

CEEMEA Week Ahead: CBRT Rate Decision, South Africa CPI

The CBRT rate decision on Thursday provides the key highlight across the region, with the easing pace expected to be maintained at 150bps following a softer-than-expected inflation print in December. In South Africa, headline inflation is expected to have stayed within the +/-1pp tolerance band around the SARB's +3% Y/Y target in December.

Data Releases:

Monday 19th

-  **Hungary January consumer confidence** (Prior: -22.0)
-  **Czechia December PPI** (Est: -1.9% Y/Y; Prior: -1.3%)
-  **Turkey December house price index** (Prior: +31.4% Y/Y)
-  **NBR rate decision** (Est: 6.50%; Prior: 6.50%)

Tuesday 20th

-  **South Africa November mining data**
-  **Turkey December home sales** (Prior: -7.8% Y/Y)

Wednesday 21st

-  **South Africa December CPI inflation** (Est: +3.6% Y/Y; Prior: +3.5% Y/Y)

- Headline inflation is expected to have stayed within the +/-1pp tolerance band around the SARB's +3% Y/Y target in December, with an anticipated modest uptick in core inflation likely counterbalanced by lower international food prices and a strong exchange rate.

-  **South Africa November retail sales** (Prior: +2.9% Y/Y)

Thursday 22nd

-  **Poland December average gross wages** (Est: +7.0% Y/Y; Prior: +7.1% Y/Y)

- NBP Governor Adam Glapinski signalled that the central bank will keep an eye on wage data to determine whether the current downtrend remains sustainable, in line with the current base case scenario. The data may factor into the NBP's monetary policy meeting in February after the Governor refused to rule out a cut.

-  **Poland December employment** (Est: -0.7% Y/Y; Prior: -0.8% Y/Y)
-  **Poland December industrial output** (Est: +3.2% Y/Y; Prior: -1.1% Y/Y)
-  **Poland December PPI** (Est: -2.2% Y/Y; Prior: -2.4% Y/Y)

-  **CBRT rate decision** (Est: 36.50%; Prior: 38.00%)

- The CBRT is expected to reduce the one-week repo rate by 150bps to 36.50% after the December CPI inflation data came in slightly below expectations. The downside surprise to forecast stemmed from core goods, which should allow the central bank to continue easing given its "meeting-by-meeting" approach to monetary policy.

-  **Turkey January consumer confidence** (Prior: 83.5)

Friday 23rd

 **Hungary November average gross wages** (Est: +8.6% Y/Y; Prior: +8.7% Y/Y)

 **Hungary December unemployment rate** (Prior: 4.4%)

N.B. All estimates via the Bloomberg analyst survey as of 16/01/26

Bond Auctions:

 **Monday: Israel to sell ILS 2bn of bonds**

 **Tuesday: South Africa to sell ZAR 1bn each of 2039, 2042 and 2048 bonds**

 **Wednesday: Czechia to sell bonds**

 **Thursday: Poland to sell bonds**

 **Thursday: Romania to sell RON 500mn of 2040 bonds and RON 700mn of 2033 bonds**

Notable Option Expiries:

 **Wednesday: USD/ZAR 16.50 (\$587mn), 16.55 (\$861mn)**

 **Wednesday: EUR/PLN 4.22 (E313mn)**

 **Thursday: EUR/PLN 4.20 (E315mn), 4.22 (E325mn)**

 **Friday: EUR/PLN 4.17 (E332mn), 4.21 (E332mn)**

Key Technical Levels:

 **EUR/PLN: 50-day EMA resistance pierced**

- RES 2: 4.2532 Nov 21 high
- RES 1: 4.2233 50-day EMA (pierced)
- PRICE: 4.2240 @ 14:30GMT 15/01/26
- SUP 1: 4.2000 handle
- SUP 2: 4.1704 76.4% retracement of the Feb 27 - Apr 16 bull cycle

 **EUR/HUF: Late December pullback appears corrective**

- RES 3: 391.52 Dec 23/24 high and bull trigger
- RES 2: 388.24 61.8% retracement of the Dec 23 - Jan 2 bear leg
- PRICE: 385.15 @ 14:30GMT 15/01/26
- SUP 1: 382.94 Jan 2 low
- SUP 2: 380.25 Dec 3 low and bear trigger

