czech Rep	0800	Dec CPI (MoM/YoY%)	-/-	-/-	-0.1/2.0
Kazakhstan	-	Dec Industrial Production (YoY%)	-	-	2.3
Bulgaria	0900	Nov Industrial Production (MoM/YoY%)	-/-	-/-	0.8/1.6
	0900	Nov Retail Sales (MoM/YoY%)	-/-	-/-	0.5/4.9
Serbia	1100	Repo Rate (%)	3.0	-	3.0
South Africa	0930	Dec SACCI Business Confidence	-	-	96.1
	1100	Nov Manufacturing Production (MoM%)	-	-	3.0
	1100	Nov Manufacturing Production (SA, MoM%)	-	-	1.1
Friday 11 January					
Turkey	0700	Nov C/A (US\$mn)	-	-	2.8
Czech Rep	0800	Nov Retail Sales (YoY%)	-	-	3.1
	0800	Nov Retail Sales Ex. Motor Vehicles (YoY%)	-	-	6.4
	0800	3Q F GDP (QoQ/YoY%)	-/-	-/-	0.6/2.4
Ukraine	-	Dec CPI (MoM/YoY%)	-/-	-/-	1.4/10.0
Romania	0700	Nov Avg Net Wages (YoY%)	-	-	13.7
	0700	3Q F GDP (QoQ, SA/YoY%)	1.9/4.3	-	1.9/4.3
Serbia	1100	Dec CPI (MoM/YoY%)	-/-	-/-	-0.3/1.9
Brazil	1100	Dec Inflation (IPCA) (MoM/YoY%)	0.2/3.8	-	-0.2/4.1
Mexico	1400	Nov Industrial Production (YoY%)	1.3	-	1.0

Source: ING, Bloomberg

[Click here to download a printer-friendly version of this table](#)

Author

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.