

Key events in EMEA next week

Next week will be relatively quiet in the EMEA region. Following strong global deflationary trends, a high reference base and a price war between large retailers, we expect Poland's CPI to fall to 3.3% YoY in February. In the Czech Republic, we see a further fall in CPI inflation to 2.3% – well below the central bank's 2.8% target



Source: Shutterstock

✓ Poland: We expect February CPI to be 3.3% YoY

CPI (Feb): 3.3% YoY

We forecast that strong global deflationary trends, a high reference base and a price war between large retailers pushed CPI inflation to 3.3% year-on-year in February from 3.9% YoY reported in January. Monthly price growth last month was much lower than in February 2023, which translated into further decline in annual consumer inflation. A substantial increase in gasoline prices compared to January was accompanied by a slight decline in house energy. This was a result of cheaper coal and moderate growth in food prices amid the price war.

At the same time, core inflation excluding food and energy declined to 5.3% YoY from 6.4% YoY in January. The StatOffice will also update CPI basket weights, which may bring a slight revision to January's CPI estimate. Headline inflation is projected to reach a local low in March, around the

National Bank of Poland's target of 2.5%. It's then expected to rise moderately as VAT on food is re-introduced in April and the energy shield is amended in the second half of this year, leading to some increases in electricity prices.

✓ Czech Republic: Inflation inches closer to CNB's target

We expect inflation to slow significantly from 1.5% to 0.4% MoM after the January repricing, but we think it's likely to still contain signs of that repricing. This should translate into a further drop in inflation from 2.3% to 2.1% YoY, well below the Czech National Bank's forecast of 2.8%, maintaining the same deviation as in January. On the downside, we see a slight decline in food and clothing prices. On the contrary, on the upside, we expect higher fuel prices but also a slight increase in housing prices. According to our estimates, inflation also fell from 2.9% to 2.7% YoY, well below the CNB's 3.5% forecast.

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Country	Time	Data/event	ING	Survey	Prev.
Monday 11 March					
Czech Rep	0800	Feb CPI (MoM%/YoY%)	0.4/2.1	/	1.5/2.3
Turkey	0700	Unemployment Rate %	-		8.9
Tuesday 12 March					
Turkey	0700	Jan Current Account Balance	-2.7		-2.091
	0700	Jan Industrial Production (MoM%/YoY%)	-		2.41/1.6
Czech Rep	0800	Jan Retail Sales (YoY%)	-		-0.9
Serbia	1100	Feb CPI (MoM%/YoY%)	0.7/5.8	/	0.3/6.4
Wednesday 13 March					
Russia	1600	Feb CPI (MoM%/YoY%)	0.7/7.7	0.6/7.6	0.9/7.4
Romania	0700	Feb CPI (MoM%/YoY%)	0.7/7.1		1.1/7.4
Thursday 14 March					
Ukraine	-	Central bank interest rate	-		15
Bulgaria	-	Feb CPI (YoY%)	3.5		3.8
Friday 15 March					
Turkey	0800	Feb Budget Balance	-		-150.72
Poland	0900	Feb CPI (MoM%/YoY%)	0.5/3.3	-/3.2	0.4/3.9
	1300	Jan Current Account	-		-24
Czech Rep	0800	Jan Industrial Output (YoY%)	-		-0.7
	0900	Jan Current Account Balance	-		13.24
Ukraine	-	Jan Trade Balance YTD	-		-27.38
Croatia	1000	Feb CPI (MoM%/YoY%)	-		-0.4/4.1

Source: Refinitiv, ING

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