

Key events in EMEA and Latam

2Q GDP data released across the EMEA and Latam will reflect the economic contraction during the global lockdown. However, higher frequency wage, retail and PMI data is likely to show the signs of a steady recovery during the last few months



Source: Shutterstock

Hungary: Strong wage and retail data expected

Those who follow Hungarian data better be prepared - a busy week ahead.

We start the week with wage data for June, reflecting the spillover effect of wage increases at the beginning of the year. The strong wage growth was also reflected in the June retail figures, so this hardly can be seen as a gamechanger.

Unlike July retail sales data, the first hard data for the third quarter, we expect further improvement in the retail sector, posting the first positive figure in year-on-year terms since March. Of course market will be interested in the industrial outlook too and we will get to know the August manufacturing PMI reading where we see some softening due to the regular summer shutdowns, which happened despite the Covid-related closures earlier in the year.

But more importantly, these summer shutdowns also affected the July industrial performance. Thus we see only a minor improvement on a monthly basis mainly due to missing production in

car manufacturing and related suppliers. This means that we still expect a 12% gap in production on a yearly basis.

Turkey: Economy showing a V-shape recovery despite inflation challenges

The 2Q GDP will likely show a big hit with the breakout of pandemic though recent hard indicators point to a strong rebound, signifying a 'V' so far.

We expect 18% YoY contraction in the second quarter. Regarding August inflation, we envisage a 0.5% MoM, translating into 11.4% on an annual basis, down from 11.8% a month ago. Despite the supportive impact of domestic demand compression, exchange rate developments point to continuing challenges for the inflation outlook.

Czech Republic: GDP, budget, PMI and wage growth data

The Czech statistical office will refine 2Q GDP growth and publish more details next week after the flash estimate suggested the Czech economy contracted by 8.4% QoQ (-10.7 YoY), which was slightly weaker than expected contraction.

August budget data will shed more light on tax income as some taxes-collection was postponed till August due to Covid-19, and manufacturing PMI will show how Czech companies are recovering from Covid-19 crisis, with PMI hovering most likely around 50 points.

Average wage growth is likely to show negative YoY dynamics in 2Q as employees in furlough or quarantine was receiving weaker wages and compensation from the Governments were not taken as a "wage".

