

## Key events in EMEA and Latam next week

It's a data-packed week with a flurry of growth, trade and inflation figures. Expect Czech inflation to stagnate and Hungary to continue outperforming most of the EU in terms of growth



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### ✓ Czech: Inflation to remain at 2.7%

Czech October CPI will very likely stagnate at 2.7%. The highest uncertainty is concentrated in food prices. The Czech Statistical Office's preliminary figures show that food prices might accelerate relatively strongly in October, even though typical seasonality would suggest soft monthly growth. As such, we expect 1.5% month-on-month growth in food prices in October. Taking into account the typical average seasonal increase of 0.3%, year-on-year CPI should slow to 2.5%. Flash GDP growth will likely point to an economic slowdown, with quarterly growth probably slowing from 0.7% to 0.4%, in our view. However, on an annual basis, growth should remain close to 2.7%, just slightly below the 2Q figure of 2.8%.

### ✓ Hungary: Still top of its class for now

We expect Hungary to remain among the top performers in the EU as we are forecasting 4.8% year-on-year GDP growth in 3Q19. However, the raw data will be skewed due to a higher number of working days, so the adjusted figure could be roughly 0.2 percentage points lower. We don't see any major change to the growth structure based on high frequency data. Services should remain

the main contributor on the back of a strong labour market, industry could result in a positive surprise and the contribution of the construction sector might remain strong but somewhat lower than in previous quarters. Looking forward, this reading might be the last one for a while showing a rate of more than 4% growth, as soft indicators suggest a further slowdown while calendar and base effects will drag down growth significantly.

### **Poland: Growth to slow down**

We expect 3Q GDP growth to decelerate from 4.5% to 3.9% YoY due to weaker investments and a negative contribution from net exports. The fiscal impulse likely increased private consumption from 4.4% to 4.8% YoY, but this probably wasn't enough to push growth above 4% YoY. The moderation should continue in the coming quarters given decelerating consumption and a slowdown in the eurozone.

Final CPI inflation data should confirm a reading of 2.5% YoY with core inflation stable at 2.4%. This should be a non-event for the market – inflation should accelerate in 1Q of 2020 and reach the upper bound of the central bank's target (3.5% YoY). The Monetary Policy Council's reaction will be dependent on the outlook for the rest of the year – the central bank's staff so far is forecasting a return to the inflation target in the coming quarters.

### **Romania: Inflation to inch lower**

We expect annual inflation to have inched lower towards 3.40% in October, just below the 3.50% upper bound of the central bank's 2.5%±1 ppt target band, driven by a relatively strong base effect, which will offset the fairly robust 0.4% month-on-month increase. The monthly acceleration should come mainly from food items, though the other components – non-food and services are likely to have seen marginal advances as well.

The economic growth story seems to have continued into the third quarter as well. Retail sales have accelerated by 1.8% versus the previous quarter while the widening trend of the trade balance seems to have moderated slightly. The construction sector has remained vibrant, offsetting to some extent the industrial contraction. We therefore maintain our 0.5% quarter-on-quarter GDP growth forecast for the third quarter.

## **EMEA and Latam Economic Calendar**

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 11 November</b>					
Mexico	1200	Sep Industrial Production (YoY%)	-0.5	-	-1.3
Russia	1300	Sep Trade Balance (US\$bn)	-	13.8	12.0
Czech Rep	0800	Oct CPI (MoM/YoY%)	0.5/2.7	-/-	-0.6/2.7
	0800	Sep Export Price Index (YoY%)	-	-	0.4
	0800	Sep Import Price Index (YoY%)	-	-	-1.1
Hungary	0800	Sep P Trade Balance (€mn)	365	-	60.2
Romania	0700	Sep Trade Balance (€m)	-	-	-1365.4
Kazakhstan	-	Oct Industrial Production Yearly	-	-	3.7
<b>Tuesday 12 November</b>					
Turkey	0700	Sep C/A (US\$bn)	2.3	-	2.6
Poland	0900	National Bank of Poland Publishes Inflation Report			
Romania	0700	Oct CPI (MoM/YoY%)	0.4/3.4	-/-	0.09/3.49
Romania	0700	Sep Industrial Sales (MoM/YoY%)	-/-	-/-	-13.5/1.3
Serbia	1100	Oct CPI (MoM/YoY%)	0.2/1.0	-/-	-0.5/1.1
Croatia	1000	Sep Tourism arrivals (YoY%)	-	-	7.85
<b>Wednesday 13 November</b>					
Brazil	1200	Sep Retail Sales (YoY%)	2.5	-	1.3
Russia	1300	3Q A GDP (YoY%)	1.2	1.6	0.9
Poland	1300	Sep C/A (€mn)	-96	-302	-606
	1300	Sep Trade Balance (€mn)	207	82	-55
	1300	Sep Exports (€mn)	19437	19437	17646
	1300	Sep Imports (€mn)	19230	19355	17701
Czech Rep	0900	Sep C/A (CZKbn)	-	-	-10.7
Romania	0700	Sep Industrial Production (MoM/YoY%)	-	-/-	0.1/-6.7
	-	Sep C/A YTD (€m)	-7900	-	-7080
	1300	National Bank of Romania Publishes Minutes of Rate Meeting			
Bulgaria	0900	Oct CPI (MoM/YoY%)	-/-	-/-	-0.3/2.3
South Africa	1100	Sep Retail Sales (MoM/YoY%)	-/-	-/-	-0.9/1.1
Israel	1100	Oct Trade Balance (US\$m)	-	-	-1919
<b>Thursday 14 November</b>					
Mexico	1900	Overnight Rate	7.50	7.50	7.75
Turkey	0700	Sep Industrial Production (MoM/YoY%)	-/1.0	-/-	-2.8/-3.6
Poland	0900	3Q P GDP (YoY%)	3.9	4.1	4.5
	0900	Oct F CPI (MoM/YoY%)	2.5	2.5	2.5
Czech Rep	0800	3Q A GDP (QoQ/YoY%)	0.4/2.7	-/-	0.7/2.8
Hungary	0800	3Q P GDP (SA QoQ/ NSA YoY)	0.9/4.8	-/-	1.1/4.9
Ukraine	-	3Q P GDP (YoY%)	-	-	4.6
Romania	0700	3Q A GDP (SA QoQ/YoY%)	0.5/3.8	-/-	1.0/4.4
Bulgaria	0900	3Q P GDP (QoQ/YoY%)	-/-	-/-	0.9/3.8
Serbia	-	Sep C/A (€mn)	-	-	-137.9
South Africa	0930	Sep Mining Production (MoM/YoY%)	-/-	-/-	0.3/-3.2
	0930	Sep Mining Gold Production (YoY%)	-	-	-5.4
	0930	Sep Mining Production Volume Index YoY	-	-	-12.5
<b>Friday 15 November</b>					
Turkey	0700	Aug Unemployment Rate (%)	-	-	13.9
Poland	1300	Oct Core Inflation (MoM/YoY%)	2.4	2.4	2.4
Kazakhstan	-	3Q P GDP YTD YoY	-	-	4.1
Israel	1200	Oct CPI (MoM/YoY%)	-/-	-/-	-0.2/0.3

Source: ING, Bloomberg

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