

Key events in EMEA next week

ING's view on upcoming key data and events in central and eastern Europe

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Friday 9 February					
Russia	1030	Key Rate (%)	7.5	7.5	7.75
	1300	Dec Trade Balance (US\$bn)	14.1	13	11.5
Czech Rep	-	Czech Sovereign Debt to be rated by Fitch			
Hungary	0800	Dec P Trade Balance (€mn)	460	455	713
Ukraine	-	Jan CPI (MoM/YoY%)	1.1/13.7	1.1/13.5	1/13.7
Romania	0700	Dec Trade Balance (€m)	-	-	-1122.6
	0700	Dec Avg Net Wages (YoY%)	-	-	13.44
	0700	Dec Industrial Sales (MoM/YoY%)	-/-	-/-	-0.7/12
Monday 12 February					
Hungary/Pol	0800	Hungarian, Polish Central Bank Chiefs Speak in Budapest			
Romania	0700	Dec Industrial Production (MoM/YoY%)	-/-	-/-	0.7/9.5
Tuesday 13 February					
Poland	1300	Dec C/A (€mn)	-712	-230	233
	1300	Dec Trade Balance (€mn)	-591	-290	109
	1300	Dec Exports (€)	15770	16690	18243
	1300	Dec Imports (€)	16361	16530	18134
Czech Rep	0900	Dec C/A (CZKbn)	-4	-7.35	0.04
Hungary	0800	Jan CPI (MoM/YoY%)	0.1/1.8	0.4/2	0/2.1
Romania	-	Dec C/A YTD (€m)	-	-	-5581
South Africa	0930	4Q Unemployment Rate (%)	-	-	27.7
Israel	1100	Jan Trade Balance (US\$mn)	-	-	-1843.3
Wednesday 14 February					
Turkey	0700	Dec C/A (US\$mn)	-7.1	-	-4.2
Poland	0900	4Q P GDP (QoQ/YoY%)	1.8/5.3	1.1/5.1	1.2/4.9
Czech Rep	0800	Jan CPI (MoM/YoY%)	0.6/2.2	0.7/2.3	0.1/2.4
Hungary	0800	4Q P GDP (SWDA, QoQ/YoY%)	1.1/4.2	-/4.3	0.9/3.9
	1300	Hungarian Central Bank's Minutes			
Ukraine	-	4Q P GDP (YoY%)	1.1	1.8	2.1
Romania	0700	Jan CPI (MoM/YoY%)	0.6/4.1	-/-	0.3/3.3
	0700	4Q A GDP (SA, QoQ/YoY%)	1.2/8.1	-/-	2.6/8.8
	1300	National Bank of Romania Publishes Minutes of Rate Meeting			
Bulgaria	0900	4Q P GDP (QoQ/YoY%)	1.1/4.3	-/3.7	0.9/3.9
South Africa	1100	Dec Retail Sales (MoM/YoY%)	-/-	-/-	4/8.2
Thursday 15 February					
Russia	-	Jan Industrial Production (YoY%)	-1	-0.6	-1.5
Turkey	0700	Nov Unemployment Rate (%)	-	-	10.29
Poland	1300	Jan CPI (MoM/YoY%)	0.1/1.8	0.1/1.8	0.2/2.1
Israel	1630	Jan CPI (MoM/YoY%)	-/-	-/-	0.1/0.4
Friday 16 February					
Poland	1300	Jan Avg Gross Wages (MoM/YoY%)	-8.3/6.7	-8.1/6.9	7.9/7.3
	1300	Jan Employment (MoM/YoY%)	0.8/2.6	1.6/3.1	0.2/4.6
Czech Rep	0800	Dec Export Price Index (YoY%)	-	-	-2.7
	0800	Dec Import Price Index (YoY%)	-	-	-3.3
	0800	4Q A GDP (QoQ/YoY%)	0.8/5.4	0.6/5.2	0.5/5
Hungary	-	Hungary Sovereign Debt to be rated by S&P			
Kazakhstan	-	Jan Industrial Production Yearly	-	-	5.4
	-	4Q P GDP YTD YoY	-	-	4.3

Source: ING, Bloomberg

Czech Republic: possible inflation surprise

Preliminary figures indicate that food prices slightly fell in January and that fuel prices increased by just 0.4% month-on-month. Taking the higher base from January 2017 into account, January inflation might slightly decelerate to 2.2% year-on-year. January forecasts, however, are the most difficult ones as many prices get changed at the beginning of the year, therefore CPI might slightly surprise in both directions next week. The flash GDP estimate should indicate solid economic activity accelerating close to 5.5% in 4Q17, confirming an average GDP growth in 2017 at 4.5%.

2.2% Czech January inflation
year-on-year

Romania and Bulgaria: a strong end to 2017

In Romania, we expect 4Q17 to slow down in sequential terms, but still print a very impressive growth of 7.1% for the whole of 2017. We expect January 2018 inflation to spike to 4.1% year-on-year from 3.3% previously as the tax cuts from January 2017 drop out of the statistical base and as the regulator announced an increase in gas prices during the month.

7.1% Romania 2017 growth

In Bulgaria we see GDP growth momentum holding on into 4Q17, which should lead to a robust 4.0% expansion for the whole 2017.

Poland: robust activity figures not translating into inflation

We expect 4Q17 GDP to accelerate from 4.9% to 5.3% year-on-year, supported by decent consumption performance (5% YoY) and investment recovery (1.4% YoY). Robust activity figures have not translated into inflationary pressures so far – as a result CPI is likely to fall further from 2.1% to 1.8% year-on-year with still soft core inflation (0.9% YoY).

5.3% Poland 4Q17 growth
year-on-year

The January labour market figures will be distorted by statistical procedures (CSO resample enterprises' panel). We expect lower wages (6.7% YoY) due to statistical procedures and the negative impact of administrative changes (lower minimum wage hike comparing to last year should subtract 0.5ppt).

The CIS space: How much will the Central Bank of Russia cut rates?

In the CIS space, the Central Bank of Russia meeting this Friday is clearly in focus where we think the regulator will chose between a 25bp and 50bp cut: we marginally favour the former as a more balanced option after the 50bp surprise in December 2017. Industrial production data next week

may stay negative given the base effect, still assuming a further improvement in the overall pace.

-50 Russian interest rate cut
basis points

In Ukraine inflation data is worth looking at, and we expect it to stay sticky at 13.7% year-on-year, keeping the National Bank of Ukraine cautious.