

Key events in EMEA and Latam next week

Turkey's fourth-quarter growth slowdown, Romania's spiking inflation and a central bank meeting in Poland are just a few of the things to watch out for in the EMEA region next week



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✓ Turkey: Consumption and investment responsible for slowdown in fourth-quarter growth

The fourth-quarter growth slowdown is likely to be pronounced as tighter external and internal financial conditions weigh on consumption and investment, though strong net exports should partially offset the contraction in domestic demand. We expect -3.0% year-on-year GDP in 4Q18, translating into 2.5% for the whole year.

✓ Romania: Inflation to spike higher

We expect CPI to inch up by 0.8% month-on-month in February, pushing the year-on-year reading to 3.8% from 3.3% previously. The Romanian leu has weakened by 0.9% on average versus the euro (relative to January), which should be reflected immediately in prices linked to the single currency, like phone bills. Adding to upside pressures are higher oil prices and companies passing on sectorial taxes - enacted in January. We also expect core inflation to increase by 0.2 percentage points to 2.7% year-on-year.

✓ Czech Republic: Subdued car sales and production will weigh on domestic data

January CPI surprised on the upside, but unless volatile food prices accelerate (again) above expectations, we should see February's headline inflation around 2.6% YoY - close to the Czech National Bank's (CNB's) estimate.

Retail sales could disappoint due to a high base effect from January 2018 and subdued cars sales, which saw a double-digit fall in January. Also, car production remained 11.0% below that of January 2018, meaning that an improvement in industrial production is unlikely to materialise and the year-on-year growth rate will likely remain close to zero.

✓ National Bank of Poland: A look into why growth and inflation forecasts were revised down

We expect a CPI recovery from 0.9% to 1.3% YoY in February, slightly above the market consensus (1.2%). The higher reading is driven mainly by food prices, which should add 0.3 percentage points to the headline figure. We also expect core inflation to increase slightly from 0.9% to 1.0% YoY. Alongside the February readings, the statistical office (GUS) will also provide an update to the consumer basket structure, but we expect index recalculations to have a limited impact on headline figures in both January and February.

Meanwhile, the National Bank of Poland (NBP) will provide information regarding its forecast revisions. According to the Monetary Policy Committee's statement from its March meeting, the GDP forecast were revised upwards from 3.6% to 4.0% YoY in 2019 (due to a fiscal impulse) and 3.4% to 3.8% YoY in 2020. The analysts' conference should provide greater insight into components such as private consumption and households savings. While we don't dispute the forecast for 2019, we see the 2020 estimate as optimistic.

The CPI estimate for 2019 was lowered from 3.2% to approximately 1.7%. The NBP cut its assumptions as a result of electrical energy prices and lowered its trajectory for core inflation. For 2020, the forecast were lowered from 2.9% to 2.7%. We see both forecast as reasonable.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Sunday 10 March					
Kazakhstan	-	Feb Industrial Production (YoY%)	-	-	1.9
Israel	1100	4Q P GDP (QoQ Annualised %)	-	-	3.1
Monday 11 March					
Turkey	0700	Jan C/A (US\$m)	-0.7	-	-1.4
	0700	4Q18 GDP (YoY%)	-3.0	-	1.6
Poland	0800	National Bank of Poland Publishes Inflation Report			
Czech Rep	0800	Jan Trade Balance (CZKmn)	18.0	-	0.0
	0800	Feb CPI (MoM/YoY%)	0.1/2.6	-/-	1.0/2.5
	0800	Jan Export Price Index (YoY%)	-	-	3.1
	0800	Jan Import Price Index (YoY%)	-	-	2.4
Hungary	0800	Jan P Trade Balance (€mn)	150.0	-	393.0
Israel	-	Bank of Israel Publishes Minutes of Rate Meeting			
Tuesday 12 March					
Romania	0700	Feb CPI (MoM/YoY%)	0.8/3.8	-/-	0.8/3.3
	0700	Jan Trade Balance (€m)	-	-	-1715.9
Kazakhstan	-	Feb International Reserves (US\$bn)	-	-	30.6
Serbia	1100	Feb CPI (MoM/YoY%)	-/-	-/-	0.4/2.1
	1100	Jan Trade Balance (€m)	-	-	-667.1
Croatia	1000	Feb PPI (MoM/YoY%)	-/-	-/-	0.3/0.3
Brazil	1200	Feb Inflation (IPCA) (MoM/YoY%)	0.3/3.8	-/-	0.3/3.8
Wednesday 13 March					
Hungary	1300	Hungarian Central Bank's Minutes			
Romania	0700	Jan Avg Net Wages (YoY%)	-	-	12.5
	0700	Jan Industrial Production (MoM/YoY%)	-/-	-/-	-0.9/-1.0
Croatia	1000	Jan Retail Sales (YoY%)	-	-	4.0
South Africa	1000	1Q BER Business Confidence	-	-	31.0
Israel	1100	Feb Trade Balance (US\$m)	-	-	-2060.5
Brazil	1200	Jan Industrial Production (YoY%)	-3.5	-	-3.6
Mexico	1400	Jan Industrial Production (YoY%)	-2.5	-	-2.6
Thursday 14 March					
Russia	1300	Jan Trade Balance (US\$bn)	-	18.9	18.9
Turkey	0700	Jan Industrial Production (MoM/YoY%)	-/4.0	-/-	-1.4/-9.8
Czech Rep	0800	Jan Retail Sales (YoY%)	0.6	-	0.1
	0800	Jan Retail Sales Ex. Motor Vehicles (YoY%)	3.9	-	3.1
Ukraine	1200	Key Rate (%)	-	-	18.0
Romania	0700	Jan Industrial Sales (MoM/YoY%)	-/-	-/-	-16.5/2.9
Bulgaria	0900	Feb CPI (MoM/YoY%)	-/-	-/-	0.5/3.0
South Africa	1100	Jan Manufacturing Production (MoM%)	-	-	0.1
	1100	Jan Manufacturing Production (MoM%, SA)	-	-	0.7
Brazil	1200	Jan Retail Sales (YoY%)	1.5	-	0.6
Friday 15 March					
Turkey	0700	Dec Unemployment Rate (%)	-	-	12.3
Poland	0900	Feb CPI (MoM/YoY%)	0.2/1.3	-/-	0.1/0.9
Czech Rep	0800	Jan Construction Output (YoY%)	-	-	3.9
	0800	Jan Industrial Output (YoY%)	0.9	-	-1.4
Israel	1200	Feb CPI (MoM/YoY%)	-/-	-/-	-0.1/1.2

Source: ING, Bloomberg

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