

Key events in EMEA and Latam next week

It looks set to be a GDP week in EMEA next week, but what else is going on?



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✓ Czech first quarter GDP to remain solid

Czech's flash GDP growth for 1Q18 is released next week and according to most market forecasts it should remain solid, slightly below the 5% line. While household consumption will remain strong, net exports will contribute negatively due to the high base effect and stronger CZK. The highest uncertainty is related again to the re-newed investment activity, which might cause some surprise in the forthcoming print, though the detailed GDP structure will be released at the end of May.

✓ Upside risks to Hungarian GDP

In Hungary, the Statistical Office will reveal the 1Q18 GDP figures on Tuesday. We saw a better-than-expected retail performance in the first quarter, paired by a weak performance in industry.

Out of the remaining unknowns, the growth of construction is released this Friday, but the agricultural sector remains in the dark. All in all, we've already seen upside risks regarding our 3.8% GDP growth call, which could be elevated by good data in construction, meaning that 4% economic activity may not be such a surprise.

☑ Romania: higher CPI, weaker GDP growth

An increase in excise duty for tobacco is pushing the inflation profile by 0.2ppt higher over the next 12 months. This means that we are now forecasting CPI at 3.6% year-on-year for December 2018. We see April CPI, which is due 14 May, coming in at 0.7% month-on-month and 5.3% year-on-year, above market consensus. With droughts affecting seasonal food prices there is a material risk for a new peak in inflation to be printed in May.

Retail sales decreased by 1.5% quarter-on-quarter in 1Q18 suggesting a sequential contraction in private consumption. Hence, the likelihood of a sequential contraction in GDP growth in 1Q18 increased. In the first two months of the year, industry performance was rather weak on lower export orders and sentiment indicators point to a disappointing March reading. It remains to be seen if the construction sector, which was quite strong for the first two months of the year, manages to keep QoQ GDP growth afloat. Anyway, we look for a weak 1Q18 GDP growth print.

☑ A mixture of growth forecasts in the CIS space

In the CIS space, next week will see the first GDP estimates for 1Q18. In Russia's case we had to downgrade our expectations from the initial 2% to 1.8% with downside risks even to this above-consensus figure after weak March 2018 figures, but we see a potential for better performance going forward.

We upgraded our Kazakhstan projection from 3.2% to 4% due to much higher oil prices and solid activity performance. Our Ukraine projection is kept unchanged at 2.1% given that activity performance has been close to our expectations.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Friday 11 May					
Russia	1400	Mar Trade Balance (US\$bn)	12.2	12.95	12.192
Czech Rep	0800	Czech National Bank Publishes Minutes From Board Meeting			
Romania	0700	Mar Industrial Prod. and Sales (MoM/YoY%)	-/-	-/-	-/-
Kazakhstan	-	Apr International Reserves (US\$bn)	-	-	30.6
Serbia	1100	Apr CPI (MoM/YoY%)	-/-	-/-	0.1/1.4
Brazil	1300	Mar Retail Sales (YoY%)	5.8	5.5	1.3
Mexico	1400	Mar Industrial Production (YoY%)	-4.1	-3.6	0.73
Sunday 13 May					
Israel	1100	Apr Trade Balance (US\$mn)	-	-	-2080.3
Monday 14 May					
Turkey	0800	Mar C/A (US\$bn)	-4.2	-	-4.152
Poland	1300	Mar C/A (€mn)	-720	-1074	-1017
	1300	Mar Trade Balance (€mn)	-130	-502	-573
	1300	Mar Exports (€)	18042	18141	16271
	1300	Mar Imports (€)	18172	18465	16844
Czech Rep	0900	Mar C/A (CZKbn)	15	28.15	30.99
Hungary	-	EMA's PRAC May Decide on Richter's Esmya (until 17/05)			
Romania	0700	Apr CPI (MoM/YoY%)	0.7/5.3	-/5.1	0.3/4.9
	-	Mar C/A YTD (€m)	-	-	-172
	1300	National Bank of Romania Publishes Minutes of Rate Meeting			
Tuesday 15 May					
Turkey	0800	Feb Unemployment Rate (%)	-	-	10.84
Poland	0900	Apr F CPI (MoM/YoY%)	0.5/1.6	-/-	0.5/1.6
	0900	1Q P GDP (QoQ/YoY%)	1.2/4.6	1.3/4.8	0.9/4.9
	-	Monetary Policy Council Rate Meeting (until 16/05)			
Czech Rep	0800	1Q A GDP (QoQ/YoY%)	0.7/4.8	0.7/4.8	0.8/5.5
Hungary	0800	1Q P GDP (SWDA, QoQ/YoY%)	0.9/3.8	-/-	1.3/4.4
Ukraine	-	1Q P GDP (YoY%)	2.1	2.5	2.2
Romania	0700	1Q A GDP (SA, QoQ/YoY%)	0.3/5.0	-/-	0.5/6.7
Bulgaria	0900	1Q P GDP (QoQ%/YoY%)	-/-	-/-	0.7/3.55
	0900	Apr CPI (MoM%)	-	-	-0.3
Israel	1630	Apr CPI (MoM/YoY%)	-/-	-/-	0.3/0.2
Wednesday 16 May					
Turkey	0800	Mar Industrial Production (MoM/YoY%)	-/8	-/-	-0.2/9.9
Poland	1300	Apr Core Inflation (MoM/YoY%)	0.4/0.6	0.4/0.6	0/0.7
	-	Base Rate (%)	1.5	1.5	1.5
Kazakhstan	-	Apr Industrial Production Yearly	-	-	4.7
South Africa	1200	Mar Retail Sales (MoM/YoY%)	-/-	-/-	1.8/4.9
	-	1Q Unemployment Rate (%)	-	-	26.7
Israel	1100	1Q A GDP (QoQ Annualised %)	-	-	3.6
Brazil	-	Selic Rate	6.25	6.25	6.5
Thursday 17 May					
Russia	-	1Q A GDP (YoY%)	1.8	1.5	0.9
Serbia	-	Mar C/A (€mn)	-	-	-248.8
Israel	-	May 12Mth Inflation Forecast (%)	-	-	0.9
Mexico	1900	Overnight Rate	7.75	-	7.5
Friday 18 May					
Russia	-	Apr Industrial Production (YoY%)	0.1	1.2	1
Poland	0900	Apr Avg Gross Wages (MoM/YoY%)	6.9/7.4	-1.6/7.2	6.2/6.7
	0900	Apr Employment (MoM/YoY%)	0.1/3.7	0.1/3.7	0.1/3.7
Czech Rep	0800	Apr PPI (Industrial) (MoM/YoY%)	0.2/0.0	0.3/0.1	0.3/0.1
	0800	Mar Export Price Index (YoY%)	-	-	-4.7
	0800	Mar Import Price Index (YoY%)	-	-	-6.5
Hungary	0800	Richter CEO Gabor Orban Speaks At Conference on Hungary Bourse			
Kazakhstan	-	1Q P GDP YTD YoY	4	-	4

Source: ING, Bloomberg

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