

## Key events in EMEA and Latam next week

A flurry of inflation and fourth quarter growth figures are to be released next week in EMEA and Latam, and the outlook is mixed. Hungary sees headline CPI ticking higher while Poland and the Czech Republic both expect a slowdown in GDP and CPI



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### **Poland: Core inflation likely to be stable, but is exposed to surprises**

We expect GDP in the fourth quarter to slow down from 5.1% to 4.8% year-on-year. The annual 2018 reading, which was published last week, suggests a moderation of both private consumption and investment. Some major revisions to the historical data are likely, given the annual net export contribution was neutral (contrary to the outcome of the quarterly figures published so far).

Inflation should fall further in January from 1.1% YoY to 0.8% YoY due to energy prices, as well as government lowered interim fees, subtracting 0.2 percentage points from the headline index. Core inflation is likely to remain soft – we expect a stable 0.6% YoY reading. The January reading is more uncertain than normal due to increases in local government fees and household maintenance costs (+) and changes to some VAT tax rates (-).

## ✓ Czech Republic: 4Q18 annual growth to edge down slightly

January CPI is always more difficult to estimate as many contracts are repriced at the beginning of the year. The Czech statistical office has started to use a new method for gathering food prices, so uncertainty about this part of the consumer basket is higher still. We believe food prices might increase on a monthly basis above 1%, and core prices should go up around 0.8%. On the other hand, fuel prices will fall by 3.8% due to oil prices developments. This should all bring the annual headline figure to 2.1% after 2.0% in December 2018.

Flash GDP for 4Q18 is expected to reach 0.6% quarter-on-quarter, which is the same as the previous quarter, pushing annual growth down slightly to 2.3% for 4Q18 and 2.8% for the full-year.

## ✓ Hungary: Headline inflation to tick higher

The main event next week is the January inflation reading. We see headline CPI edging higher as the annual change in fuel prices will roughly counterbalance the strengthening inflation in services. However, core readings - including the tax adjusted indicator - will pick up much more, overshooting the target. We see core CPI (excluding tax) above 3% in January.

The Hungarian central bank might wait until March to adjust both the FX swaps and the interest rate corridor simultaneously. Our 4Q18 GDP forecast is subject to upside risk due to the particularly strong industrial performance at the end of the year.

## EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 11 February</b>					
Russia	1300	Dec Trade Balance (US\$bn)	-	18.2	19.0
Ukraine	-	National Bank of Ukraine Publishes Minutes of Rate Meeting			
Romania	0700	Dec Av. Net Wages (YoY%)	-	-	13.3
	0700	Dec Trade Balance (€m)	-	-	-1567.4
Kazakhstan	-	Jan Industrial Production (YoY%)	-	-	0.1
Mexico	1400	Dec Industrial Production (YoY%)	-0.5	-	-1.3
<b>Tuesday 12 February</b>					
Hungary	0800	Jan CPI (MoM/YoY%)	0.4/2.8	-/-	-0.3/2.7
Romania	0700	Dec Industrial Sales (MoM/YoY%)	-/-	-/-	-4.0/9.3
South Africa	0930	4Q Unemployment Rate (%)	-	-	27.5
	1100	Dec Manufacturing Production (MoM%)	-	-	1.6
	1100	Dec Manufacturing Production (SA, MoM%)	-	-	0.7
<b>Wednesday 13 February</b>					
Poland	1300	Dec C/A (€mn)	-1420.0	-	-221.0
	1300	Dec Trade Balance (€mn)	-1624.0	-	-229.0
	1300	Dec Exports (€)	16713.0	-	20025.0
	1300	Dec Imports (€)	18338.0	-	20254.0
Czech Rep	0800	Jan CPI (MoM/YoY%)	0.7/2.1	-/-	0.1/2.0
	0900	Dec C/A (CZKbn)	-3.0	-	8.7
Hungary	1300	Hungarian Central Bank's Minutes			
Romania	0700	Jan CPI (MoM/YoY%)	1.0/3.5	-/-	0.2/3.3
	0700	Dec Industrial Production (MoM/YoY%)	-/-	-/-	0.8/5.2
	-	Dec C/A YTD (€m)	-	-	-8730.0
South Africa	1100	Dec Retail Sales (MoM/YoY%)	-/-	-/-	3.3/3.1
Israel	1100	Jan Trade Balance (US\$mn)	-	-	-2169.2
Brazil	1100	Dec Retail Sales (YoY%)	2.1	-	4.4
<b>Thursday 14 February</b>					
Turkey	0700	Dec C/A (US\$mn)	-1.5	-	1.0
	0700	Dec Industrial Production (MoM/YoY%)	-/-2.5	-/-	-0.3/-6.5
Poland	0900	4Q P GDP (QoQ/YoY%)	0.4/4.8	-/-	1.7/5.1
Hungary	0800	4Q P GDP (SWDA, QoQ/YoY%)	0.5/4.5	-/-	1.3/4.9
Ukraine	-	4Q P GDP (YoY%)	-	-	2.8
Romania	0700	4Q A GDP (SA, QoQ/YoY%)	0.9/4.5	-/-	1.9/4.4
	1300	National Bank of Romania Publishes Minutes of Rate Meeting			
Bulgaria	0900	4Q P GDP (QoQ/YoY%)	0.9/3.3	-/-	0.7/3.1
Serbia	-	Dec C/A (€mn)	-	-	-200.9
<b>Friday 15 February</b>					
Russia	-	Jan Industrial Production (YoY%)	2.1	1.8	2.0
Turkey	0700	Nov Unemployment Rate (%)	11.7	-	11.6
Poland	0900	Jan CPI (MoM/YoY%)	-0.1/0.8	-/-	0.0/1.1
Czech Rep	0800	4Q A GDP (QoQ/YoY%)	0.6/2.3	-/-	0.6/2.4
Kazakhstan	-	4Q P GDP YTD (YoY%)	-	-	4.1
Bulgaria	0900	Jan CPI (MoM/YoY%)	0.3/2.7	-/-	0.0/2.7
Israel	1200	Jan CPI (MoM/YoY%)	-/-	-/-	-0.3/0.8

Source: ING, Bloomberg

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## Author

### Peter Virovacz

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

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