

## Key events in EMEA and Latam next week

All eyes on EMEA central banks as disinflationary trends bring rate cuts to both Russia and Turkey next week



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### ✓ Turkey: A cut is coming

The central bank of Turkey was encouraged by the downside surprises in the recent inflation data while the pace of disinflation provides confidence for the timing of a rate cut. Not only a better-than-expected inflation outlook but more accommodative policy signals from global central banks and strengthening of the lira with a contribution of declining geopolitical risk anticipation likely encourage the CBT to start the easing cycle.

We expect a 200bp cut on 25 July, though given the market's increasing concerns about credibility with the appointment of the new Governor, risks are on the downside.

### ✓ Russia: Sticking to our guns

We maintain our long-standing expectations of a 25bp cut to 7.25% for Bank of Russia's upcoming meeting on 26 July, which has now become a consensus view.

We doubt that a 50bp cut is a plausible scenario for a non-core meeting, but the central bank's commentary maintains the dovish signal, especially given that inflation growth keeps underperforming. Inflation growth decelerated to 4.7% YoY in June and – thanks to low agricultural

prices and the strong rouble – is headed towards 4.0% by year-end 2019, which is lower than the recently updated CBR forecast range of 4.2-4.7%.

We believe the central bank will highlight the reasons for the current slowdown in inflation are not on the demand side, but rather a result of favourable external inputs – to avoid misinterpreting a rate cut as a means to boost activity. For now, we see the terminal key rate at 6.5% to be reached in mid-2020.

[See more details on our views on Russian CPI here](#)

## Hungary's central bank: Expect little change

We don't expect anything from the National Bank of Hungary when the rate-setters are going to meet. Last time they highlighted that they are ready to wait-and-see in 2H19 and we don't see any reason why this view should change after just a month. Against this backdrop, we see this meeting as a non-event with unchanged rates and no forward guidance.

Country	Time	Data/event	ING	Survey	Prev.
<b>Sunday 21 July</b>					
Hungary	2300	Jul Economic Sentiment	1.9	-	2.4
	2300	Jul Business Confidence	4.9	-	5.7
	2300	Jul Consumer Confidence	-6.6	-	-7
<b>Monday 22 July</b>					
Poland	1300	Jun M3 Money Supply (MoM/YoY%)	-/-	-/-	0.9/9.9
Israel	1100	May Industrial Production (SA, MoM%)	-	-	2.9
	-	Bank of Israel Publishes Minutes of Rate Meeting			
<b>Tuesday 23 July</b>					
Poland	0900	Jun Unemployment Rate (%)	-	-	5.4
Hungary	1300	Policy Rate (%)	0.90	-	0.90
	1300	Overnight Deposit Rate (%)	-0.05	-	-0.05
South Africa	0800	May Leading Indicator	-	-	105.5
Israel	-	Jun Leading 'S' Indicator (MoM%)	-	-	0.1
<b>Wednesday 24 July</b>					
Czech Rep	0800	Jul Business Confidence	-	-	11.9
	0800	Jul Consumer & Business Confidence	-	-	10.1
	0800	Jul Consumer Confidence	-	-	2.8
South Africa	0900	Jun CPI (YoY%)	-	-	4.5
	0900	Jun CPI (MoM/YoY%)	-/-	-/-	0.3/4.1
	0900	Jun Core CPI (MoM%, NSA)	-	-	
<b>Thursday 25 July</b>					
Turkey	0800	Jul Real Sector Confidence Index	-	-	99.6
	0800	Jul Industrial Confidence	-	-	102.5
	0800	Jul Capacity Utilization (%)	-	-	77.1
	1200	Benchmark Repurchase Rate	22.00	-	24.00
Kazakhstan	-	Jun M3 Money Supply (MoM%)	-	-	2
Serbia	1100	May Real Wages (YoY%)	-	-	11.1
South Africa	1030	Jun PPI (MoM/YoY%)	-/-	-/-	0.5/6.4
Brazil	1430	Jun C/A Balance (\$mn)	-2300	-	662.4
Mexico	1200	May Retail Sales (YoY%)	1.9	-	1.6
<b>Friday 26 July</b>					
Russia	1130	Key Rate (%)	7.25	7.25	7.5

Source: ING, Bloomberg

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## Authors

### **Peter Virovacz**

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

### **Dmitry Dolgin**

Chief Economist, CIS

[dmitry.dolgin@ing.de](mailto:dmitry.dolgin@ing.de)

### **Muhammet Mercan**

Chief Economist, Turkey

[muhammet.mercan@ingbank.com.tr](mailto:muhammet.mercan@ingbank.com.tr)

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