

Key events in EMEA next week

ING's view on upcoming key data and events in central and eastern Europe

Country	Time	Data/event	ING	Survey	Prev.
Friday 2nd February					
Hungary	0800	Nov F Trade Balance (€mn)	718	-	718
Romania	0700	Dec PPI (MoM/YoY%)	-/-	-/-	0.5/4.4
Slovakia	-	Slovakia Sovereign Debt to be rated by Fitch			
Israel	-	Israel Sovereign Debt to be rated by S&P			
Cyprus	-	Cyprus Sovereign Debt to Be Rated by Moody's			
Monday 5th February					
Turkey	0700	Jan CPI (MoM/YoY%)	1.2/10	-/-	0.69/11
	0700	Jan Domestic PPI (MoM/YoY%)	-/-	-/-	1.37/15
	0700	Jan Core CPI (YoY%)	-	-	12.3
Czech Rep	0800	Dec Trade Balance (CZKmn)	-4	-7	11.721
Hungary	0800	Dec Retail Sales (YoY%)	7.1	-	6.7
Romania	0700	Dec Retail Sales (MoM/YoY%)	-/-	-/-	0.7/11.
South Africa	0715	Jan HSBC PMI SA	-	-	48.4
Tuesday 6th February					
Poland	-	Monetary Policy Council Rate Meeting (until			
Czech	0800	Dec Retail Sales (YoY%)	3	2.9	4.9
	0800	Dec Retail Sales Excl. Motor Vehicles (YoY%)	5.8	4.1	7.8
	0800	Dec Construction Output (YoY%)	-	-	1.9
	0800	Dec Industrial Output (YoY%)	6.1	2.9	8.5
Kazakhstan	-	Jan PPI (MoM/YoY%)	-/-	-/-	3.5/17
South Africa	0930	Jan SACCI Business Confidence	-	-	96.4
Wednesday 7th February					
Russia	-	Jan CPI (MoM/YoY%)	0.3/2.2	-/-	0.4/2.5
	-	Jan CPI Core (YoY%)	2	-	2.1
Poland	1300	Jan Official Reserves Total	-	-	113279
	-	Base Rate (%)	1.5	1.5	1.5
Czech Rep	0900	Jan International Reserves (US\$bn)	-	-	148
Hungary	0800	Dec Industrial Production (MoM/YoY%)	2.4/5.5	-/-	-2.1/3.4
Romania	-	Repo rate (%)	2.25	-	2
South Africa	0600	Jan Gross Reserves (US\$bn)	-	-	50.72
	0600	Jan Net Open For. Currency Position (US\$bn)	-	-	0
Israel	-	Jan Foreign Currency Balance (US\$bn)	-	-	113
Thursday 8th February					
Turkey	0700	Dec Industrial Production (MoM/YoY%)	-/5.5	-/-	0.3/7
Czech Rep	0800	Jan Unemployment Rate (%)	3.9	3.9	3.8
Hungary	1000	Jan Budget Balance (YTD)	-900	-	-1974
Kazakhstan	-	Jan International Reserves (US\$bn)	-	-	31.1
Bulgaria	0900	Dec Industrial Production (MoM/YoY%)	-/-	-/-	0.3/1.7
	0900	Dec Retail Sales (MoM/YoY%)	-/-	-/-	0.3/3.8
Serbia	1100	Repo rate (%)	3.5	-	3.5
Croatia	1000	Nov Trade Balance (HRK m)	-	-	-4242
	1000	Dec Tourism arrivals (YoY%)	-	-	9.1
South Africa	0930	Dec Mining Production (MoM/YoY%)	-/-	-/-	-0.69/6
	0930	Dec Mining Gold Production (YoY%)	-	-	-8.33
	0930	Dec Mining Production Volume Index YoY	-	-	12.35
	1100	Dec Manufacturing Prod. (MoM%)	-	-	1.7
	1100	Dec Manufacturing Production (SA, MoM%)	-	-	0.9
Friday 9th February					
Russia	1030	Key Rate (%)	7.5	-	7.75
	1300	Dec Trade Balance (US\$bn)	-	-	11.515
Czech Rep	-	Czech Sovereign Debt to be rated by Fitch			
Ukraine	-	Jan CPI (MoM%)	-	-	1
Romania	0700	Dec Trade Balance (€m)	-	-	-1123
	0700	Dec Avg Net Wages (YoY%)	-	-	13.44
	0700	Dec Industrial Sales (MoM/YoY%)	-/-	-/-	-0.7/12

Source: ING, Bloomberg

Hungary: a positive end to 2017 and an unusual-shaped budget to start 2018

In Hungary, we see both the retail sector and industry closing 2017 on a positive note, putting

away any debate regarding the expected pick-up of economic activity in 4Q17. The budget is expected to start 2018 in an unusual shape: the high cash-flow based deficit in January might be the result of the continued EU project pre-financing strategy by the government.

Poland: expect a dovish MPC conference

We expect the National Bank of **Poland**'s Governor Glapiński to reiterate a dovish message during the MPC press conference. The committee is likely to cool down hike expectations for 2019, which were triggered after the publication of the governor's interview from Davos. In our opinion the most likely outcome is that the MPC continues forward guidance, stating no interest rate hike in 2018. Recent interviews in the Polish press suggest that A. Glapinski is unlikely to extend such obligations to 1H19.

Turkey: it's all about CPI

In **Turkey**, December's data showed a fall in the headline inflation, and in the coming months the easing base effects will continue to contribute to the recovery in the inflation outlook. Accordingly, we expect the annual figure to decline further in January to 10.5% year-on-year (1.2% month-on-month) from 11.9% a month ago.

Romania: expect more hikes

We expect the National Bank of **Romania** (NBR) to deliver another 25bp hike to 2.25% on 7 February, as the minutes for the previous meeting mentioned that 'monetary conditions had become slightly less accommodative', suggesting more to be done to remove policy accommodation with January CPI data expected to come in above the upper bound of the NBR target interval. As a risk scenario, we could see the NBR leaving rates unchanged and deciding on firmer liquidity management as suggested by the NBR governor.

Serbia: on hold

We expect the National Bank of **Serbia** to remain on hold as 1H18's expected temporary fall in inflation is due to base effects while inflation expectations remain well anchored. There is a minor risk for a rate cut to encourage the Dinarisation process.

Czech Republic: positive figures despite unfavourable calendar bias

In the **Czech Republic**, despite the fact that the December figures will be affected by the calendar bias caused by two less working days, year-on-year dynamics should remain favourable. Industrial production might be again influenced by the company holidays, which caused weak prints last December. But some preliminary figures indicate that production was relatively strong in December, and that the low-base from December 2016 might deliver solid dynamics of industry despite the unfavourable calendar bias. January's unemployment rate might slightly increase due to typical seasonality, but the labour market remains very tight.

CIS space: Russian hikes Ukraine's inflation

In the CIS space, the **Russian** Central Bank's policy decision is widely expected, and we now see the regulator choosing to cut the key rate either by 25bp or even 50bp after some growth weakness in

4Q17 and inflation being likely to make a new all-time low of 2.2% in January 2018 in the release before the CBR meeting. **Ukraine** will also see its inflation data, which may help to shape market expectations about future National Bank of Ukraine policy decisions.

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