 **USD/ZAR: Bear threat intact**

- RES 2: 17.1227 Dec 9 high
- RES 1: 16.7765 50-day EMA
- PRICE: 16.4090 @ 14:30GMT 15/01/26
- SUP 1: 16.2545 1.764 projection of the Sep 4 - Oct 9 - Nov 5 price swing

MNI Macro Insights

— POLAND: Bracing for Live NBP Meeting in February

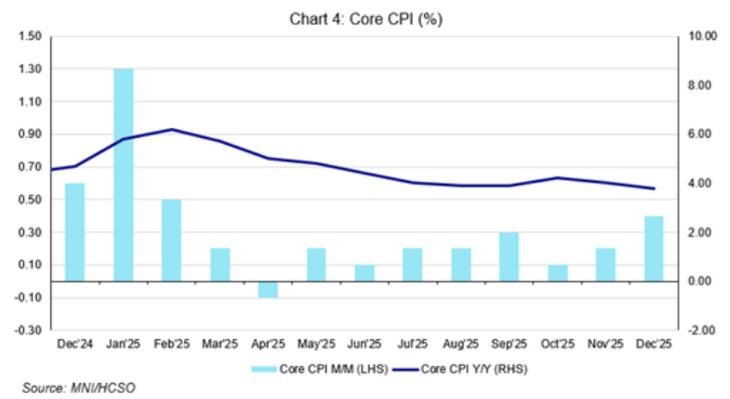
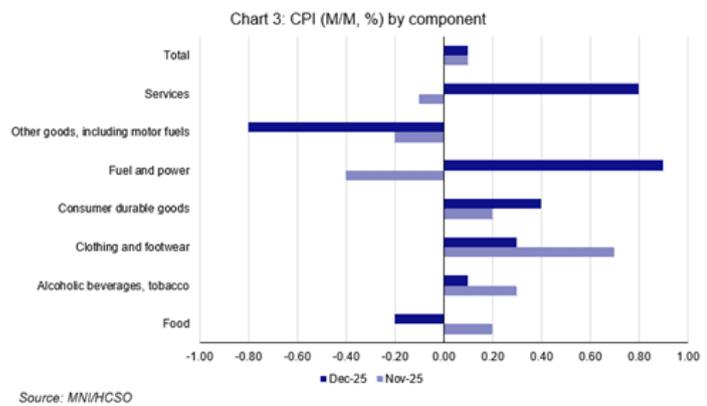
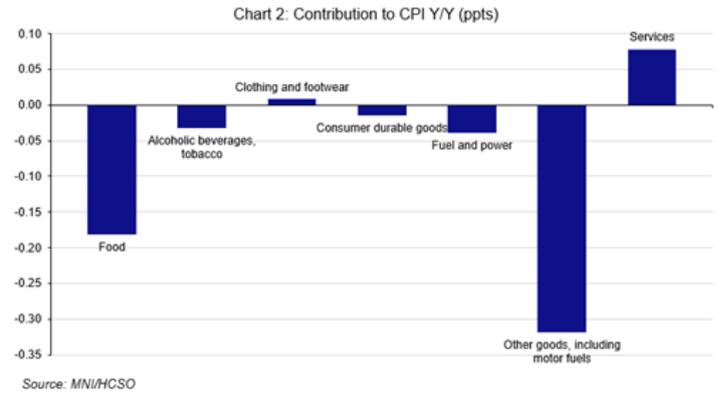
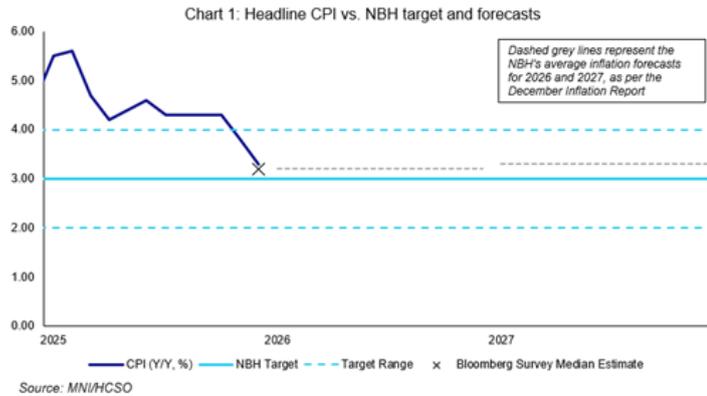
Poland's central bank pressed pause after five sequential 25bp cuts to the reference rate through 2H2025, entering wait-and-see mode. While the decision fell in line with consensus and earlier forward guidance, the tone of the press conference signalled lesser concern about inflationary risks, with Governor Adam Glapiński describing the current low-inflation environment disinflation as 'sustainable' over the medium-term. In defiance of consensus looking for a delay in monetary easing until March, the Governor refused to rule out a move in February, while reaffirming the MPC's data-dependent stance. At the same time, he admitted that the MPC will now focus on fine-tuning monetary policy as the terminal rate could be around 3.50%.

