

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



Source: Shutterstock

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.

Key events in EMEA next week

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

Author

Adam Antoniak

Senior Economist, Poland

adam.antoniak@ing.pl

Peter Virovacz

Chief Economist, Hungary

peter.virovacz@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.