

## Key events in EMEA next week

Next week sees a flurry of key data releases in Hungary, including a breakdown of fourth-quarter GDP as well as fresh inflation and fiscal data towards the end of the week. Over in Turkey, we forecast annual inflation to come in at 65.5% in February



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### Hungary: Industry and construction to lead weakness across fourth quarter GDP data

Next week will be very busy in Hungary in terms of data releases. We will see the details behind the very weak GDP data in the fourth quarter. We expect weakness across the board, led by industry and construction. After that, the focus will turn to 2024, when the Statistical Office will release the first data on economic activity for this year.

Industrial production may fall again on a monthly basis as supply chain disruptions from the Red Sea conflict hit some manufacturers in January. Retail sales may improve on food and non-food sales, while fuel consumption is expected to fall sharply as consumers brought forward consumption due to the excise duty hike in January. Given the weakness in the manufacturing sector, we are likely to see another monthly deficit in the trade balance after the downside surprise in December.

Finally, we close the week with fresh inflation and fiscal data. The excise duty hike will be reflected in February's price data and will have a significant upward impact on the month-on-month inflation rate, which we see at 0.7%. As a result, the year-on-year figure will only be marginally lower compared to January due to the high base. In the budget, we see a monthly deficit due to seasonality.

## ✔ Turkey: We expect February annual inflation to come in at 65.5%

We expect Turkey's annual figure to come in at 65.5% in February (with 3.6% MoM reading) vs 64.9% a month ago. A limited slowdown in domestic demand which allows producers to pass their cost increases, implications of the minimum wage and public salary adjustments, and the rigidity in services inflation will likely be factors that weigh on the inflation outlook. February and March inflation turnouts will be key for the rate outlook as the Central Bank of Turkey has left the door open for further rate hikes in the case of a significant deterioration in the inflation outlook.

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Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 4 March</b>					
Turkey	0700	Feb CPI (MoM%/YoY%)	3.6/65.5	/	6.7/64.86
<b>Tuesday 5 March</b>					
Russia	0600	Feb S&P Global Services PMI	-		55.8
Czech Rep	0800	Q4 Gross wages (YoY%)	-		-0.8
Hungary	0730	Q4 GDP Final (YoY%)	0.0		0.0
South Africa	0715	Feb Std Bank Whole Econ PMI	-		49.2
	0930	Q4 GDP (YoY%)	-		-0.7
<b>Wednesday 6 March</b>					
Poland	1300	Mar NBP Base Rate	5.75		5.75
Hungary	0730	Jan Industrial Output (YoY%)	-5.4		-13.7
	0730	Jan Retail Sales (YoY%)	0.3		-0.2
	0730	Jan Trade Balance	-250		-188
<b>Thursday 7 March</b>					
Serbia	1100	Mar Benchmark Interest rate	6.5		6.5
South Africa	0900	Q4 Current Account	-		-19.3
<b>Friday 8 March</b>					
Czech Rep	0800	Jan Trade Balance	-		3.5
	0800	Feb Unemployment Rate	-		4
Hungary	0730	Feb Core CPI (YoY%)	5.4		6.1
	0730	Feb CPI (YoY%)	3.7		3.8
	0730	Feb CPI MM NSA	0.7		0.7
	1000	Feb Budget Balance	-450		54.4
Ukraine	1330	Feb CPI (MoM%/YoY%)	-/-	/	0.4/4.7

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