

## Key events in EMEA and Latam next week

Central Bank decision from Turkey, real economy data releases, retail sales and industrial output are all likely to reflect continued uncertainty in the EMEA



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### **Turkey: Rates likely to remain on hold for now**

Despite supportive impact of domestic demand compression, exchange rate developments point to continuing challenges for the inflation outlook.

After recent TRY weakness, upside risks on the outlook has been intensifying. Accordingly, lira OIS rates currently price some upward rate adjustment until the year end. While raising effective cost of funding, the central bank will likely make no imminent policy rate change in the near term including August MPC and prefer to see the impact of ongoing tightening via liquidity provisioning.

### **Russia: Mixed data releases next week means the speed of recovery remains uncertain**

Russian industrial output in July was under pressure of adverse calendar effect (extra day-off due to the vote on the constitution) and the recent weakness in the intermediary and investment-driven sectors evident already in June.

Meanwhile, the pick-up in budget spending from 26% YoY in 1H20 to 37% YoY in July, mainly thanks to the 46% YoY spike in state support to the business, can result in industrial output actually outperforming our below-consensus forecast of -11.8% YoY. The retail trade should continue recovery amid state support to income and lack of international travel.

At the same time, the likely deterioration in the income trend remains a challenge, likely limiting the pace of recovery in 2H20 even after a relatively shallow 8.5% YoY GDP drop in 2Q20.

## ✓ Poland: Real economy figures to be largely negative

This week we'll get a few real economy figures for July.

Due to less favourable calendar effects than in the previous month, we should see negative YoY dynamics across the board. Still, the recovery continues and leading indicators, such as PMI suggest we may see some positive surprises. While Covid-19 cases are on the rise, Poland has not re-introduced nearly as harsh measures as during the full lockdown in 2Q.

## EMEALatam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Sunday 16 August</b>					
Israel	1100	2Q A GDP (QoQ Annualised %)	-	-25.2	-6.9
<b>Monday 17 August</b>					
Russia	1700	Jul Industrial Production (YoY%)	-11.8	-7.8	-9.4
Poland	1300	Jul Core Inflation (MoM/YoY%)	4.2	-/-	0.7/4.1
Czech Rep	0800	Jul PPI (Industrial) (MoM/YoY%)	-	-	-0.1/-0.3
Bulgaria	0900	Jul CPI (MoM/YoY%)	0.5/1.3	-/-	-0.4/1.6
South Africa	-	2Q Unemployment Rate (%)	-	35	30.1
<b>Tuesday 18 August</b>					
Russia	1700	Jul PPI (MoM/YoY%)	-	1.1/-4.2	6.1/-8.3
<b>Wednesday 19 August</b>					
Poland	0900	Jul Avg Gross Wages (MoM/YoY%)	-/2.9	-/2.9	3.2/3.6
	0900	Jul Employment (MoM/YoY%)	-/-2.6	-/-3.0	0.2/-3.3
Serbia	-	Jun C/A (€mn)	-	-	-53.7
Israel	-	Aug 12Mth Inflation Forecast (%)	-	-	0.5
<b>Thursday 20 August</b>					
Russia	1400	Jul Retail Sales (YoY%)	-4.8	-4.5	-7.7
	1400	Jun Real wages (YoY%)	-3.2	0.1	1.0
Turkey	1200	Benchmark Repurchase Rate	8.25	-	8.25
Poland	0900	Jul Industrial Output (MoM/YoY%)	-/-3.0	-/0.0	13.9/0.5
	0900	Jul PPI (MoM/YoY%)	-/-0.6	-/-0.2	0.4/-0.8
Croatia	1000	Jul Unemployment Rate (%)	-	-	9.1
	1000	Jun Real Wages (YoY%)	-	-	0.8
Israel	1100	Jun Industrial Production (SA, MoM%)	-	-	0.2
<b>Friday 21 August</b>					
Poland	0900	Jul Real Retail Sales (YoY%)	-2.0	-3.6	-1.3
Mexico	1200	Jun Retail Sales (YoY%)	-15.0	-	-23.7

Source: ING, Bloomberg

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