

Key events in EMEA next week

Inflation data will be released next week for both Poland and Hungary. In Poland, we expect the flash estimate of March CPI to be confirmed at 16.2% year-on-year. For Hungary, we expect both core and headline inflation to continue their retreat, given food, fuel and energy disinflation



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✓ Poland: Core inflation remains sticky

Current account balance (February): €637m

We forecast another month of current account surplus, albeit at a smaller scale than in January. The trade balance was in surplus again as exports in EUR jumped by 11.0% year-on-year, while imports virtually stalled (+1.9% YoY). Export industries are still catching up to their backlog of work (e.g. the automotive sector), while nominal import growth is being dampened by moderating prices of imported energy.

CPI inflation (March, final): 16.2%YoY

We expect the Central Statistical Office of Poland to confirm its flash estimate of March CPI inflation at 16.2% YoY. The collapse in annual fuel price dynamics was linked to the high reference

base from March 2022, when gasoline prices soared as Russia invaded Ukraine. Food price growth remains elevated and our estimates indicate that core inflation, excluding food and energy prices, increased to 12.3% YoY last month. In the coming months, declining headline inflation is likely to be accompanied by 'sticky' core inflation.

✓ Hungary: Expect improvements in both core and headline inflation

The only data-related excitement for Hungary is the March inflation print. We expect the headline reading to retreat further. The expected 0.5% month-on-month inflation will translate into a 24.8% year-on-year reading. The slowdown will be driven by fuel, energy and food prices. Regarding the latter, grocery stores last month attempted to raise customers' attention with bigger and flashier sales of processed food products. As a result, headline and core inflation should continue their retreat, matching the headline rate at 24.8% YoY.

The reason food, fuel and energy disinflation won't cause a bigger drop in the readings lies with services. For example, we see rising price pressure on services as a result of a 10% increase in taxi fares, and continued price adjustments in telephone and internet services (matching last year's average inflation). From April onward, we expect a more marked reduction in inflation due to base effects.

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Country	Time	Data/event	ING	Survey	Prev.
Monday 10 April					
Turkey	0800 Feb	Current Account Balance	-9.0		-9.849
	0800 Feb	Unemployment Rate	-		10.3
Ukraine	1430 Mar	CPI (MoM%/YoY%)	-/-		0.7/24.9
Tuesday 11 April					
Turkey	0700 Feb	Industrial Production (MoM%/YoY%)	-		1.88/4.48
Brazil	1300 Mar	IPCA Inflation Index (MoM%/YoY%)	-/-		0.84/5.6
Mexico	1200 Feb	Industrial Output (MoM%/YoY%)	-		0/2.8
Wednesday 12 April					
Russia	1700 Mar	CPI (MoM%/YoY%)	-/-	0.2/3.4	0.5/11
Czech Rep	0800 Mar	Unemployment Rate	-		3.9
Hungary	0730 Mar	Core CPI (YoY%)	24.8	24.7	25.2
	0730 Mar	CPI (YoY%)	24.8	24.8	25.4
Serbia	1100 Mar	CPI (MoM%/YoY%)	15.7		1.4/16.1
Brazil	1300 Jan	Retail sales (MoM%/YoY%)	-/-		-2.6/0.4
Thursday 13 April					
Poland	1300 Feb	Current Account	637		1429
Czech Rep	0800 Mar	CPI (MoM%/YoY%)	-/-		0.6/16.7
	0900 Feb	Current Account Balance	-		12.73
Romania	0700 Mar	CPI (YoY%)	14.2	14.2	15.52
Friday 14 April					
Poland	0900 Mar	CPI (MoM%/YoY%)	-16.2		1.1/16.2
Ukraine	-	Feb Trade Balance YTD	-		-1.91

Source: Refinitiv, ING

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