

Key events in EMEA next week

Key releases to watch next week in the EMEA space are inflation data from Hungary and the Czech Republic which are likely to push higher, and Romania's central bank meeting which is expected to be rather uneventful



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Hungary: Loose policy and partial reopening's to push inflation higher

The key event in Hungary next week is the April inflation reading, and we expect the low base and partial reopening to impact inflation big time.

While we expect “only” 0.5% month-on-month headline CPI, the year-on-year reading could end up close to 4.9%. The Statistical Office’s out-of-the-blue announcement that it will reweigh core inflation from April (leaving out alcoholic beverages and tobacco from the core basket) will dampen the official core reading to probably below 3% YoY data.

Other than that, the April budget numbers will come out. We expect it to show some moderation impacting economic activity and thus the revenue side of the budget.

✓ Czech Republic: Fuel price acceleration to push inflation higher

Fuel prices continued to grow in April, by more than 3% compared to March. Though weaker MoM dynamics compared to March, in annual terms, the low base effect will push fuel prices to grow by almost 20%, and the contribution of fuel prices to YoY headline inflation will increase from zero in March to 0.6 percentage points in April.

As such, we expect headline CPI to accelerate to 2.8% in April after 2.3% in March but mostly on the back of the base effect related to fuel prices.

✓ Romania's monetary policy to remain unchanged

Romania's central bank will resume its regular policy meetings on 12 May.

We expect the next meeting to be a rather uneventful one, as the Bank should maintain the key rate at 1.25% and the reserve requirement levels unchanged. More closely watched will be any reference to inflation developments starting to raise eyebrows everywhere, and Romania is no exception.

While we do not believe that any future policy changes will be signalled at this meeting, we can assume that the wording will not be as complacent as before.

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 10 May					
Hungary	1000	Apr Budget Balance	-1095		-1144.1
Turkey	0800	Mar Unemployment Rate (unadj.)			14.1
Tuesday 11 May					
Turkey	0800	Mar Current Account Balance	-3.9		-2.61
	0800	Mar Industrial Production (MoM/YoY%)	-/10.2		0.6/8.75
Czech Rep	0800	Apr CPI (MoM/YoY%)	0.4/2.8		0.2/2.3
Hungary	0800	Apr CPI (MoM/YoY%, NSA)	0.5/4.9		0.7/3.7
Kazakhstan	-	Apr Industrial Production (YoY%)	-		0.1
Brazil	1300	Apr IPCA Inflation Index (MoM/YoY%)	-/-		0.93/6.1
Wednesday 12 May					
Russia	1400	Mar Foreign Trade	-		8.315
Romania	1300	Monetary Policy Rate	1.25	1.25	1.25
Mexico	1300	Mar Industrial Output (MoM/YoY%)	-		0.4/-4.5
Thursday 13 May					
Romania	0700	Apr CPI (YoY%)	3.1		3.05
Mexico	2000	May Interest Rate	-		4.0
Friday 14 May					
Russia	1300	Apr Budget Fulfilment	-		-3.8
Poland	0900	Apr CPI (MoM/YoY%)	-/-		0.7/4.3
	0900	Q1 GDP (QoQ/YoY%) Flash	-		-0.7-2.8
Ukraine	-	Mar Trade Balance YTD	-		-0.26
Kazakhstan	-	Q1 GDP (YoY%)	-		-2.6
Croatia	1000	Apr CPI (MoM/YoY%) NSA	-		1.2

Source: ING, Refinitiv

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