

Key events in EMEA and Latam next week

A flurry of positive data from Hungary while Russian and Czech central banks to remain on hold next week, but what else is going on in EMEA and Latam?



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Czech National Bank to remain on hold but expect two hikes this year

Although we expect the Czech National Bank (CNB) to stay on hold next week, they will publish a new forecast, providing guidance about monetary tightening, the combination of EUR/CZK and rate paths.

While previous forecasts assumed CZK to reach 24.9 in 2Q18 and EUR/CZK to reach 24.6 in the last quarter of 2018, new projections are most likely to bring minor revisions, seeing CZK slightly below the 25 EUR/CZK level at the end of the year.

Considering the CNB rule that 1% CZK appreciation is equivalent to a 25bp rate hike in monetary tightening and the fact that the interest rate trajectory is unlikely to change in 2018, the new forecast is likely to signal room for tightening with "two hikes" this year - also our baseline scenario.

Central Bank of Russia to hold amidst US sanctions and market turbulence

In the CIS space, the Central Bank of Russia's (CBR) meeting this Friday is a key event, and we see the rate being kept "on-hold" with the CBR taking some time to monitor the economic and financial effects of US sanctions and market turbulence. Yet, we think the easing story in 2018 is not over.

Apart from that, Russian manufacturing PMI may show a further slide in confidence given the released decline in the Rosstat indicator, while inflation data for April is likely to see headline CPI unchanged at 2.4% and core CPI slightly up from 1.8% to 2%.

In Kazakhstan, April inflation is expected to drop further to 6.3%. Moreover, a Fitch update on Ukraine's sovereign debt is unlikely to see any changes from the current B-/Stable.

Expect positive movements in Hungarian data

In Hungary, we are expecting some upward movement in the PMI following on from the fading uncertainty as the general election is now over. The retail sector may experience further strong data as we see a temporary boost from early Easter and a handing out of one-off lump sum benefits for pensioners worth HUF27.7bn (EUR 89m).

EMEA and Latam Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|------------------------|------|---|---------|--------|-----------|
| Friday 27 April | | | | | |
| Russia | 1130 | Key Rate (%) | 7.25 | 7.25 | 7.25 |
| Poland | 1300 | National Bank of Poland Publishes Minutes of Rate Meeting | | | |
| Hungary | - | Opus Global Annual General Shareholder Meeting | | | |
| Ukraine | - | Ukraine Sovereign Debt to be rated by Fitch | | | |
| Croatia | 1000 | Mar Unemployment Rate (%) | - | - | 12.3 |
| Brazil | 1300 | Mar Unemployment Rate (%) | 13 | 12.9 | 12.6 |
| Monday 30 April | | | | | |
| Turkey | 0800 | Mar Trade Balance (US\$m) | - | - | -5.76 |
| | 0830 | Central Bank Inflation Report | | | |
| Serbia | 1100 | 1Q P GDP (YoY%) | 3.4 | - | 2.5 |
| Croatia | 1000 | Mar Industrial Production (SA, YoY%) | - | - | 3.3 |
| South Africa | 1300 | Mar Trade Balance (ZARbn) | - | - | 0.43 |
| Israel | 1100 | Mar Monthly Unemployment Rate (%) | - | - | 3.8 |
| Mexico | 1400 | 1Q P GDP (YoY%) | 1.6 | - | 1.52 |
| Wednesday 2 May | | | | | |
| Turkey | 0800 | Apr Markit/ISO Manufacturing PMI | - | - | 51.8 |
| Poland | 0800 | Apr Markit Manufacturing PMI | - | - | 53.7 |
| | 0900 | Apr P CPI (MoM/YoY%) | -/- | -/- | -0.1/1.3 |
| Czech Rep | 0830 | Apr Markit Manufacturing PMI | - | - | 57.3 |
| | 1300 | Apr Budget Balance (CZKbn) | - | - | 16.26 |
| Hungary | 0800 | Apr Manufacturing PMI | 57.2 | - | 57 |
| Romania | 0700 | Mar Unemployment Rate SA | - | - | 4.6 |
| | - | Apr FX Reserves (€bn, Net) | - | - | 38309.1 |
| Kazakhstan | - | Apr CPI (MoM/YoY%) | 0.3/6.3 | -/- | 0.5/6.6 |
| | - | Apr PPI (MoM/YoY%) | -/- | -/- | -0.7/13.5 |
| Thursday 3 May | | | | | |
| Russia | 0700 | Apr Markit Manufacturing PMI | 50.3 | - | 50.6 |
| Turkey | 0800 | Apr CPI (MoM/YoY%) | -/- | -/- | 1/10.2 |
| | 0800 | Apr Domestic PPI (MoM/YoY%) | -/- | -/- | 1.5/14.3 |
| | 0800 | Apr Core CPI (YoY%) | - | - | 11.44 |
| Czech Rep | 1200 | Repo Rate | 0.75 | - | 0.75 |
| Hungary | 0800 | Feb F Trade Balance (€mn) | 838 | - | 838 |
| | 0800 | Mar PPI (MoM/YoY%) | 0.0/3.6 | -/- | 0.8/3.9 |
| Romania | 0700 | Mar PPI (MoM/YoY%) | -/- | -/- | 0.19/3.9 |
| Brazil | 1300 | Mar Industrial Production (YoY%) | 3.2 | - | 2.8 |
| Friday 4 May | | | | | |
| Russia | - | Apr CPI (MoM/YoY%) | 0.4/2.4 | -/- | 0.3/2.4 |
| | - | Apr Core CPI (YoY%) | 2 | - | 1.8 |
| Hungary | 0800 | Mar Retail Sales (YoY%) | 7 | - | 6.6 |
| Romania | 0700 | Mar Retail Sales (MoM/YoY%) | -/- | -/- | -2.3/6.6 |

Source: ING, Bloomberg

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