EMEALatam Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|------------------------------|------|--|------------|------------|------------|
| Monday 31 August | | | | | |
| Turkey | 0800 | Jul Trade Balance (US\$bn) | -2.75 | - | -2.85 |
| | 0800 | 2Q GDP (YoY%) | -18 | - | 4.5 |
| Poland | 0900 | 2Q F GDP (QoQ/YoY%) | - | - | -8.9/-8.2 |
| Hungary | 0800 | Jun Avg Gross Wages (YoY%) | 9.0 | - | 9.4 |
| Serbia | 1100 | Jul Retail Sales (YoY%) | - | - | 11.5 |
| | 1100 | Jul Industrial Production (YoY%) | - | - | 2.6 |
| | 1100 | Jul Trade Balance (€m) | - | - | -395.9 |
| | 1100 | 2Q GDP (YoY%) | - | - | 5.00 |
| Croatia | - | Jul M1 Money Supply (HRKmn) | - | - | 150340 |
| South Africa | 0700 | Jul M3 Money Supply (YoY%) | - | - | 11.1 |
| | 0700 | Jul Private Sector Credit (YoY%) | - | - | 5.6 |
| | 1300 | Jul Trade Balance (ZARbn) | - | - | 46.6 |
| | - | 2Q Unemployment Rate (%) | - | 35.0 | 30.1 |
| Tuesday 1 September | | | | | |
| Russia | 0700 | Aug Markit Manufacturing PMI | - | - | 48.4 |
| Turkey | 0800 | Aug Markit/ISO Manufacturing PMI | - | - | 56.9 |
| Poland | 0800 | Aug Markit Manufacturing PMI | - | - | 52.8 |
| | 0900 | Aug P CPI (MoM/YoY%) | -/- | -/- | -0.2/3.0 |
| Czech Rep | 0800 | 2Q P GDP (QoQ/YoY%) | -8.4/-10.7 | -/- | -8.4/-10.7 |
| | 0830 | Aug Markit Manufacturing PMI | 49.5 | - | 47.0 |
| | 1300 | Aug Budget Balance (CZKbn) | - | - | -205.1 |
| Hungary | 0800 | Aug Manufacturing PMI | 50.3 | - | 50.8 |
| | 0800 | 2Q F GDP (SWDA, QoQ%) | -14.5 | - | -14.5 |
| | 0800 | 2Q F GDP (NSA, YoY%) | -13.6 | - | -13.6 |
| | 0800 | Jun F Trade Balance (€mn) | 696.8 | - | 696.8 |
| Romania | 0700 | Jul Unemployment Rate Total 15 - 74 Years Old SA | - | - | 5.2 |
| | - | Aug FX Reserves (€bn, Net) | - | - | 41808.6 |
| Kazakhstan | - | Aug CPI (MoM/YoY%) | -/- | -/- | 0.3/7.1 |
| | - | Aug PPI (MoM/YoY%) | -/- | -/- | 7.2/-13.7 |
| Croatia | 1000 | Jul Industrial Production (SA, YoY%) | - | - | -1.8 |
| South Africa | 1000 | Aug Kagiso PMI | - | - | 51.2 |
| | - | Aug NAAMSA Vehicle Sales (YoY%) | - | - | -29.6 |
| Brazil | 1300 | 2Q GDP (QoQ/YoY%) | -11/-12 | -9.5/-11.5 | -1.5/-0.25 |
| Wednesday 2 September | | | | | |
| Hungary | 0800 | Jul PPI (MoM/YoY%) | 0.9/3.7 | -/- | 0.7/3.1 |
| Romania | 0700 | Jul PPI (MoM/YoY%) | -/- | -/- | 0.8/-0.5 |
| Thursday 3 September | | | | | |
| Turkey | 0800 | Aug CPI (MoM/YoY%) | 0.5/11.4 | -/- | 0.58/11.76 |
| | 0800 | Aug Domestic PPI (MoM/YoY%) | -/- | -/- | 1.02/8.33 |
| Hungary | 0800 | Jul Retail Sales (YoY%) | 1.3 | - | -0.1 |
| Ukraine | 1200 | Key Rate (%) | - | - | 6.0 |
| Romania | 0700 | Jul Retail Sales (MoM/YoY%) | -/- | -/- | 6.3/0.9 |
| South Africa | 0815 | Aug HSBC PMI SA | - | - | 44.9 |
| | 1200 | Jul Electricity Production (YoY%) | - | - | -5.8 |
| | 1200 | Jul Electricity Consumption (YoY%) | - | - | -4.9 |
| Brazil | 1300 | Jul Industrial Production (YoY%) | -4 | - | -9.0 |
| Friday 4 September | | | | | |
| Russia | 1700 | Aug CPI (MoM%/YoY%) | -/- | -/- | 0.4/3.4 |
| | 1700 | Aug CPI Core (YoY%) | - | - | 3.0 |
| Czech Rep | 0800 | Jul Retail Sales (YoY%) | -1.3 | - | -3.7 |
| | 0800 | Jul Retail Sales Excl. Motor Vehicles (YoY%) | 0.5 | - | 0.0 |
| Hungary | 0800 | Jul Industrial Production (MoM%/YoY%) | 2.5/-12.0 | -/- | 17.1/-12.2 |
| Bulgaria | 0900 | 2Q F GDP (QoQ/YoY%) | - | - | -9.8/-8.2 |
| South Africa | - | Aug SACCI Business Confidence | - | - | 82.8 |

Source: ING, Bloomberg

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