

## Key events in EMEA and Latam next week

A busy week ahead for monetary policy with central bank meetings in Kazakhstan, Hungary, the Czech Republic, Mexico and Russia. However we expect all of them to follow the same unchanged approach. Elsewhere, look out for data on inflation, industry and the labour market



Source: Shutterstock

### ✓ Hungary: GDP and CPI downward revisions unlikely to be enough for monetary change

The National Bank of Hungary's last rate setting meeting of the year takes place next week and will come with new staff projections. We expect a downward revision to the CPI outlook as actual data has come in well below the central bank's forecast inflation path since September. Moreover, both the domestic and external environment have weakened amid the second wave of Covid-19. We wouldn't be surprised if the NBH downgrades its GDP forecast too. As such, this seems like a perfect time for dovishness, unless it isn't. A sudden dovish turn at year-end when market volumes are thin and the forint is still fragile looks to be too bold a move to make. Against this backdrop, we expect an unchanged monetary policy framework with some implicit hints that the prevailing downside risks in inflation might open the door for a dovish step in 1Q21 such as a reversal of the prior 15bp hike in the 1 week deposit rate.

## EMEALatam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 14 December</b>					
Turkey	700	Oct Industrial Production (MoM/YoY%)	-3.5	-/-	1.7/8.1
Russia	-	May Budget Fulfilment	-		0.4
Czech Rep	0900	Oct Current Account Balance	-		32.82
Kazakhstan	0900	Dec Base Interest Rate	-		9.00
Poland	1400	Oct Current Account Balance (€mln)	896		1072
<b>Tuesday 15 December</b>					
Russia	-	Nov Industrial Output	-5	-4.8	-5.9
Poland	1000	Nov CPI (YoY%) NSA - final reading	3.0		3.1
Hungary	1300	Dec Hungary Base Rate	0.6		0.6
	1300	Dec O/N Deposit Rate	-0.05		-0.05
	-	Hungarian Central bank holds rate setting meeting			
South Africa	0930	Nov PPI (MoM/YoY%)	-/-	-	0.4/2.7
<b>Wednesday 16 December</b>					
Poland	1300	Nov Net Inflation (YoY%)	-		4.2
Croatia	1000	Nov CPI (MoM/YoY%) NSA	-		0.4/-0.1
<b>Thursday 17 December</b>					
Poland	1000	Nov Av. paid employment in enterprise sector (YoY%)	-1.4		-1
Poland	1000	Nov Av. gross wage in enterprise sector (YoY%)	4.4		4.7
Czech Rep	1330	CNB monetary decision	0.25	0.25	0.25
Mexico	1900	Dec Interest Rate	4.25		4.25
<b>Friday 18 December</b>					
Poland	1000	Nov Industrial Output (YoY%)	3.5		1
Russia	1030	Dec Central bank key rate	4.25	4.25	4.25
	-	Nov Retail Sales (YoY%)	-3.7	-3.1	-2.4
	-	Nov Unemployment Rate	6.3	6.3	6.3
Brazil	1230	Nov Current Account	1.2		1.5
	1230	Nov Foreign Direct Investm't	1.1		1.8

Source: ING, Refinitiv

## Author

### Peter Virovacz

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@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 <http://www.ing.com>.