

## Key events in EMEA and Latam next week

The moment of truth arrives next week as 2Q GDP data across EMEA is released next week. We are bound to see some historic drops, but the real question is how big?



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### Hungary: Expect a large drop in 2Q GDP

Like others in Europe, Hungary won't have much to cheer about next week as second-quarter GDP numbers are released

We expect a 10.5% year-on-year drop in GDP, posting a new record after the collapse in mid-2009. Unfortunately, the preliminary data release won't include details about the structure of the collapse. To see this we must wait another two weeks.

Our best guess is that only government spending might contribute positively to the economic activity while other areas on the final use side (mainly consumption and investments) will provide a huge drag on growth.

Before GDP data, July inflation numbers will be released. Excise duty increased on tobacco, end of free public parking, fuel prices increased, draught and a weaker HUF. These are the factors which we see contributing in accelerating headline and core inflation figures.

## ✓ Poland: Optimism from CA data may be weakened by negative GDP reading

This week we expect another stellar current account reading, for June. Polish exporters were relatively resilient to the pandemic, partially down to their lower share of automobiles in the industry compared to CEE counterparts. Also, investment activity is most likely weak, keeping imports subdued. A lasting improvement in trade balance is one of the key reasons behind the zloty remaining stable despite a very dovish central bank.

Next week, we're also expecting a terrible (but close to the local consensus) flash GDP reading for 2Q20: -9% YoY. This largely reflects the lockdown in Poland, affecting consumption and investment.

The ongoing recovery is likely to prove slow due to worsening labour conditions.

## ✓ Czech Republic: Inflation to slow down

July CPI is likely to slow down close to 3%, but uncertainty remains elevated. Not only due to food prices, that have developed recently against a typical seasonal path, but also due to many other prices that might have been impacted by the Covid-crisis.

Prices of holiday packages have been increasing substantially during July, and this year might be less pronounced, at least for some types of holidays.

As such, we expect slightly weaker than usual MoM increase this July, leading to some slow-down in YoY CPI, despite the fact that inflation has been surprising on the upside in recent months.

## EMEALatam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Sunday 9 August</b>					
Israel	-	Jul Foreign Currency Balance (US\$bn)	-	-	147.3
<b>Monday 10 August</b>					
Turkey	0800	May Unemployment Rate (%)	-	-	12.8
Ukraine	-	Jul CPI (MoM/YoY%)	-0.1/3	-/-	0.2/2.4
Romania	0700	Jun Trade Balance (€m)	-	-	-1251
Kazakhstan	-	2Q E C/A (US\$m)	-	-	2024
Bulgaria	0900	Jun Industrial Production (MoM/YoY%)	-	-	-0.1/-16.13
	0900	Jun Retail Sales (MoM/YoY%)	-/-	-/-	0.0/-20.4
South Africa	-	3Q Consumer Confidence	-	-	-33.0
<b>Tuesday 11 August</b>					
Russia	1400	Jun Trade Balance (US\$bn)	-	4.15	3.673
	1700	2Q A GDP (YoY%)	-7.5	-9.6	1.6
Hungary	0800	Jul CPI (MoM/YoY%)	0.6/3.3	-/-	0.4/2.9
Romania	0700	Jun Avg Net Wages (YoY%)	-	-	2.52
Kazakhstan	-	Jul International Reserves (US\$bn)	-	-	32.9
South Africa	1030	2Q Unemployment Rate (%)	-	-	30.1
	1200	Jun Manufacturing Prod. (MoM%)	-	-	-49.4
	1200	Jun Manufacturing Production (SA, MoM%)	-	-	-44.3
Brazil	1200	Central Bank Meeting Minutes	-	-	-
Mexico	1200	Jun Industrial Production (YoY%)	-22	-	-30.7
<b>Wednesday 12 August</b>					
Romania	0700	Jul CPI (MoM/YoY%)	-0.1/2.7	-/-	0.08/2.58
	0700	Jun Industrial Production (MoM/YoY%)	-/-	-/-	15.1/-28.0
	0700	Jun Industrial Sales (MoM/YoY%)	-/-	-/-	26.89/-30.93
Serbia	1100	Jul CPI (MoM/YoY%)	-0.2/1.6	-	0.6/1.6
Croatia	1000	Jun Tourism arrivals (YoY%)	-	-	-96.1
South Africa	1200	Jun Retail Sales (YoY%)	-	-	74.2/-12.0
Israel	1100	Jul Trade Balance (US\$m)	-	-	-1529
Brazil	1300	Jun Retail Sales (YoY%)	0	-	-7.2
<b>Thursday 13 August</b>					
Poland	1300	Jun C/A (€mn)	1936	1599	2455
Czech Rep	0800	Jul CPI (MoM/YoY%)	0.2/3.1	-/-	0.6/3.3
	0800	Jun Export Price Index (YoY%)	-	-	2.8
	0800	Jun Import Price Index (YoY%)	-	-	-0.7
	0900	Jun C/A (CZKbn)	-	-	4.24
Romania	-	Jun C/A YTD (€m)	-	-	-2881
Serbia	1100	Repo rate (%)	1.25	-	1.25
Mexico	1900	Overnight Rate	4.75	-	5.0
<b>Friday 14 August</b>					
Turkey	0800	Jun C/A (US\$m)	-	-	-3.76
	0800	Jun Industrial Production (MoM/YoY%)	-/-	-/-	17.4/-19.9
Poland	0900	2Q P GDP (QoQ/YoY%)	-9	-8.8	-0.4/2
	0900	Jul F CPI (MoM/YoY%)	-/-	-/-	-0.1/3.1
Czech Rep	0800	CNB minutes	-	-	-
Hungary	0800	2Q P GDP (SWDA, QoQ%)	-11.6	-	-0.4
	0800	2Q P GDP (NSA, YoY%)	-10.5	-	2.2
Ukraine	-	2Q P GDP (YoY%)	-11	-	-1.3
Romania	0700	2Q A GDP (SA, QoQ%)	-14.6	-	0.3
	0700	2Q A GDP (YoY%)	-12.9	-	2.38
Kazakhstan	-	Jul Industrial Production Yearly	-	-	-5.6
	-	2Q P GDP YTD YoY	-	-	2.7
Bulgaria	0900	2Q P GDP (QoQ/YoY%)	1.12	-	0.29/2.4
Israel	1200	Jul CPI (MoM/YoY%)	-/-	-/-	-0.1/-1.09

Source: ING, Bloomberg

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