

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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