

## Key events in EMEA next week

We expect both the Czech National Bank and the National Bank of Hungary to keep interest rates unchanged next week, with officials maintaining their hawkish tone



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### Hungary: No change to the current status quo

After two relatively quiet weeks as regards to data in Hungary, the upcoming one will be more interesting. Or to be precise: Tuesday is in focus. We are going to see the January wage growth data, which used to be a strong anchor for the full-year average increase in salaries based on the past five years' data. We see a 16% gross wage increase on a yearly basis due to a combination of a 14-16% minimum wage increase (for unskilled and skilled labour), the labour shortage and the high-flying inflation. We expect a minor improvement in the fourth quarter current account deficit compared to the previous quarter based on high-frequency data. Last but not least, even without the recent market turmoil, we would advertise a no-change scenario in the Hungarian monetary policy, as Tuesday earmarks the date of the March rate-setting meeting. Considering the vulnerability of the forint, a rate cut will be quite premature exposing the local currency to a sell-off. Against this backdrop, we see an all-around status quo at the upcoming meeting: no change in rates, only incremental revisions in the central bank's forecasts and unchanged (hawkish) tone of the forward guidance.

## ✓ Czech Republic: Official to keep its hawkish tone, whilst rates remain unchanged

The Czech central bank is likely to keep interest rates unchanged on Wednesday. We expect the official statement will keep its hawkish tone, which means maintaining the current level of interest rates until there are clear signs that inflation is returning to the central bank's 2% target. Even the soft recession has not brought relief to the labour market, which still remains very tight, with the unemployment rate being the lowest in the EU, and poses the risk for inflation expectations.

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Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 27 March</b>					
Brazil		- Feb Current Account	-		-8.791
		- Feb Foreign Direct Investment	-		6.877
Mexico	1100	Feb Trade Balance SA	-		0.032
<b>Tuesday 28 March</b>					
Hungary	0630	Q4 C/A Balance (QoQ%)	-3.949		-4.469
	0630	Jan Average Gross Wages (YoY%)	16.0		17.9
	1200	Mar Hungary Base Rate	13.00		13.00
<b>Wednesday 29 March</b>					
Russia	1500	Feb Industrial Output	-2.5	-1.5	-2.4
	1500	Feb Retail Sales (YoY%)	-7.6	-11.1	-6.6
	1500	Feb Unemployment Rate	3.7	3.8	3.6
Turkey	1100	Feb Bank NPL Ratio	-		2.01
Czech Rep	1230	CNB Repo Rate	7		7
<b>Thursday 30 March</b>					
South Africa	0600	Feb M3 Money Supply (YoY%)	-		9.57
	0600	Feb Private Sector Credit Ext.	-		8.42
	0930	Feb PPI (MoM%/YoY%)	-/-		-0.6/12.7
Brazil	1200	Jan Industrial Output (MoM%/YoY%)	-/-		0/-1.3
	1200	Mar IGP-M Inflation Index	-		-0.06
	1730	Feb Central Government Balance	-		78.326
Mexico	1900	Mar Interest Rate	-		11
<b>Friday 31 March</b>					
Turkey	0700	Feb Trade Balance	-12.2		-14.24
Czech Rep	0700	Q4 Revised GDP (QoQ%/YoY%)	-		-0.4/0.2
Hungary	0630	Jan Trade Balance Final	-165		-165
South Africa	1200	Feb Trade Balance (Incl. Region)	-		-23.05
Mexico	1100	Feb Jobless Rate	-		3
Poland	0900	Mar flash CPI (MoM%/YoY%)	1.0/16.0		1.2/18.4

Source: Refinitiv, ING

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