

## 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



Source: Shutterstock

### 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.
<b>Monday 10 May</b>					
Hungary	1000	Apr Budget Balance	-1095		-1144.1
Turkey	0800	Mar Unemployment Rate (unadj.)			14.1
<b>Tuesday 11 May</b>					
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
<b>Wednesday 12 May</b>					
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
<b>Thursday 13 May</b>					
Romania	0700	Apr CPI (YoY%)	3.1		3.05
Mexico	2000	May Interest Rate	-		4.0
<b>Friday 14 May</b>					
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

## Authors

### **Peter Virovacz**

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

### **Valentin Tataru**

Chief Economist, Romania

[valentin.tataru@ing.com](mailto:valentin.tataru@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 <http://www.ing.com>.