

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 led 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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THINK economic and financial analysis

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