

## Key events in EMEA next week

No fireworks are expected from either the Czech or Hungarian central banks this week, but both countries are bracing for a rise in inflation over coming months. We expect two rate hikes from the Czech National Bank later this year



Source: Shutterstock

### ✓ Hungary: No changes expected despite anticipated rise in inflation

In Hungary, the highlight of the week is the rate-setting meeting of the National Bank of Hungary. However, we are not expecting any fireworks from the monetary authority, and no change is expected in either the policy rates, framework or the hawkish commitment. The latter in particular should remain in place, given we are bracing for an inflation spike over coming months, with the headline reading set to jump above the central bank's tolerance band. Despite this forecast, we expect the NBH to align with the Federal Reserve, being only reactive and signalling it won't act pre-emptively based on forecasts. Speaking of which, we see no major change in the Inflation Report when it comes to the macro outlook.

### ✓ Czech Republic: CNB on hold next week

The Czech National Bank (CNB) is to stay on hold next Wednesday and should reiterate the latest

board members' comments that front-loaded tightening (i.e., in 2Q) is unlikely given the deteriorating Covid situation. Still, with inflation higher than the CNB's expectations and with 4Q20 GDP and wages also stronger, the case for tightening in 2021 remains intact. We look for two hikes in 4Q21.

## Key events in EMEA

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 22 March</b>					
Poland	1300	Feb M3 Money Supply (YoY%)	-		16.8
<b>Tuesday 23 March</b>					
Poland	0900	Feb Unemployment Rate	-		6.5
Hungary	1300	Mar Hungary Base Rate	0.6		0.6
	1300	Mar O/N Deposit Rate	-0.05		-0.05
<b>Wednesday 24 March</b>					
Czech Rep	1330	CNB Repo Rate	0.25		0.25
Hungary	0730	Q4 C/A Balance QQ	0.628		0.752
Mexico	1200	Mar 1st Half-Month Core Infl (MoM%)	-		0.22
	1200	Mar 1st Half-Month Infl (MoM%)	-		0.23
	1200	Feb Jobless Rate	-		4.7
<b>Thursday 25 March</b>					
Brazil	1200	Mar IPCA-15 Mid-Month CPI	-		0.48
	1200	Mar IPCA-15 Mid-Month CPI (YoY%)	-		4.57
Mexico	1200	Jan IGAE Econ Activity (YoY%)	-		-2.7
	1200	Jan Retail Sales (MoM/YoY%)	-		-2.4/-5.9
	1900	Mar Interest Rate	-		4.00
<b>Friday 26 March</b>					
Brazil	1230	Feb Current Account	-		-7.25
	1230	Feb Foreign Direct Investm't	-		1.8
Mexico	1200	Feb Trade Balance SA	-		2.879

Source: Refinitiv, ING

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