

## Key events in EMEA and LATAM next week

Election time in Hungary and a busy central bank week in EMEA, but who do we think will hike, cut or hold rates?

### **Hungary: it's election time!**

In Hungary, the key event is the general election on Sunday. We see Fidesz-KDNP winning the election by a simple majority, but the end result could be much closer than anyone's guesses, especially if the opposition finds success in its coordination withdrawing candidates. On the data front, the CPI release could bring some excitement. We expect inflation to pick up somewhat, however the latest CPI readings across Europe showed downside surprises and this might happen to Hungary too.

### **Romania: looking for clues in the national bank's minutes**

In Romania, we expect CPI to slow down from 4.7% to 4.6% YoY in March. The National Bank of Romania (NBR), had asymmetrical information at its latest meeting, including preliminary data on March CPI, which shifted the balance towards a no change decision, against the market consensus. We will be looking for more clues in the NBR minutes, due 11 April, but also for a change in the recent unanimous voting pattern.

### **Serbia: inflation and FX outlook to cut rates**

In Serbia, we hold a non-consensus view and look for a 25bp rate cut to 3% by the central bank as the inflation outlook is supportive and the FX market is relatively stable.

### **Poland: low inflation environment to reaffirm dovish rhetoric**

We expect the Monetary Policy Council to reaffirm their dovish rhetoric, especially after a very soft CPI inflation reading in March (flash estimate at 1.3% YoY, with core inflation close to 0.5% YoY). The National Bank of Poland's Governor Glapiński is likely to confirm that interest rates hikes are unnecessary in the low inflation environment. Eventual rate cuts should be also excluded.

### **Czech Republic: rates temporarily on hold to avoid CZK appreciation**

While the labour market will continue its favourable development with the unemployment rate falling further, March CPI is expected to remain below the Czech National Bank's (CNB) target. Despite the fact that fuel prices fell slightly in month-on-month terms (-0.8%) and that food prices most likely just stagnated, core inflation slightly increased, which should keep year-on-year

dynamics at 1.8%, as in the previous month. Lower inflation compared to its peak in October 2017 is driven mainly by base effects and lower food prices, not a game changer from the monetary policy perspective.

However, as we already mentioned in our [Czech National Bank preview](#), the CNB wants to sound dovish now, to avoid CZK appreciation driven by hike expectations, as tightening of monetary conditions via FX would leave limited room for interest rate tightening. Therefore we believe that inflation slightly below the target is convenient for the CNB and its communication strategy for the time being.

## **The CIS space: Russian inflation to uptick, National Bank of Ukraine to keep key rate on hold**

In the CIS space, Russia's highlights will be inflation data for March, where we expect only a marginal pick-up in headline/core rates, and flash estimate of the C/A surplus which we expect at decent US\$27.3bn.

In Ukraine, the expected stabilisation of annual inflation near 13% will likely allow the National Bank of Ukraine to keep its key rate on-hold at 17%.

