

THINK Ahead: CEE region in focus

Our take on what a quieter week ahead could bring for markets across Central and Eastern Europe



Snowfall on Charles Bridge, Prague

THINK Ahead for Central and Eastern Europe

Hungary (Peter Virovacz)

- **Current account (Mon):** Based on high frequency data, we see a significant deterioration in the current account surplus in the third quarter, mainly via the goods balance. Nevertheless, the year has turned out much better than expected, and the current account surplus will be well above 2% of GDP in 2024 as a whole.
- **PMI (Thu):** This is still a very unpredictable number, but in general we think it will continue to hover around the 50 mark. This time it will probably be a bit lower due to increasing uncertainty about external demand.

Czech Republic (David Havrlant)

- **Business and consumer confidence, (Mon):** Czech consumers' mood likely improved, as is usually the case in December, with most spenders feeling better when letting their savings flow toward a bit of happiness for their loved ones. Meanwhile, confidence in industry likely softened in the same month, correcting the previous gain.
- **PMI (Thu):** The doom in European industry sees no end, while recent price spikes in the

electricity market show that some pressing issues are deeply rooted, with a proper cure being anything but simple. This will also be reflected in a softer manufacturing PMI for December.

- **GDP (Fri):** We don't expect any surprises from the final GDP estimate for the third quarter of 2024. Household spending should be confirmed as a primary driver of the current economic rebound, while fixed investment may prove the main drag.

Turkey (Muhammet Mercan)

- The Central Bank of Turkey's communication suggested that we are nearing a gradual rate-cutting cycle, implying a December move as a real possibility. The revised guidance also tied rate cuts to both realised and expected inflation, implying that the bank will closely watch ex-ante and ex-post real rates. We expect a 250bp cut from the bank this month, though we do not rule out a smaller move given the higher than expected November inflation reading, which implies continuing challenges to disinflation efforts. In December, we expect the downtrend in annual inflation to continue from 47.1% a month ago to 44.8% (with 1.4% month-on-month).

Key events in developed markets next week

Country	Time	Data/event	ING	Prev.
Monday 23 December				
US	1500	Dec Consumer Confidence	-	111.7
UK	0700	Q3 GDP (QoQ%/YoY%)	0.1/1.0	0.1/1.0
	0700	Q3 Current Account (GBP bn)	-	-28,40
Spain	0800	Q3 GDP Final (QoQ%/YoY%)	-/-	0.8/3.4
Canada	1330	Oct GDP (MoM%)	-	0.1
Tuesday 24 December				
US	1330	Nov Durable Goods (MoM%)	-	0.3
	1500	Nov New Home Sales (mn)	-	0.61
Friday 27 December				
Spain	0800	Nov Retail Sales (YoY%)	-	3.5
Monday 30 December				
US	1445	Dec Chicago PMI	-	40.2
UK	0700	Dec Nationwide Housing Prices (MoM%/YoY%)	-/-	1.2/3.7
Spain	0800	Dec CPI (MoM%/YoY%)	-/-	0.2/2.4
Portugal	0930	Dec CPI (YoY%)	-	2.5
Tuesday 31 December				
US	1400	Oct Case-Shiller 20 (MoM%/YoY%)	-/-	0.2/4.6
Thursday 2 January				
UK	0930	Dec S&P Global Manufacturing PMI Final	-	47.3
Italy	0845	Dec HCOB Manufacturing PMI Flash	-	44.5
Eurozone	0900	Nov M3 Money Supply (YoY%)	-	3.4
	0900	Dec HCOB Manufacturing PMI Final	-	45.2
Friday 3 January				
US	1500	Dec ISM Manufacturing PMI	-	48.4
	1500	Dec ISM Manufacturing Prices Paid	-	50.3
Germany	0855	Dec Unemployment Rate SA	-	6.1
Italy	1000	Dec CPI Prelim (MoM%/YoY%)	-/-	-0.1/1.5

Source: Refinitiv, ING

Key events in EMEA next week

Country	Time Data/event	ING	Prev.
Monday 23 December			
Poland	0900 Nov Unemployment Rate	-	4.9
	1300 Nov M3 Money Supply (YoY%)	-	7.8
Czech Rep	0800 Dec Business Confidence	97	97.3
	0800 Dec Consumer Confidence	102.4	101.6
Hungary	0730 Q3 Current Account Balance (m EUR)	710	1.953
Wednesday 25 December			
Russia	1600 Nov Industrial Output	3.3	4.8
Turkey	0700 Dec Business Confidence	-	100.4
Thursday 26 December			
Turkey	1100 Dec CBT Weekly Repo Rate	47.5	50
	1100 Dec Overnight Lending Rate	50.5	53
	1100 Dec Overnight Borrowing Rate	44.5	47
Friday 27 December			
Russia	1600 Nov Retail Sales (YoY%)	5.4	4.8
	1600 Nov Unemployment Rate	2.3	2.3
	1600 Nov GDP (YoY%)	2.5	3.2
Sunday 29 December			
Russia	1600 Dec CPI (MoM%/YoY%)	1.3/9.5	1.4/8.9
Monday 30 December			
Turkey	0700 Dec Economic Confidence Index	-	97.1
Wednesday 1 January			
Russia	0600 Dec S&P Global Manufacturing PMI	-	51.3
Turkey	0700 Dec Manufacturing PMI	-	48.3
Thursday 2 January			
Poland	0800 Dec S&P Global Manufacturing PMI	-	48.9
Czech Rep	0830 Dec S&P Global Manufacturing PMI	45.8	46
Hungary	0800 Dec Manufacturing PMI	49.2	50.3
Friday 3 January			
Russia	0600 Dec S&P Global Services PMI	-	53.2
Turkey	0700 Dec CPI (MoM%/YoY%)	1.4/44.8	2.2/47.1
Czech Rep	0800 Q3 GDP final (QoQ/YoY%)	0.4/1.4	-0.1/1.5

Source: Refinitiv, ING

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