

Key events in EMEA next week

Next week's focus will be on Poland's first MPC decision of this year, where we expect rates to remain unchanged as the council awaits more information on inflation developments. Elsewhere, we estimate that prices will remain unchanged in the Czech Republic, translating into a stable inflation figure of 7.3% YoY



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Poland: Rates to remain unchanged

Current account (Nov): €2074mn

We expect yet another hefty surplus on the current account balance in November on the back of sizeable surpluses on goods and services trade balances still being supported by lower prices of energy imports. According to our estimates, exports fell by 1.6% year-on-year, while imports shrank by 9.6% YoY compared with +1.6% YoY and -8.4% YoY respectively in October. In such a scenario, the 12-month rolling current account surplus should improve to 1.5% of GDP from 1.1% after October.

NBP rate (Jan): 5.75% (unchanged)

The first MPC policy sitting this year will be a non-event, as rate setters are widely expected not to

make any policy decisions in January. The National Bank of Poland (NBP) rates will remain unchanged (with the main policy rate still at 5.75%) as the Council awaits more information about inflation developments. On the one hand, the short-term inflation outlook looks more favourable than projected in the November NBP staff scenario as authorities have extended measures “freezing” electricity and gas prices for households until mid-2024. On the other, the 2024 draft budget prepared by the new ruling coalition envisages an even higher fiscal gap and borrowing needs than the already record-high imbalance proposed by the former Morawiecki government in September. We expect the MPC to stick to wait-and-see approach until at least March, when the new macroeconomic projections will be prepared.

✓ Czech Republic: Last big inflation number

We estimate that prices remained unchanged in December, which translates into a stable inflation figure of 7.3% YoY, the same as in November. We see core inflation falling further from 3.9% to 3.7% YoY. The main upward drivers here are food prices. Otherwise, other items are stable or falling. Fuel prices in particular fell massively in December, where the drop in oil prices has been most pronounced. The risk here is housing prices, including energy prices, which showed a surprise increase in November. In January, the comparative base from last year and the much smaller month-on-month growth compared to last January should come into play. For now, we estimate 2.8% YoY, but we will see more after the December number.

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Country	Time	Data/event	ING	Survey	Prev.
Monday 8 January					
Czech Rep	0800	Nov Industrial Output (YoY%)	-		1.9
	0800	Nov Trade Balance	-		12.8
Hungary	0730	Nov Retail Sales (YoY%)	-6.4		-6.5
	1000	Dec Budget Balance	-		-587
Tuesday 9 January					
Poland	1300	Jan NBP Base Rate	5.75	5.75	5.75
Czech Rep	0800	Dec Unemployment Rate	-		3.5
Hungary	0730	Nov Industrial Output (YoY%)	-0.8		-3.2
Ukraine	1330	Dec CPI (MoM%/YoY%)	-/-	/	0.5/5.1
Wednesday 10 January					
Turkey	0700	Nov Current Account Balance	-1.6		0.186
Kazakhstan	1200	Dec Industrial Production (YoY%)	-		4.3
Thursday 11 January					
Czech Rep	0800	Dec CPI (MoM%/YoY%)	0.0/7.3	/	0.1/7.3
Serbia	1100	Jan Benchmark Interest rate	6.5		6.5
Friday 12 January					
Russia	1600	Dec CPI (MoM%/YoY%)	0.8/7.5	0.9/7.6	1.1/7.5
Poland	1300	Nov Current Account	2074	1571	2036
Czech Rep	0900	Nov Current Account Balance	-		19.84
Hungary	0730	Dec Core CPI (YoY%)	7.5		9.1
	0730	Nov Industrial Output Final	-0.8		
	0730	Dec CPI (YoY%)	5.7		7.9
	0730	Dec CPI MM NSA	-0.2		0
Ukraine	1330	Nov Trade Balance YTD	-		-22.3
Romania	0700	Dec CPI (YoY%)	6.5		6.72
	1300	Mon Policy Rate (%)	7	7	7
Serbia	1100	Dec CPI (MoM%/YoY%)	0.3/7.2	/	0.5/8

Source: Refinitiv, ING

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