

Key events in EMEA and Latam next week

Next week, Polish data should confirm 2Q GDP is likely to be stronger than what we previously thought, despite adverse economic conditions in the external environment. We could also see the current account balance in Hungary finally come out of negative territory



Source: Shutterstock

Poland: Strong 2Q GDP on the horizon, despite external headwinds

We expect industrial production to decelerate in May from 9.2% to 6.4% YoY, reflecting mainly a difference in the working days and the structure should present broad-based growth. We forecast that the value added in industry and consumption - in 2Q19 is likely to achieve a similar level as in the 1Q. Therefore, we expect 2Q GDP to be stronger than the 4.7% YoY, which was reported a quarter ago, despite adverse economic conditions in the external environment.

Labour market figures should present a stable, solid expansion. We expect wage to increase in May from 7.1% to 7.4% YoY. Corporate employment growth is likely to remain stable - close to 3% YoY. Overall sentiment remains solid: the number of companies reporting problems with labour shortage is still at a historically high level, which indicates no deterioration in the demand for labour. Similarly, the share of firms mulling over wage increases is relatively high, which suggests that wages should oscillate between 7% and 8% also in the second half of the year.

✔ Hungary: Current account to come out of negative territory?

The only important data regarding Hungary is the current account balance in 1Q19. Based on the monthly data releases, we see the balance to turn into a surplus again after been in negative territory for the past couple of quarters. This is due to the rebound in export-related industrial production, thus trade balance was able to improve significantly.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Sunday 16 June					
Israel	1100	1Q P GDP (QoQ Annualised %)	-	-	5.2
Monday 17 June					
Turkey	0800	Mar Unemployment Rate (%)	-	-	14.7
Poland	1300	May Core Inflation (YoY%)	1.6	-	1.7
Czech Rep	0800	May PPI (Industrial) (MoM/YoY%)	-/-	-/-	0.7/4.3
Ukraine	-	National Bank of Ukraine Publishes Minutes of Rate Meeting			
Tuesday 18 June					
Russia	-	1Q P GDP (YoY%)	-	0.5	0.5
	-	May Industrial Production (YoY%)	0.4	1.7	4.6
	-	May PPI (MoMYoY%)	-/-	0.9/7.3	0.5/10.7
Turkey	0800	Apr Industrial Production (MoM/YoY%)	-/-0.8	-/-	2.1/-2.2
Wednesday 19 June					
Poland	0900	May Avg Gross Wages (YoY%)	7.4	-	7.1
	0900	May Employment (YoY%)	3.0	-	2.9
Ukraine	-	1Q F GDP (YoY%)	-	-	2.2
Serbia	-	Apr C/A (€mn)	-	-	-468.7
South Africa	0900	May CPI (MoM/YoY%)	-/-	-/-	0.6/4.4
	0900	May Core CPI (MoM%, NSA)	-	-	0.3
Israel	-	Jun 12Mth Inflation Forecast (%)	-	-	1.2
Brazil	-	Selic Rate	6.50	6.50	6.50
Thursday 20 June					
Russia	1400	May Real Wages (YoY%)	0.6	1.2	1.6
	1400	May Retail Sales (YoY%)	1.0	1.3	1.2
Friday 21 June					
Poland	0900	May Industrial Output (YoY%)	6.4	-	9.2
	0900	May PPI (YoY%)	1.6	-	2.6
	1300	National Bank of Poland Publishes Minutes of Rate Meeting			
Hungary	0730	1Q C/A (€mn)	237.9	-	-348.8

Source: ING, Bloomberg

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

Author

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

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 <http://www.ing.com>.