

## Key events in EMEA and Latam next week

Data from Hungary next week is likely to underscore concern about accelerating inflation, raising further questions about the central bank's credibility



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### Hungary: Strong headline inflation and dovish central bank could spur HUF weakening

In Hungary, retail sales are expected to maintain a strong pace of growth due to rising consumer confidence and higher wages, while industrial production is expected to improve due to last year's low base.

The highlight of the week, however, will be the April inflation data - we see this a market mover. Headline inflation is anticipated to jump to 4.1% year-on-year, whilst core CPI is projected to be 4% YoY. Along with the National Bank of Hungary's (still) dovish stance, this could be a good recipe for further weakening in the forint. The budget release on the same day will likely take a backseat, but we expect to see a better budgetary situation than a year ago.



## National Bank of Serbia: On hold at 3.0%, dovish bias expected

Despite accelerating inflation, we think the National Bank of Serbia (NBS) will keep the key rate on hold at 3.0% at the 9 May meeting. Headline inflation was 2.8% in March, the highest since December 2017, though core inflation remained relatively muted at 1.3%. We believe that March inflation could mark the top for this year, though we don't necessarily expect significantly lower numbers for the months ahead. Given the relatively stable inflation, lower GDP growth- 1Q GDP of 2.3% was below market expectations- and the slower pace of normalisation expected from the Federal Reserve and European Central Bank, we believe the NBS could strike a dovish tone.

## Czech Republic: Tight labour market, but how long for?

Car production accelerated by 12% month-on-month in March, but high base effects - coupled with a one-off shutdown at a nuclear power plant - suggest industrial production figures will be muted on an annual basis. We might even see a growth figure of below 1% YoY. Separately, retail sales might be affected by the double-digit fall in new car registrations. Excluding cars, retail sales should be relatively solid - though weaker than in February. The unemployment rate in April will further fall due to typical seasonal factors, though some industrial companies are signalling a minor fall in employment due to weaker foreign demand. For now though, the labour market remains tight.

## EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 6 May</b>					
Hungary	0800	Mar Retail Sales (YoY%)	8.1	-	8.4
Ukraine	-	National Bank of Ukraine Publishes Minutes of Rate Meeting			
Romania	0700	Mar Retail Sales (MoM/YoY%)	-/-	-/-	-0.2/9.5
Kazakhstan	-	1Q C/A (US\$m)	-	-	1529.8
<b>Tuesday 7 May</b>					
Russia	-	Apr CPI Core (YoY%)	-	4.6	4.6
	-	Apr CPI (MoM/YoY%)	-5.2	0.3/5.2	0.3/5.3
Poland	1300	Apr Official Reserves Total	-	-	112943.1
Czech Rep	0800	Mar Retail Sales (YoY%)	1.0	-	3.8
	0800	Mar Retail Sales ex. Motor Vehicles (YoY%)	3.5	-	5.1
	0900	Apr International Reserves (US\$bn)	-	-	142.9
Serbia	1100	Apr HPPI (MoM/YoY%)	-/-	-/-	0.5/1.3
Israel	-	Apr Foreign Currency Balance (US\$bn)	-	-	118.2
<b>Wednesday 8 May</b>					
Hungary	0800	Mar Industrial Production (MoM/YoY%)	0.4/6.8	-/-	1.0/5.9
Ukraine	-	Apr CPI (MoM/YoY%)	-/-	-/-	0.9/8.6
Croatia	1000	Apr PPI (MoM/YoY%)	-/-	-/-	0.9/2.2
Brazil	-	Selic Rate	-	6.5	6.5
<b>Thursday 9 May</b>					
Czech Rep	0800	Mar Construction Output (YoY%)	-	-	5.8
	0800	Mar Trade Balance (CZKmn)	19.0	-	17.6
	0800	Mar Industrial Output (YoY%)	0.8	-	1.5
Hungary	0800	Apr CPI (MoM/YoY%)	1.1/4.1	-/-	0.7/3.7
	1000	Apr Budget Balance (YTD)	-250.0	-	-141.9
Serbia	1100	Repo Rate (%)	3.0	-	3.0
Croatia	1000	Feb Trade Balance (HRK m)	-	-	-5451.0
South Africa	0700	Apr Gross Reserves (US\$bn)	-	-	49.7
	0700	Apr Net Open Foreign Currency Position (US\$bn)	-	-	43.3
	1200	Mar Manufacturing Production (MoM%)	-	-	0.6
	1200	Mar Manufacturing Production (SA, MoM%)	-	-	-1.8
Brazil	1300	Mar Retail Sales (YoY%)	-	-	3.9
Mexico	1400	Apr CPI (MoM/YoY%)	-/-	-/-	0.4/4.0
<b>Friday 10 May</b>					
Czech Rep	0800	Apr Unemployment Rate (%)	2.8	-	3.0
Romania	0700	Mar Trade Balance (€m)	-	-	-1152.0
Bulgaria	0900	Mar Industrial Production (MoM/YoY%)	-/-	-/-	1.5/6.6
	0900	Mar Retail Sales (MoM%)	-	-	-0.6
South Africa	-	Apr SACCI Business Confidence	-	-	91.8
Brazil	1300	Apr Inflation (IPCA) (MoM/YoY%)	-/-	0.6/5.0	0.8/4.6
Mexico	1400	Mar Industrial Production (YoY%)	-	-	-0.8

Source: ING, Bloomberg

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