

Key events in EMEA and Latam next week

CPI data in Poland and the Czech Republic, as well as Russian industrial production will be the key releases to watch



Source: Shutterstock

Russia: possible fiscal reduction and covid-19 resurgences are weighing on GDP

Russian industrial production should post a mild improvement in September, however, it will be largely a reflection of the favourable calendar effect (extra working day, supporting manufacturing data), rather than improvement in the mood, as shown by the recent deterioration in the PMI reading.

The stabilization and potential rollback in the fiscal support (also likely to be confirmed by the budget fulfilment data to be released next week) and uncertainties regarding consumer demand should limit the pace of the recovery.

This, combined with the recent resurgence of Covid-19 in Russia and increased fears of the second round of quarantine measures, is again putting pressure on our above consensus expectations of a modest 2-3% GDP drop for 2020.

Poland: The story behind the CPI increase

This week we'll learn details of the CPI surprise this month. This was caused by a rise in the core which we estimate jumped 4.3% vs 4.0% YoY in August. This likely reflects recovering demand, boosted by a generous fiscal package. Also, the rise in the core might be caused by education costs, a pick-up in airfare tickets (this category plummeted a month prior), or less reduced priced goods offered after the first wave of the pandemic.

The current account figure for August will also be published. We expect a further surplus. Unlike some other CEE countries, Poland relies far less on the automotive industry, which has remained relatively weak throughout the pandemic.

Czech Republic: CPI reaching significant highs

Despite the fact that CPI will most likely slightly fall in MoM terms in September, both due to typical seasonality in core prices and fuel prices, YoY dynamics will accelerate due to a low base from the last year, when food prices significantly fell.

This means that CPI might get already above 3.5%, but we expect below 3% CPI print since November. Still, this year's inflation is heading to the highest average print since 2012 (3.3%), which might be even slightly exceeded.

EMEALatam Economic Calendar

| Country | Time Data/event | ING | Survey | Prev. |
|-----------------------------|---|----------|----------|------------|
| Monday 12 October | | | | |
| Russia | 1400 Aug Trade Balance (US\$bn) | - | 5.2 | 4.3 |
| Turkey | 0800 Aug C/A (US\$bn) | -4 | - | -1.8 |
| | 0800 Jul Unemployment Rate (%) | - | - | 13.4 |
| Czech Rep | 0800 Sep CPI (MoM/YoY%) | -0.3/3.6 | -/- | 0.0/3.3 |
| | 0800 Aug Export Price Index (YoY%) | - | - | 1.2 |
| | 0800 Aug Import Price Index (YoY%) | - | - | -1.4 |
| Hungary | 0800 Hungary's Matolcsy Speaks at Conference on Green Finance | | | |
| Romania | 0700 Sep CPI (MoM/YoY%) | 0.1/2.7 | -/- | -0.05/2.68 |
| | 0700 Aug Trade Balance (€m) | - | - | -1323 |
| Serbia | 1100 Sep CPI (MoM/YoY%) | -0.1/2.3 | - | -0.1/1.9 |
| South Africa | 1200 Aug Manufacturing Production (SA, MoM%) | - | - | 7.6 |
| | 1200 Aug Manufacturing Prod. (MoM%) | - | - | -10.6 |
| Mexico | 1200 Aug Industrial Production (YoY%) | -9.5 | - | -11.35 |
| Tuesday 13 October | | | | |
| Turkey | 0800 Aug Industrial Production (MoM/YoY%) | -/1.0 | -/- | 8.35/4.38 |
| Croatia | 1000 Aug Tourism arrivals (YoY%) | - | - | -48.1 |
| South Africa | 1030 Aug Mining Production (MoM/YoY%) | - | - | 20.2/-9.1 |
| | 1030 Aug Mining Production Volume Index YoY | - | - | 4.6 |
| | 1030 Aug Mining Gold Production (YoY%) | - | - | -10.2 |
| Wednesday 14 October | | | | |
| Poland | 1300 Aug C/A (€mn) | 1413 | - | 1590 |
| | 1300 Aug Trade Balance (€mn) | 525 | - | 969 |
| | 1300 Aug Exports (€) | 18082 | - | 19637 |
| | 1300 Aug Imports (€) | 17557 | - | 18668 |
| Czech Rep | 0900 Aug C/A (CZKbn) | - | - | 20.6 |
| Romania | 0700 Aug Industrial Production (MoM/YoY%) | -/- | -/- | 3.3/-9.9 |
| | 0700 Aug Industrial Sales (MoM/YoY%) | -/- | -/- | 11.0/-5.9 |
| | - Aug C/A YTD (€m) | - | - | -4863 |
| Bulgaria | 0900 Sep CPI (MoM/YoY%) | 0.1/1.6 | -/- | 0.0/1.2 |
| South Africa | 1200 Aug Retail Sales (MoM/YoY%) | - | - | -1.1/-9.0 |
| Thursday 15 October | | | | |
| Russia | 1700 Sep Industrial Production (YoY%) | -5.9 | -6.0 | -7.2 |
| Poland | 0900 Sep F CPI (YoY%) | 3.2 | 3.2 | 2.9 |
| Kazakhstan | - Sep Industrial Production Yearly | - | - | -5.6 |
| South Africa | 1030 2Q Employees Nonagricultural Industries (QoQ/YoY%) | -/- | -/- | 0.0/0.0 |
| Israel | 1630 Sep CPI (MoM/YoY%) | -/- | -/- | 0.0/-0.79 |
| Friday 16 October | | | | |
| Russia | 1700 Sep PPI (MoM/YoY%) | - | 0.2/-0.2 | -1.0/0.8 |
| Poland | 1300 Sep Core Inflation (YoY%) | 4.3 | 4.3 | 4 |
| Czech Rep | 0800 Sep PPI (Industrial) (MoM/YoY%) | - | - | -0.3/-0.5 |

Source: ING, Bloomberg

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