

## Key events in EMEA and Latam next week

Expect a data heavy week in EMEA and Latam next week, combined with a sprinkle of central bank action from Serbia and Romania



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### ✓ NBR vs NBS a tale of two central banks

We expect the National Bank of Romania (NBR) to hike the key rate by 25bp to 2.50% on 7 May as political pressures subside. With inflation inching higher and a likely upward revision in the short-term inflation profile, after recent upside surprises, the NBR cannot afford the credibility cost of doing nothing. Firm liquidity management, though not committed, already tightened the policy stance significantly and this hike might be followed by a long data dependent pause.

In Serbia, inflation stands below the National Bank of Serbia's (NBS) target band and the RSD firming pressures prompted central bank intervention to curb them. The above expectations of 1Q18 GDP growth might play against NBS plans to ease further, through another key rate cut 25bp to 2.75% accompanied by the narrowing of the standing facilities corridor to +/-100bp, which offsets most of the easing in the context of surplus liquidity is the most likely scenario in our view.

### ✓ Hungary: softening industrial production and accelerating inflation

In Hungary, we see industrial production softening further based on recent PMI and business

confidence indicators. Budget data might remain ugly at first sight, as the government continues to pre-finance EU projects from the budget. The headline inflation is expected to accelerate to 2.3% on the back of an increase in fuel, food and clothing prices.

### Czech data mix

Next week's data releases might surprise on the downside, especially as year-on-year dynamics for March industrial production and retail sales including cars could end in negative territory. This is driven not only by the calendar bias, as March 2018 had 2 less working days compared with last year, but also very high base effects from March 2017.

April inflation will remain below the 2% target and if food prices do not surprise significantly again by falling, it might slightly accelerate in year-on-year terms compared with March. The share of unemployed people will decline, continuing to signal an overheated labour market and a lack of a suitable workforce.

### Inflation in the CIS space

In the CIS space, inflation data will be in focus in Russia and Ukraine. In the Russian case, we see headline CPI remaining at 2.4% on the a back of core CPI edging higher from 1.8% to 2% with underlying inflation being likely to have passed its trough with recovering consumption, but it is mostly an expected performance.

In the Ukrainian case, we think monthly inflation is set to decelerate slightly, especially with the government's decision to not hike natural gas prices as required by the IMF programme. Also, Russian Services PMI is worth monitoring after the manufacturing index surprised to the upside, weathering effects of the US sanctions on business confidence.

## EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Friday 4 May</b>					
Russia	-	Apr Core CPI (YoY%)	2	1.9	1.8
	-	Apr CPI (MoM/YoY%)	0.4/2.4	0.4/2.5	0.3/2.4
Hungary	0800	Mar Retail Sales (YoY%)	7	6	6.6
Romania	0700	Mar Retail Sales (MoM/YoY%)	-/-	-/-	-2.3/6.6
South Africa	0815	Apr HSBC PMI SA	-	52	51.1
<b>Saturday 5 May</b>					
Kazakhstan	-	1Q C/A (US\$mn)	-	-	-745.1
<b>Monday 7 May</b>					
Poland	1300	Apr Official Reserves Total	-	-	119470
Czech Rep	0800	Mar Construction Output (YoY%)	-	-	9.4
	0800	Mar Industrial Output (YoY%)	-3.3	-0.5	2.7
	0800	Mar Retail Sales (YoY%)	-0.5	2	2.3
	0800	Mar Retail Sales Excl. Motor Vehicles (YoY%)	3.5	4.8	6
Romania	-	Repo rate (%)	2.5	-	2.25
Serbia	1100	Apr HPPI (MoM/YoY%)	-/-	-/-	0.4/-0.8
Croatia	1000	Mar F Retail Sales (YoY%)	-	-	1.2
Israel	-	Apr Foreign Currency Balance (US\$bn)	-	-	116
<b>Tuesday 8 May</b>					
Hungary	0800	Mar Industrial Production (MoM/YoY%)	-0.4/2.8	-/-	0.5/4.1
	1000	Apr Budget Balance (YTD)	-860	-	-871.9
	1300	Hungarian Central Bank's Minutes			
South Africa	0700	Apr Gross Reserves (US\$bn)	-	-	49.98
	0700	Apr Net Open Foreign Currency Position (US\$bn)	-	-	43.38
<b>Wednesday 9 May</b>					
Czech Rep	0800	Mar Trade Balance (CZKmn)	21	21.25	18.039
	0900	Apr International Reserves (US\$bn)	-	-	150
Hungary	0800	Apr CPI (MoM/YoY%)	0.7/2.3	-/2.3	0.1/2
Romania	0700	Mar Avg Net Wages (YoY%)	-	-	11.23
Bulgaria	0900	Mar Industrial Production (MoM/YoY%)	-/-	-/-	-1.5/-1
	0900	Mar Retail Sales (MoM/YoY%)	-/-	-/-	0/3.1
Croatia	1000	Feb Trade Balance (HRK m)	-	-	-5175.8
	1000	Apr PPI (MoM/YoY%)	-/-	-/-	0/1.3
South Africa	1030	Apr SACCI Business Confidence	-	-	97.6
Mexico	1400	Apr CPI (MoM/YoY%)	-0.2/4.7	-/-	0.3/5
<b>Thursday 10 May</b>					
Czech Rep	0800	Apr CPI (MoM/YoY%)	0.2/1.8	0.2/1.8	-0.1/1.7
	0800	Apr Unemployment Rate (%)	3.2	3.2	3.5
Ukraine	-	Apr CPI (MoM/YoY%)	0.8/13.1	-/13.2	1.1/13.2
Romania	0700	Mar Trade Balance (€m)	-	-	-882.5
Serbia	1100	Repo rate (%)	2.75	-	3
South Africa	1200	Mar Manufacturing Production (SA, MoM%)	-	-	-2.4
Brazil	1300	Apr Inflation (IPCA) (MoM/YoY%)	0.28/2.8	-/-	0.09/2.7
<b>Friday 11 May</b>					
Russia	1400	Mar Trade Balance (US\$bn)	-	12.9	12.192
Czech Rep	0800	Czech National Bank Publishes Minutes From Board Meeting			
Romania	0700	Mar Industrial Production (MoM/YoY%)	-/-	-/-	-0.7/6.7
	0700	Mar Industrial Sales (MoM/YoY%)	-/-	-/-	0.7/11.9
Kazakhstan	-	Apr International Reserves (US\$bn)	-	-	30.6
Serbia	1100	Apr CPI (MoM/YoY%)	-/-	-/-	0.1/1.4
Brazil	1300	Mar Retail Sales (YoY%)	1.5	-	1.3
Mexico	1400	Mar Industrial Production (YoY%)	-1.5	-	0.73

Source: ING, Bloomberg

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