

## Key events in EMEA and Latam next week

Inflation data from Romania and Poland, retail sales from the Czech Republic and a sovereign debt review on Hungary top this week's economic agenda

### ✓ Romania: Higher inflation and at least two more rate hikes

In Romania, we expect February inflation to grind another 0.3% higher month-on-month, similar to the National Bank of Romania's (NBR) forecast. Due to base effects, we expect annual inflation to jump to 4.7% year-on-year from 4.3% in January as the elimination of some indirect taxes in February drop out of the statistical base. Nevertheless, we expect the NBR to deliver two more hikes of 25bps each at the following two rate-setting meetings on 4 April and 7 May and then take a pause for the rest of the year. As the NBR seems reluctant to tighten the liquidity control, we see risks for a third hike at the 4 July meeting, as it has to contain inflation expectations as long as inflation readings remain on an uptrend.

### ✓ Czech Republic: January retail sales and industrial production to come in strong

A tight labour market and accelerating wage dynamics are supporting household confidence and consumption, which should be reflected in strong January retail sales. We have more uncertainty with industry. The number of cars produced stagnated in year-on-year terms in January, according to the preliminary figures. However, despite the strong production of cars in December, industrial production disappointed and was below our expectations. Therefore, we believe that lower December industrial production growth will be reflected in stronger January figures and we see IP accelerating close to 6% year-on-year.

### ✓ Hungary: no change in Fitch sovereign debt review

In Hungary, we have one notable event to mention this week. However, we see the Fitch sovereign debt review on Friday as a non-event given that we are close to the general election (8 April 2018). Next week will be quiet, as the main event will be the MIRS tender, where we don't expect any change in conditions.

### ✓ Poland: rise in wages unlikely to translate into increase in core inflation

The detailed data of the March National Bank of Poland's (NBP) projections (published on Monday with the NBP inflation report) should confirm that the rise in wages failed to translate into a meaningful increase in core inflation. Such conclusions are likely to be supported by February inflation data. We expect a further deceleration from 1.9% year-on-year to 1.6% year-on-year

amid a drop in food prices, disappointing core inflation (ING estimates stable 1% year-on-year), and likely negative statistical effects (basket weight revisions). Wage growth should remain close to 7% year-on-year.

## **EMEA and Latam Economic Calendar**

Country	Time	Data/event	ING	Survey	Prev.
<b>Friday 9 March</b>					
Czech Rep	0800	Jan Trade Balance (CZKmn)	21	20	-2.203
	0800	Feb CPI (MoM/YoY%)	0.2/2.0	0.1/2	0.6/2.2
	0800	4Q average wages	5.5	5.3	4.2
Hungary	0800	Jan P Trade Balance (€mn)	600	501	513
	-	Hungary Sovereign Debt to be rated by Fitch			
Bulgaria	0900	Jan Industrial Production (MoM/YoY%)	-/-	-/-	0.7/1.97
	0900	Jan Retail Sales (MoM/YoY%)	-/-	-/-	0.5/4.9
Croatia	1000	Feb PPI (MoM/YoY%)	-/-	-/-	0.2/1.2
	1000	Jan Industrial Production (SA, YoY%)	-	-	-2.5
Brazil	1200	Feb Inflation (IPCA) (MoM/YoY%)	0.28/2.8	0.31/2.82	0.29/2.86
Serbia	-	Serbia Sovereign Debt to Be Rated by Moody's			
Kazakhstan	-	Kazakhstan Sovereign Debt to be rated by S&P			
<b>Sunday 11 March</b>					
Israel	1100	4Q P GDP (QoQ Annualised %)	-	3.6	3.6
<b>Monday 12 March</b>					
Turkey	0700	Jan C/A (US\$bn)	-6.7	-	-7.7
Romania	0700	Jan Trade Balance (€m)	-	-	-1610.1
Kazakhstan	-	Feb International Reserves (US\$bn)	-	-	31.7
Serbia	1100	Feb CPI (MoM/YoY%)	-/-	-/-	0.3/1.9
	1100	Jan Trade Balance (€m)	-	-	-545.1
Israel	-	Bank of Israel Publishes Minutes of Rate Meeting			
<b>Tuesday 13 March</b>					
Romania	0700	Jan Avg Net Wages (YoY%)	-	-	11.68
	0700	Feb CPI (MoM/YoY%)	0.3/4.7	-/-	0.78/4.32
South Africa	1100	Jan Manufacturing Prod. (MoM%)	-	-	2
Israel	1100	Feb Trade Balance (US\$mn)	-	-	-1365.5
Brazil	1200	Jan Retail Sales (YoY%)	3	-	3.3
Mexico	1400	Jan Industrial Production (YoY%)	0.2	-	-0.66
<b>Wednesday 14 March</b>					
Russia	1300	Jan Trade Balance (US\$bn)	-	13.94	13.7
Hungary	1300	Hungarian Central Bank's Minutes			
Bulgaria	900	CPI (MoM/YoY%)	0.1/1.9	-/-	0.3/1.8
Romania	0700	Jan Industrial Production (MoM/YoY%)	-/-	-/-	3.7/12.2
	0700	Jan Industrial Sales (MoM/YoY%)	-/-	-/-	-12.2/11.4
<b>Thursday 15 March</b>					
Turkey	0700	Dec Unemployment Rate (%)	-	-	10.3
Poland	0900	Feb CPI (MoM/YoY%)	0.1/1.6	0.2/1.8	0.3/1.9
Czech Rep	0800	Jan Construction Output (YoY%)	-	-	-3.2
	0800	Jan Industrial Output (YoY%)	5.9	5.3	2.7
	0800	Jan Retail Sales (YoY%)	6.9	6	2.2
	0800	Jan Retail Sales Excl. Motor Vehicles (YoY%)	7.8	6.4	4.7
Hungary	1100	Hungary's Central Bank Holds IRS Tender			
Israel	1630	Feb CPI (MoM/YoY%)	-/-	-/-	-0.5/0.1
<b>Friday 16 March</b>					
Turkey	0700	Jan Industrial Production (MoM/YoY%)	-/5.5	-/-	0.93/8.73
Poland	0900	Feb Avg Gross Wages (MoM/YoY%)	0.6/7.2	0.6/7.2	-7.7/7.3
	0900	Feb Employment (MoM/YoY%)	0.2/3.7	0.2/3.7	2/3.8
	1300	Jan C/A (€mn)	331	624	-1152
	1300	Jan Trade Balance (€mn)	-573	-48	-1268
	1300	Jan Exports (€)	16653	16931	15232
	1300	Jan Imports (€)	17225	17152	16500
	1300	Feb Core Inflation (MoM/YoY%)	0.1/1	0.1/1	0.1/0.9
Czech Rep	0800	Feb PPI (Industrial) (MoM/YoY%)	0.1/0.2	0/0.1	0.5/0.5
	0900	Jan C/A (CZKbn)	26	29	-2.92
Romania	-	Jan C/A YTD (€m)	-	-	-5581
Kazakhstan	-	Feb Industrial Production Yearly	-	-	5.2

Source: Bloomberg, ING

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