

## 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



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### 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.
<b>Monday 12 December</b>					
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
<b>Tuesday 13 December</b>					
Turkey	0700	Oct Industrial Production (MoM/YoY%)	-/-		-1.6/0.4
Romania	0700	Nov CPI (YoY%)	16.4		15.32
<b>Wednesday 14 December</b>					
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
<b>Thursday 15 December</b>					
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
<b>Friday 16 December</b>					
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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