

Key events in EMEA and Latam next week

June rate hike for the Czech National Bank, softening Turkish growth and strong Romanian inflation. But what else is going on in EMEA and Latam?



Source: Shutterstock

Romania inflation at 5.2% YoY

We expect May CPI to accelerate by 0.3% month on month as the increase in fuel prices was partially offset by the stronger Romanian leu and by a cut in mobile phone bills, as requested by the regulator. Due to the relatively high base effect, we see annual inflation remaining flat at 5.2%, which is the highest level since June 2013.

We forecast year-end inflation at 3.6% but the risk balance is tilted to the upside due to the recent rise in oil prices.

Fitch to maintain Poland's A-rating

We expect Fitch to maintain its A- rating with a stable outlook for Poland. We think the main problem preventing the agency from giving Poland an upgrade is their strong negative net international investment position (nearly -60% of GDP).

The final CPI reading should confirm the 1.7% year-on-year figure, with another soft core inflation

reading at 0.6% year on year.

June rate hike for the Czech National Bank

May inflation should come back above the 2% target given current oil prices, where fuel prices accelerated by more than 4% month on month in May, and given preliminary data which has suggested that food prices might have also accelerated slightly after falling over the last three months.

Taking into account the weak Czech koruna lagging behind the Czech National Bank's expectations, strong wage dynamics and inflation hitting back above the target, a June hike is becoming a likely scenario.

Turkish growth to soften in 1Q18

After a strong growth performance last year, we see some softening in early 2018 as pointed out by industrial production, and thus we forecast 6.7% GDP growth in 1Q18.

Given the impact of the Turkish lira depreciation on the corporate sector balance sheet, with repercussions on the investment demand and of rising borrowing costs on the credit demand, the rebalancing will further accelerate in the period ahead.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Friday 8 June					
Poland	-	Poland Sovereign Debt to be rated by Fitch			
Czech Rep	0800	May Unemployment Rate (%)	-	3	3.2
Hungary	0800	Apr P Trade Balance (€mn)	700	762.5	567
	0800	May CPI (MoM/YoY%)	0.5/2.6	0.5/2.6	0.7/2.3
	1100	Hungarian Finance Minister Varga Speaks to Amcham			
Ukraine	-	May CPI (MoM/YoY%)	-/-	0.5/12.3	0.8/13.1
Kazakhstan	-	May International Reserves (US\$bn)	-	-	31.3
Bulgaria	0900	Apr Industrial Production (MoM/YoY%)	-/-	-/-	2.3/1.7
	0900	Apr Retail Sales (MoM/YoY%)	-/-	-/-	0.1/2.3
Croatia	1000	May PPI (MoM/YoY%)	-/-	-/-	0.5/1.1
Brazil	1300	May Inflation (IPCA) (MoM/YoY%)	0.34/2.8	0.29/2.7	0.22/2.8
Saturday 9 June					
Russia	1400	Apr Trade Balance (US\$bn)	-	14.45	15.001
Monday 11 June					
Turkey	0800	Apr C/A (US\$m)	-4.8	-	-4.812
	0700	1Q GDP (YoY%)	6.7	-	7.3
Czech Rep	0800	May CPI (MoM/YoY%)	0.3/2.1	-/-	0.3/1.9
Romania	0700	Apr Trade Balance (€m)	-	-	-1056.7
	0700	Apr Avg Net Wages (YoY%)	-	-	15.46
Israel	-	Bank of Israel Publishes Minutes of Rate Meeting			
Mexico	1400	Apr Industrial Production (YoY%)	4.5	-	-3.72
Tuesday 12 June					
Romania	0700	Apr Industrial Production (MoM/YoY%)	-/-	-/-	0.5/4.1
	0700	Apr Industrial Sales (MoM/YoY%)	-/-	-/-	14.4/9.3
	0700	May CPI (MoM/YoY%)	0.3/5.2	-/-	0.54/5.22
Serbia	1100	May CPI (MoM/YoY%)	-/-	-/-	0.4/1.1
Wednesday 13 June					
Turkey	0800	Apr Industrial Production (MoM/YoY%)	-/6.2	-/-	0.21/7.64
Poland	1300	Apr C/A (€mn)	73	-	-982
	1300	Apr Trade Balance (€mn)	152	-	-317
	1300	Apr Exports (€)	17677.8	-	18117
	1300	Apr Imports (€)	17525.3	-	18434
Czech Rep	0900	Apr C/A (CZKbn)	-6	-	-5.55
Romania	-	Apr C/A YTD (€m)	-	-	-967
Bulgaria	0900	May CPI (MoM/YoY%)	-/-	-/-	0.4/2
South Africa	1200	Apr Retail Sales (MoM/YoY%)	-/-	-/-	0/4.8
Israel	1100	May Trade Balance (US\$m)	-	-	-2272.6
Brazil	1300	Apr Retail Sales (YoY%)	4.5	-	6.5
Thursday 14 June					
Poland	0900	May F CPI (MoM/YoY%)	0.1/1.7	-/-	0.1/1.7
Friday 15 June					
Russia	1130	Key Rate (%)	-	7.25	7.25
	1300	Bank of Russia Governor Nabiullina holds news conf.			
Poland	1300	May Core Inflation (MoM/YoY%)	0.3/0.6	-/-	0.5/0.6
Kazakhstan	-	May Industrial Production Yearly	-	-	4.5
Serbia	-	Serbia Sovereign Debt to be rated by S&P and Fitch			
Israel	1200	May CPI (MoM/YoY%)	-/-	-/-	0.4/0.4

Source: ING, Bloomberg

[Click here to download a printer-friendly version of this table](#)

Author

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.