- We stand by our view that the hawkish/dovish labels are not very useful at this juncture, as the NBP enters the terminal phase of its undeclared easing cycle, which is a game of moving targets. True, the Council is becoming increasingly comfortable with the evolution of the macroeconomic environment.
- But the fact that it sees the economy gradually converging with its state of equilibrium does not mechanically imply a greater inclination to cut. By contrast, it implies that the room for further monetary easing is narrowing, as the aggressive (175bp) monetary easing delivered last year filters through into the economy. Governor Glapiński admitted as much, noting that there is 'some room' for cuts but 'not much'.
- He signalled that his preferred terminal rate would be 3.50% (although some colleagues may see it lower, and he was open to discussion), which would probably be reached in a couple of 25bp steps, as the MPC has entered a 'fine-tuning' phase. For the record, we argued that the NBP was transitioning to this phase in our review of the November meeting and it seems that this transition has now been completed, with the MPC set to favour precision over urgency.

— HUNGARY: Softness in Food and Fuel Inflation, Services Strong

Headline CPI inflation slowed substantially to +3.3% Y/Y in December from +3.8% Y/Y in November, a touch above analyst estimates of +3.3%. Prices rose 0.1% on a monthly basis (Est: 0.0% M/M) while core edged lower to +3.8% Y/Y nsa from a prior +4.0%.

- The biggest surprise came from the services component. Prices in this segment rose from +6.5% Y/Y in November to +6.8% Y/Y in December and contributed +0.1ppts to the change in the Y/Y figure, largely accounting for the above-consensus headline reading (+3.3% Y/Y vs. +3.2% expected).
- Looking at the details, the 'Other goods, including motor fuels' and 'Food' subcomponents drove the bulk of the decline in the annual figure, contributing around -0.18ppts and -0.32ppts to the change in the Y/Y reading, respectively. 'Services' contributed +0.09ppts.
- The slowdown in both food and fuel prices was anticipated due to strong and favourable base effects and an extension of the government's profit curb measures late last year. Food prices rose 2.6% Y/Y, but edged down 0.3% when excluding the price of eating out. Motor fuel prices fell 8.6% Y/Y.
- On a monthly basis, food prices fell 0.2% (and by 0.5% when excluding eating out). The largest month-on-month increases came from electricity, gas and other fuel prices (+0.9% M/M) and services (+0.8% M/M). Motor fuel prices specifically lessened by 1.7% M/M.



HUNGARY: NBH's Kurali Tempers Rate Cut Expectations

Hungarian central bank Deputy Governor Zoltan Kurali tamped down speculation about the start of monetary easing, saying policymakers needed more conviction for their first interest rate cut in more than a year. “We see some stubborn inflationary developments still in the services sector,” he said, adding “We still maintain our careful and patient approach to monetary policy.”

- HUF gained moderately on the back of these comments. The rhetoric was in line with previous guidance overall but his remark that more conviction is needed before deciding on the next rate move was interpreted as hawkish at the margins, affirming expectations that a rate cut at the January rate-setting meeting is off the table (albeit a Jan cut was already seen as highly unlikely).
- We last heard from Kurali a couple of days after the NBH's December rate-setting meeting, when he said Hungary's central bank doesn't want to rush interest rate cuts even as it sees a marked improvement in the inflation outlook. The comments were seen as a form of verbal pushback against the sell-off in the forint on the more dovish NBH guidance. He said then that his “personal preference” would be for the initial cut to come when economic data justifies an easing cycle, and that repricing at the beginning of 2026 will be key.

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