

## Key events in EMEA and Latam next week

Key readings on second-quarter GDP take centre stage in EMEA and Latam next week. Poland and the Czech Republic should see good numbers thanks to strong domestic demand while Hungary could see a mild slow down



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### Two key events to watch in Hungary

In Hungary, there are only two events to watch out for next week, but they're important. On Tuesday, the Statistical Office releases the advance estimate of 2Q18 GDP. We expect a mild deceleration to 4% year-on-year, as both the industry and retail sectors have shown some sign of softening recently.

On Friday, the rating agency Standard & Poor's will review its sovereign debt ratings. In our view, the potential for an upgrade is 50/50. S&P gave a positive outlook exactly a year ago, and the important metrics are looking good. But recent market turmoil and deficit numbers (the EU-transfer story) could prevent the agency from acting. Neither outcome (confirm or upgrade) would come as a surprise, so we only expect a limited market reaction after the decision.



## Double-digit investment growth could boost Polish GDP in 2Q

We expect 2Q18 GDP to grow by 5.3% year on year based on solid consumption and double-digit investment growth. The contribution from net exports should be positive after a -1.2% deficit in the first quarter, which was likely a statistical anomaly. Data on the labour market is expected to confirm a moderation of wage pressures in the enterprise sector - we forecast stable salary growth of 7.4% YoY.

### Czech Republic reliant on domestic demand as growth driver

A flash estimate for 2Q Czech GDP should show growth accelerated slightly, in quarterly terms, after the 0.5% reading we saw in the first quarter. However, due to a high base rate and negative net exports, the annual rate should decelerate towards 2.5% - which would be the lowest YoY reading this year.

This shouldn't be taken as negative news as both household consumption and investments are likely to remain solid. As such, domestic demand will be the main driver of overall economic expansion this year, while net exports will detract from growth. This is due to weaker export activity as well as strong imports, predominantly driven by higher domestic demand and import-intensive investments.

## EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Friday 10 August</b>					
Russia	1400	Jun Trade Balance (US\$bn)	-	15.5	15.151
-	-	2Q A GDP (YoY%)	-	1.9	1.3
Turkey	0800	Jun C/A (US\$mn)	-2.9	-3	-5.885
Czech Rep	0800	Czech National Bank Publishes Minutes From Board Meeting			
Romania	0700	Jun Industrial Production (MoM/YoY%)	-/-	-/-	-0.4/3.6
	0700	Jun Industrial Sales (MoM/YoY%)	-/-	-/-	11/11.4
	0700	Jul CPI (MoM/YoY%)	-0.3/4.8	-0.1/5.2	0.02/5.4
Brazil	1300	Jun Retail Sales (YoY%)	3.8	2.5	2.7
Mexico	1400	Jun Industrial Production (YoY%)	0.3	0.25	0.26
<b>Monday 13 August</b>					
Poland	1300	Jun C/A (€mn)	-777	-476	42
	1300	Jun Trade Balance (€mn)	-119	-66	98
	1300	Jun Exports (€)	17391	17810	17251
	1300	Jun Imports (€)	17510	17827	17153
Czech Rep	0900	Jun C/A (CZKbn)	-14	-	-2.2
Romania	-	Jun C/A YTD (€mn)	-	-	-3018
	1300	National Bank of Romania Publishes Minutes of Rate Meeting			
Serbia	1100	Jul CPI (MoM/YoY%)	-/-	-/-	0.4/2.3
Israel	1100	Jul Trade Balance (US\$mn)	-	-	-2142.5
<b>Tuesday 14 August</b>					
Poland	0900	Jul F CPI (MoM/YoY%)	-0.1/2	-/-	-0.1/2
	0900	2Q P GDP (QoQ/YoY%)	1.2/5.3	1/5	1.6/5.2
Czech Rep	0800	2Q A GDP (QoQ/YoY%)	0.7/2.5	-/-	0.5/4.2
Hungary	0800	2Q P GDP (SWDA, QoQ/NSA, YoY%)	0.7/4.0	-/-	1.2/4.4
Ukraine	-	2Q P GDP (YoY%)	-	-	3.1
Romania	0700	2Q A GDP (SA, QoQ/YoY%)	0.9/3.4	-/-	0.06/4
Bulgaria	0900	2Q P GDP (QoQ/YoY%)	-/-	-/-	0.91/3.2
	0900	Jul CPI (MoM%)	-	-	0.1
South Africa	1030	Jun Mining Production (MoM/YoY%)	-/-	-/-	5/-2.6
<b>Wednesday 15 August</b>					
Russia	-	Jul Industrial Production (YoY%)	-	2.6	2.2
Turkey	0800	May Unemployment Rate (%)	-	-	9.61
Kazakhstan	-	Jul Industrial Production (YoY%)	-	-	4.2
South Africa	1200	Jun Retail Sales (MoM/YoY%)	-/-	-/-	1.1/1.9
Israel	1630	Jul CPI (MoM/YoY%)	-/-	-/-	0.1/1.3
<b>Thursday 16 August</b>					
Turkey	0800	Jun Industrial Production (MoM/YoY%)	-/5.0	-/-	-1.6/6.4
Poland	1300	Jul Core Inflation (MoM/YoY%)	0/0.6	0/0.6	0.1/0.6
Czech Rep	0800	Jul PPI (Industrial) (MoM/YoY%)	0.0/3.1	-/-	0.6/2.9
	0800	Jun Export Price Index (YoY%)	-	-	-1.5
	0800	Jun Import Price Index (YoY%)	-	-	-2.3
Serbia	-	Jun C/A (€mn)	-	-	52.8
Israel	1100	2Q A GDP (QoQ Annualised %)	-	-	4.7
<b>Friday 17 August</b>					
Russia	1400	Jul Retail Sales (YoY%)	-	3	3
	1400	Jul Real wages (YoY%)	-	7	7.2
	-	Jul PPI (MoM/YoY%)	-/-	1.1/17.4	3.4/16.1
	-	Russia Sovereign Debt to be Rated by Fitch			
Turkey	0800	Aug Consumer Confidence	-	-	73.07
	-	Turkey Sovereign Debt to be Rated by S&P			
Poland	0900	Jul Avg Gross Wages (MoM/YoY%)	-0.3/7.4	-0.1/7.7	3.2/7.5
	0900	Jul Employment (MoM/YoY%)	0.1/3.5	0.2/3.6	0.2/3.7
Kazakhstan	-	2Q P GDP YTD YoY	-	-	4.1

Source: ING, Bloomberg

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