

## Key events in EMEA and Latam next week

Inflation data will be in focus in both Hungary and the Czech Republic next week, which should point towards some stabilisation now that economies have been open for a while



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### Hungary: Inflation to stabilise

The key data in Hungary next week will be the August inflation reading.

After causing a significant upside surprise in July, inflation is more than likely to stabilise. On a monthly basis, we expect inflation to remain unchanged. Given that, one-off factors were behind the acceleration last month, this time we should see the underlying processes stabilising inflation.

This means a 3.9% year-on-year CPI reading with 4.4% YoY core inflation. In the months ahead, we expect significant deceleration, which should provide monetary policy a break. However, the fiscal story continues to deteriorate but the August deficit will be in line with the updated 7-9% deficit range forecast by the Ministry of Finance.

### Czech Republic: Inflation to stay moderate

Czech August CPI should slightly moderate to 3.2% amid weaker food prices though fuel prices slightly improved and core prices were surprising on the upside in recent months despite

Covid-19. Still, the central bank should remain on hold for some time as signalled by recent central bank communication.

July industrial production is likely to remain modestly in contraction territory but summer months are usually affected by company holidays, and thus less reliable.

## **Russia: Current account & GDP data, political talks and monetary policy guidance**

- August balance of payments should show if the current account remains close to zero and whether there is any improvement in the resident capital flows.
- The structure of the 2Q20 GDP drop could affect expectations about recovery. The recent macro statistics for July suggested stronger than expected consumer trend.
- The meeting between the president of Russia and Belarus may hint at the role Russia is willing to take in resolving the political crisis in Belarus. The development of the chemical warfare story would also bring more clarity as to whether it will result in new EU/US sanctions, and if so, whether they would be personal or sectoral, and if it could endanger the Nord Stream 2 gas pipeline project.
- Updated three-year monetary policy guidelines to be released on 10 September, are likely to shed more light on the central bank's take on the recent change in the global monetary policy rhetoric and the increase in market volatility. Currently, the combination of accelerating inflation, faster than expected consumer recovery, and market volatility in July-September are all pointing towards a likely pause in the key rate cut cycle.

## **EMEALatam Economic Calendar**

Country	Time Data/event	ING	Survey	Prev.
<b>Monday 7 September</b>				
Poland	1300 Aug Official Reserves Total	-	-	137674
Czech Rep	0800 Jul Construction Output (YoY%)	-	-	-11.5
	0800 Jul Trade Balance (CZKmn)	-	-	34.1
	0800 Jul Industrial Output (YoY%)	-5.5	-	-7.0
Hungary	1400 Opus CEO, OTP Bank Deputy CEO Speak at Online Conference			
Kazakhstan	1000 Key Policy Rate (%)	-	-	9.0
	- Aug International Reserves (US\$bn)	-	-	35.3
Serbia	1100 Aug HPPI (MoM/YoY%)	-	-	0.7/-1.4
South Africa	0700 Aug Gross Reserves (US\$bn)	-	-	57.9
	0700 Aug Net Open Foreign Currency Position (US\$bn)	-	-	48.1
Israel	- Aug Foreign Currency Balance (US\$bn)	-	-	157.7
<b>Tuesday 8 September</b>				
Czech Rep	0800 Aug Unemployment Rate (%)	3.8	-	3.8
Hungary	0800 Jul P Trade Balance (€mn)	225	-	655
	0700 Jul Avg Net Wages (YoY%)	-	-	5.0
	0700 2Q P GDP (SA, QoQ%)	-	-	-12.3
	0700 2Q P GDP (YoY%)	-	-	-10.5
	Croatia	1000 Aug PPI (MoM/YoY%)	-/-	-/-
	1000 Jun Trade Balance (HRK m)	-	-	-4855
South Africa	1030 2Q GDP (SAAR-QoQ%)	-	-	-2.0
	1030 2Q GDP (YoY%)	-	-	-0.1
Israel	- Bank of Israel Publishes Minutes of Rate Meeting			
<b>Wednesday 9 September</b>				
Russia	1700 2Q P GDP (YoY%)	-8.5	-8.5	-8.5
Czech Rep	0900 Aug International Reserves (US\$bn)	-	-	157.8
Hungary	0800 Aug CPI (MoM/YoY%)	0.0/3.9	-/-	1.1/3.8
	1000 Aug Budget Balance (YTD)	-2450	-	-2165
	1300 Hungarian Central Bank's Minutes			
Ukraine	- Aug CPI (MoM/YoY%)	-/-	-/-	-0.6/2.4
Romania	0700 Jul Trade Balance (€m)	-	-	-1321
Brazil	1300 Aug Inflation (IPCA) (MoM/YoY%)	0.23/2.43	0.18/2.38	0.36/2.31
Mexico	1200 Aug CPI (MoM/YoY%)	0.3/3.95	-	0.66/3.62
<b>Thursday 10 September</b>				
Turkey	0800 Jun Unemployment Rate (%)	-	-	12.9
Czech Rep	0800 Aug CPI (MoM/YoY%)	-0.2/3.2	-/-	0.4/3.4
	0800 Jul Export Price Index (YoY%)	-	-	2.0
	0800 Jul Import Price Index (YoY%)	-	-	-1.5
Romania	0700 Aug CPI (MoM/YoY%)	-/-	-/-	0.0/2.8
Bulgaria	0900 Jul Industrial Production (MoM/YoY%)	-	-	5.8/-7.8
	0900 Jul Retail Sales (MoM/YoY%)	-/-	-/-	0.9/-18.1
Serbia	1100 Repo rate (%)	-	-	1.25
South Africa	1200 Jul Manufacturing Prod. (MoM%)	-	-	-16.3
	1200 Jul Manufacturing Production (SA, MoM%)	-	-	16.8
	- 3Q BER Business Confidence	-	-	5.0
Brazil	1300 Jul Retail Sales (YoY%)	3.0	-	0.5
<b>Friday 11 September</b>				
Russia	1400 Jul Trade Balance (US\$bn)	-	6.0	5.3
Turkey	0800 Jul C/A (US\$mn)	-1.1	-	-2.93
Serbia	1100 Aug CPI (MoM/YoY%)	-	-	0.2/2.0
Croatia	1000 Jul Tourism arrivals (YoY%)	-	-	-72.7
Mexico	1200 Jul Industrial Production (YoY%)	-10.0	-	-16.7

Source: ING, Bloomberg

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