## **EMEA and Latam Economic Calendar**

Country	Time	Data/event	ING	Survey	Prev.
<b>Friday 6 April</b>					
Russia	-	Mar CPI (YoY%)	2.3	2.4	2.2
	-	Mar Core CPI (MoM/YoY%)	0.2/2.0	0.3/2	0.2/1.9
Poland	1300	Mar Official Reserves Total	-	-	116050.2
Czech Rep	0800	Feb Construction Output (YoY%)	-	-	33.6
	0800	Feb Industrial Output (YoY%)	4.2	5.9	5.5
	0800	Feb Retail Sales (YoY%)	5.5	5.6	5.7
	0800	Feb Retail Sales Excl. Motor Vehicles (YoY%)	7.4	7.6	8.2
	0900	Mar International Reserves (US\$bn)	-	-	150.9
	0800	Czech National Bank Publishes Minutes From Board Meeting			
Hungary	0800	Feb Industrial Production (MoM/YoY%)	-0.3/3	0.9/4.65	1.5/6.7
Bulgaria	-	Bulgaria Sovereign Debt to Be Rated by Moody's			
Croatia	1000	Feb F Retail Sales (YoY%)	-	-	6.1
<b>Sunday 8 April</b>					
Hungary	-	Hungary to hold general election			
<b>Monday 9 April</b>					
Czech Rep	0800	Feb Trade Balance (CZKmn)	13	20	11.9
Hungary	0800	Feb P Trade Balance (€mn)	-	-	698
	1000	Mar Budget Balance (YTD)	-907.6	-	-526.6
Kazakhstan	-	Mar International Reserves (US\$bn)	-	-	31
Croatia	1000	Jan Trade Balance (HRK m)	-	-	-3591.4
South Africa	0700	Mar Gross Reserves (US\$bn)	-	-	50.05
	0700	Mar Net Open Foreign Currency Pos. (US\$bn)	-	-	43.3
Israel	-	Mar Foreign Currency Balance (US\$bn)	-	-	116.3
Mexico	1400	Mar CPI (MoM/YoY%)	0.42/5.14	-/-	0.38/5.34
<b>Tuesday 10 April</b>					
Russia	1400	1Q P C/A (US\$m)	27300	28400	13698
Poland	-	Monetary Policy Council Rate Meeting (until 11/04)			
Czech Rep	0800	Mar CPI (MoM/YoY%)	0.1/1.8	0/1.7	0/1.8
	0800	Mar Unemployment Rate (%)	3.4	3.5	3.7
Hungary	0800	Mar CPI (MoM/YoY%)	0.1/2.0	-/-	0.2/1.9
Ukraine	-	Mar CPI (MoM/YoY%)	0.9/13	0.9/13.3	0.9/14
Romania	0700	Feb Trade Balance (€m)	-	-	-775
Bulgaria	0900	Feb Industrial Production (MoM/YoY%)	-/-	-/-	0.3/3.55
	0900	Feb Retail Sales (MoM/YoY%)	-/-	-/-	0.2/4.4
Serbia	1100	Mar HPI (MoM/YoY%)	-/-	-/-	-0.4/-1.1
South Africa	1200	Feb Manufacturing Production (SA, MoM%)	-	-	-1.6
Brazil	1300	Mar Inflation (IPCA) (MoM/YoY%)	0.18/2.77	0.12/2.71	0.32/2.84
<b>Wednesday 11 April</b>					
Russia	1400	Feb Trade Balance (US\$bn)	13	13.5	16.991
Turkey	0800	Feb C/A (US\$m)	-4.2	-	-7.096
Poland	-	Base Rate (%)	1.5	1.5	1.5
Hungary	1300	Hungarian Central Bank's Minutes			
Romania	0700	Feb Avg Net Wages (YoY%)	-	-	8
	1300	National Bank of Romania Publishes Minutes of Rate Meeting			
Croatia	1000	Mar PPI (MoM/YoY%)	-/-	-/-	-0.8/0.6
South Africa	-	1Q Consumer Confidence	-	-	-8
Mexico	1400	Feb Industrial Production (YoY%)	1.2	-	0.93
<b>Thursday 12 April</b>					
Ukraine	1200	Apr 12 Key Rate (%)	-	17	17
Romania	0700	Feb Industrial Production (MoM/YoY%)	-/-	-/-	-2.8/8.7
	0700	Feb Industrial Sales (MoM/YoY%)	-/-	-/-	2.2/20.7
	0700	Mar CPI (MoM/YoY%)	0/4.6	-/-	0.3/4.72
Serbia	1100	Mar CPI (MoM/YoY%)	-/-	-/-	0.3/1.5
	1100	Repo rate (%)	3	3.25	3.25
South Africa	1030	Feb Mining Production (MoM/YoY%)	-/-	-/-	1.03/2.35
	1030	Feb Mining Gold Production (YoY%)	-	-	-7.68
	1030	Feb Mining Production Volume Index YoY	-	-	-13.55
Brazil	1300	Feb Retail Sales (YoY%)	4.1	-	3.2
Mexico	1900	Overnight Rate	7.5	-	7.5
<b>Friday 13 April</b>					
Poland	0900	Mar F CPI (MoM/YoY%)	-0.1/1.3	-/-	-0.1/1.3
	1300	Feb C/A (€mn)	-529	-412	2005
	1300	Feb Trade Balance (€mn)	-543	-468	-204
	1300	Feb Exports (€)	16713	16688	16853
	1300	Feb Imports (€)	17256	17221	17057
	1300	Mar Core CPI (MoM/YoY%)	0.0/0.5	0.3/0.9	0/0.8
	-	Poland Sovereign Debt to be rated by S&P			
Czech Rep	0900	Feb C/A (CZKbn)	-	-	28.88
Romania	-	Feb C/A YTD (€m)	-	-	216
Kazakhstan	-	Kazakhstan Sovereign Debt to be rated by Fitch			
Croatia	1000	Feb Tourism arrivals (YoY%)	-	-	18.7

Source: ING, Bloomberg

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