

## Key events in EMEA next week

The focus of next week will be Poland's first MPC decision, with further policy easing expected in the aftermath of the general elections. Elsewhere, inflation in the Czech Republic is likely to come in higher due to government measure base effects. In Hungary, we expect further disinflation in October



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### Poland: NBP set to cut rates in November

According to the flash estimate, CPI inflation moderated further in October and turned out slightly lower than expected by the markets. In such an environment, the policy choice is between holding rates flat and a 25bp cut (to 5.50%), which we outline as our baseline scenario.

The central bank will also release the new macroeconomic projections, which should also bring important policy guidance. Overall, it should point to an economic recovery in 2024, with consumption playing the predominant role. At the same time, the inflation path should be adjusted downwards, given the lower starting point – but again, it would point to CPI returning to the target of 2.5% (+/- 1 percentage point) in 2025 only. We will also see if a 2026 projection will be added, as this may also bring multiple hints about upcoming decisions.

National Bank of Poland Governor Adam Glapiński's press conference will be closely followed by

the markets as it may give some hints on the central bank policy bias ahead. [Catch our latest preview here.](#)

## ✓ Czech Republic: Inflation higher due to government measures base effect

Inflation in the Czech Republic is entering a three-month period of significantly lower base effects due to government measures reducing energy prices last year. Despite stable prices month-on-month, we expect year-on-year inflation to rise from 6.9% to 8.4%. Compared to September, we expect higher prices for food, clothing and recreation mainly due to seasonal reasons. Fuel prices are likely to have fallen slightly, but the statistical office survey shows more of an increase. We therefore expect stagnation. At the same time, we expect energy prices to fall further. For October (as in September) a number of energy suppliers have announced further falls in electricity and gas prices. As always, the impact on CPI is debatable given the different number of households affected. The Czech National Bank's new forecast expects 8.3% YoY.

## ✓ Hungary: we expect disinflation to continue in October

Next week will be a very busy one in Hungary. We start with the industrial production data for September, which could be relatively weak again. In addition to the usual lack of domestic demand, which affects manufacturers driven by the local market, there was also a one-off problem. The local Audi factory was affected by a global IT problem at Volkswagen, which halted production for a day and probably resulted in a weaker-than-usual post-summer rebound.

Speaking of weak domestic demand, we expect another forgettable month for retail sales turnover in September, dragged down by low consumer confidence, shrinking real wages and rising fuel prices. With the export sectors still doing relatively well, we see this reflected in an improving trade balance figure for September, as exporters returned from summer shutdowns. Where we don't expect a significant improvement is in the fiscal situation. In fact, we see September's surplus as a one-off, and October will bring another monthly budget deficit.

Last but not least, the crown jewel is Friday's CPI print, where we expect disinflation to continue in October due to base effects and the limited pricing power of companies on demand constraints. Moreover, an October correction in fuel prices will help a lot, resulting in a monthly headline inflation rate of 0.2%, lowering the year-on-year print close to single digits.

## ✓ Romania: NBR to keep key rate to remain unchanged at 7.00%

The November meeting of the National Bank of Romania (NBR) will be held next week on Wednesday. We expect the Bank to keep the key rate unchanged at 7.00%. A new inflation report will also be published and the latest developments point to an overall balanced outlook regarding the Bank's new forecasts. Upside potential could stem from the recent derailing of the disinflation path, higher oil prices, sharp income growth and the potentially inflationary impact of a higher fiscal burden on firms. Downside potential comes from a visibly weaker growth, coupled with the extension and broadening out of the essential food items markup cap. All in all, we do not expect major changes in the Bank's new forecasts. Any comments related to the sizeable interbank market liquidity are a key factor to watch.

## ✓ Serbia: NBS to keep the key rate unchanged at 6.5%

The November meeting of the National Bank of Serbia (NBS) will be held next week on Thursday. We think that the Bank will keep the key rate unchanged at 6.5%. A new inflation report is also due and, with real wages positive since May and oil prices materially higher, we can't exclude forecasts to move in a marginally hawkish direction.

## Key events in EMEA next week

| Country                     | Time | Data/event                       | ING     | Survey | Prev.    |
|-----------------------------|------|----------------------------------|---------|--------|----------|
| <b>Monday 6 November</b>    |      |                                  |         |        |          |
| Czech Rep                   | 0800 | Sep Industrial Output (YoY%)     | -       |        | -1.7     |
|                             | 0800 | Sep Trade Balance                | -       |        | -3.8     |
| <b>Tuesday 7 November</b>   |      |                                  |         |        |          |
| Czech Rep                   | 0800 | Sep Retail Sales (YoY%)          | -       |        | -2.8     |
| Hungary                     | 0730 | Sep Industrial Output (YoY%)     | -8.7    |        | -5.3     |
| <b>Wednesday 8 November</b> |      |                                  |         |        |          |
| Poland                      | 0743 | Nov NBP Base Rate                | 5.50    |        | 5.75     |
| Czech Rep                   | 0800 | Oct Unemployment Rate            | -       |        | 3.6      |
| Hungary                     | 0730 | Sep Retail Sales (YoY%)          | -7.8    |        | -7.1     |
|                             | 0730 | Sep P Trade balance (EUR m)      | 1275    |        | 708      |
| Romania                     | 1300 | 0 Mon Policy Rate                | 7       |        | 7        |
| <b>Thursday 9 November</b>  |      |                                  |         |        |          |
| Ukraine                     | 1330 | Oct CPI (MoM%/YoY%)              | -/-     | /      | 0.5/7.1  |
| Hungary                     | 1000 | Oct Budget Balance (HUF bn)      | -155    |        | 33.7     |
| Serbia                      | 1100 | Nov Benchmark Interest rate      | 6.5     |        | 6.5      |
| <b>Friday 10 November</b>   |      |                                  |         |        |          |
| Russia                      | 1600 | Oct CPI (MoM%/YoY%)              | 0.9/6.7 | /      | 0.9/6    |
| Czech Rep                   | 0800 | Oct CPI (MoM%/YoY%)              | 0.0/8.4 | /      | -0.7/6.9 |
| Hungary                     | 0730 | Oct Core CPI (YoY%)              | 11.2    |        | 13.1     |
|                             | 0730 | Oct CPI (YoY%)                   | 10.3    |        | 12.2     |
|                             | 0730 | Oct CPI (MoM%)                   | 0.2     |        | 0.4      |
| Kazakhstan                  | 1200 | Oct Industrial Production (YoY%) | -       |        | 4.4      |

Source: Refinitiv, ING

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