

Key events in EMEA next week

An action-packed week ahead for Hungary. As the government has abolished the fuel price cap, we expect signs of a downturn in retail sales and industrial production figures, while headline and core CPI move above 25% year-on-year. In the Czech Republic, we see headline inflation accelerating further to 17.6% year-on-year, while core prices remain at 13%



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Czech Republic: Spikes in CPI unlikely to influence CNB's decision

In Czech we expect the CPI increased by 6.1% MoM in January and hence the headline inflation likely accelerated further from 15.8% to 17.6% YoY. This increase was likely owing to the increase of regulated prices by around 40% YoY, while core inflation still remained strong at 13% YoY. This is in line with new CNB forecast. We see the risk, however, that some reprising upwards was made later in January hence it would be reflected rather in February CPI reading. Even a further spike in headline inflation is unlikely to persuade the CNB board to change their stance to keep rates unchanged at the next meeting in March.

✔ Hungary: Data impacted by abolishment of fuel price cap

After a quite boring week, next week's calendar will be really action-packed. On Monday and Tuesday, the Hungarian Statistical Office is going to release the December retail sales and industrial production figures. We expect to see major signs of a downturn. In retail sales, the government let go the fuel price cap, which lead the fuel sales falling from a cliff, while food and non-food retailers are suffering from a lowering demand due to the drop in households' purchasing power. As industry had two working days less to produce in December 2022 than a year ago, we see the year-on-year performance to shrink, though seasonally and working day adjusted print will show a bit more favourable picture. Wednesday will be about balances. We see the January budget balance in deficit due a one-off expenditure item related to a public financed acquisition. Meanwhile, the December trade balance will bring some good news, as lower commodity prices will be finally filtering through the energy balance, as new energy contracts in the private and public sectors are following the global stock prices with a two-month lag. Last, but definitely not least, Friday brings the first inflation print of 2023. We see both headline and core CPI moving above 25% year-on-year, mainly driven by a strong start-of-the-year repricing in food and services and a second-leg impact of the scrap of the fuel price cap. In contrast, price changes in household energy and durable goods will limit the upside in the acceleration, in our view.

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Country	Time	Data/event	ING	Survey	Prev.
Monday 6 February					
Czech Rep	0800	Dec Industrial Output (YoY%)	-		0.5
	0800	Dec Trade Balance	-		-25.5
Hungary	0730	Dec Retail Sales (YoY%)	-4.4		0.6
Tuesday 7 February					
Czech Rep	0800	Dec Retail Sales (YoY%)	-		-8.7
Hungary	0730	Dec Industrial Output (YoY%)	-0.5		0.5
Wednesday 8 February					
Russia	1600	Jan CPI (MoM%/YoY%)	0.8/11.7		0.8/11.9
	1600	Dec Retail Sales (YoY%)	-9.0	-9.5	-7.9
	1600	Dec Unemployment Rate	3.8	4.0	3.7
Poland	1300	Feb NBP Base Rate	6.75	6.75	6.75
Czech Rep	0800	Jan Unemployment Rate	-		3.7
Hungary	0730	Dec P Trade Balance (EUR m)	-600		-1415
	1000	Jan Budget Balance	-200		-1287
Thursday 9 February					
Ukraine	1330	Jan CPI (MoM%/YoY%)	-/-		0.7/26.6
Serbia	1100	Feb Benchmark Interest rate	-		5.25
Brazil	1200	Dec Retail sales (MoM%/YoY%)	-/-		-0.6/1.5
	1100	Jan IPCA Inflation Index (MoM%/YoY%)	-/-		0.62/5.79
Mexico	1200	Jan Headline Inflation	-		0.38
	1200	Jan Core inflation	-		0.65
	1900	Jan Interest Rate	-		10.5
Friday 10 February					
Turkey	0700	Dec Unemployment Rate	-		9.9
Turkey	0700	Dec Industrial Production (MoM/YoY%)	-		-1.13/-1.30
Russia	1030	Feb Central bank key rate	7.5		7.5
Czech Rep	0800	Jan CPI (MoM%/YoY%)	6.1/17.6		0/15.8
Hungary	0730	Jan Core CPI (YoY%)	1.6/25.1		1.6/24.8
	0730	Jan CPI (MoM%/YoY%)	2.2/25.5		1.9/24.5
Mexico	1200	Dec Industrial Output (MoM%/YoY%)	-		0/3.2

Source: Refinitiv, ING

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