

Key events in EMEA next week

Inflation data is in focus next week. In the Czech Republic, surveys suggest food prices continue to rise, and we believe fuel will be the only item to show deflation in November. Thus, we expect inflation to accelerate to 0.9% month-on-month. In Poland, core CPI grew to 11.3% year-on-year, and we see it peaking above 20% in February 2023



Source: Shutterstock

Poland: No turnaround in inflation yet

Current account (€-263mn)

We forecast that the current account deficit narrowed substantially in October even though the trade deficit in goods was at a similar level as in the previous month. The main improvement is projected to come from an improvement in the primary income balance. For 2022 as a whole, we project a current account deficit of about 4% of GDP, declining further to 3.2% in 2023 on the back of weak domestic demand and a moderate increase in foreign sales.

CPI (17.4%YoY)

According to the flash estimate, CPI declined to 17.4% year-on-year in November from 17.9%YoY in October, as an expected month-on-month drop in gasoline prices was accompanied by an unexpected fall in energy prices due to cheaper coal. Still, core CPI grew to

11.3%YoY from 11.0%YoY in the previous month. Lower inflation in November is not yet a sign of a turnaround in the inflation trend. We see consumer inflation peaking above 20%YoY in February 2023 before declining to around 10%YoY in the fourth quarter of next year. You can read more in our 2023 economic outlook [here](#).

□ **Czech Republic: Inflation accelerates again**

Surveys suggest that food prices in the Czech Republic continue to rise rapidly. While they rose by 3.0% in October, we expect a 2.1% month-on-month jump for November, which is still significantly higher than in the months leading up to October. On the other hand, we expect fuel prices to have fallen (1.7%). However, we believe this is the only item in the consumer basket that shows deflation in November. The main issue, as always, is energy prices. In October, the statistics office surprised with its aggressive approach to including the energy-saving tariff in the CPI, which led to a massive drop in inflation. This effect will last until December and will be replaced in January by the price cap, which we believe will have a similar effect on inflation. Unlike the price cap, the savings tariff allows energy prices to rise further. Therefore, we expect a slight increase in energy prices in November, but again, this is the main CPI item that may surprise. Thus, overall, we expect inflation to accelerate from -1.4% to 0.9% month-on-month, which should translate into a headline number rising from 15.1% to 15.9% year-on-year.

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| Country | Time | Data/event | ING | Survey | Prev. |
|------------------------------|------|--------------------------------------|----------|--------|-----------|
| Monday 12 December | | | | | |
| Turkey | 0700 | Oct Current Account Balance | -1.6 | | -3.0 |
| | 700 | Oct Unemployment Rate | - | | 9.9 |
| Czech Rep | 0800 | Nov CPI (MoM%/YoY%) | 0.9/15.9 | | -1.4/15.1 |
| Kazakhstan | - | Nov Retail Sales (YoY%) | - | | 1.4 |
| Serbia | 1100 | Nov CPI (MoM%/YoY%) | 0.6/14.7 | | 1.9/15 |
| Mexico | 1200 | Oct Industrial Output (YoY%) | - | | 3.9 |
| | 1200 | Oct Industrial Output (MoM%) | - | | -0.2 |
| Tuesday 13 December | | | | | |
| Turkey | 0700 | Oct Industrial Production (MoM/YoY%) | -/- | | -1.6/0.4 |
| Romania | 0700 | Nov CPI (YoY%) | 16.4 | | 15.32 |
| Wednesday 14 December | | | | | |
| Russia | 1600 | Q3 GDP (YoY% quarterly revised) | - | -4 | -4 |
| Poland | 1300 | Oct Current Account | -263 | | -1561 |
| Czech Rep | 0900 | Oct Current Account Balance | - | | -55.76 |
| Kazakhstan | - | Nov Industrial Production (YoY%) | 1.5 | | 1.4 |
| South Africa | 0800 | Nov CPI (MoM%/YoY%) | -/- | | 0.4/7.6 |
| | 0800 | Nov Core inflation (MoM%/YoY%) | -/- | | 0.5/5 |
| | 1100 | Oct Retail Sales (YoY%) | - | | -0.6 |
| Thursday 15 December | | | | | |
| Turkey | 0800 | Nov Budget Balance | - | | -83.25 |
| Poland | 0900 | Nov CPI (MoM%/YoY%) | 0.7/17.4 | | 0.7/17.4 |
| Ukraine | - | Oct Trade Balance YTD | - | | -5.42 |
| South Africa | 0930 | Nov PPI (MoM%/YoY%) | -/- | | 0.4/16 |
| Mexico | 1900 | Dec Interest Rate | - | | 10 |
| Friday 16 December | | | | | |
| Russia | 1030 | Dec Central bank key rate | 7.5 | 7.5 | 7.5 |
| Poland | 1300 | Nov Net Inflation (YoY%) | - | 11.3 | 11 |
| Croatia | 1000 | Nov CPI (MoM%/YoY%) NSA | 0.4/12.8 | | 1.3/13.2 |
| Azerbaijan | - | Dec Central bank key rate | 8.0 | | 8.0 |

Source: Refinitiv, ING

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