

Key events in EMEA and Latam this week

Central banks have shown they don't need any scheduled meetings to announce fire-fighting responses to the economic shocks of Covid-19. Nonetheless, keep an eye out for the few scheduled ones in EMEA economies this week



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✓ Czech: More, more and more

The Czech National Bank delivered a 50bp emergency rate on Monday and is very likely to continue lowering borrowing costs to mitigate the coronavirus shock, though it will be more of a signaling measure. This means that the main 2-week repo rate is likely to fall further in the coming months with the central bank delivering another 50bp rate cuts on Thursday. In case CZK heads above the 28 EUR/CZK level, the CNB will likely step into the market and support the koruna so as not to see adverse effects from shock depreciation.

✓ Hungary: The beginning of a painful streak of data

As Covid-19 reached Hungary in early-March, we expect the sentiment indices for this month to reflect the impact. Both household and business confidence might drop to multi-year low levels, and this will be just the beginning of a rush of bad data. In such an extreme environment, the National Bank of Hungary rate setting meeting could have been interesting, but the central bank

has already announced a lot of measures and made suggestions on how to give breathing room to businesses, households and the banking sector. From liquidity enhancing measures to restructuring the collateral rules, loan payment moratoriums and a possible restart of mortgage bond buying, we've already seen almost everything. There is not much left for the meeting. So we see the rates remaining unchanged and NBH will explain the necessity of all the announced measures. As one concrete step, we expect to see the NBH increasing the targeted average level of crowded out liquidity. Besides this, the new staff forecast will be interesting, but due to the cut-off date, we might need to check the alternative scenarios rather than the base case.

✓ Poland: Markets likely to look the other way

Releases this week from Poland should have limited market relevance. The budget performance after February is likely to be still decent as activity surprised on the upside. The decisions of economic lockdown were made in March, therefore economic consequences will be seen from next month's releases onwards.

EMEA and Latam Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Thursday 19 March				
Serbia	- Jan C/A (€mn)	-	-	-530
Sunday 22 March				
Hungary	2300 Mar Economic Sentiment	-13.4	-	-2.6
	2300 Mar Business Confidence	-10.0	-	0.7
	2300 Mar Consumer Confidence	-23.0	-	-12.1
Israel	1100 Jan Industrial Production (SA, MoM%)	-	-	0.1
Monday 23 March				
Turkey	0800 Feb Foreign Tourist Arrivals (YoY%)	-	-	16.1
Poland	1300 Feb M3 Money Supply (YoY%)	9.1	9.0	9.3
Hungary	0730 4Q C/A (€mn)	-300	-	-230.1
Ukraine	- National Bank of Ukraine Publishes Minutes of Rate Meeting			
Israel	1100 Feb Monthly Unemployment Rate (%)	-	-	3.6
	- Feb Leading 'S' Indicator (MoM%)	-	-	0.25
Tuesday 24 March				
Poland	0900 Feb Unemployment Rate (%)	5.5	5.5	5.5
	- Feb Budget Level (YTD)	-	-	3426.7
Hungary	1300 Policy Rate (%)	0.90	-	0.90
	1300 Overnight Deposit Rate (%)	-0.05	-	-0.05
South Africa	0700 Jan Leading Indicator	-	-	104.4
Brazil	1200 Jan Retail Sales (YoY%)	3.4	-	2.6
	1100 Central Bank Meeting Minutes			
Wednesday 25 March				
Turkey	0700 Mar Real Sector Confidence Index SA	-	-	106.7
	0700 Mar Capacity Utilization (%)	-	-	76
Serbia	1100 Jan Real Wages (YoY%)	-	-	11.9
Brazil	1230 Feb C/A Balance (\$mn)	-4500	-	-11879.2
Mexico	1200 Jan Retail Sales (YoY%)	2.8	-	3.2
Thursday 26 March				
Czech Rep	1200 Repo Rate	1.25	-	2.25
South Africa	1030 Feb PPI (MoM/YoY%)	-/-	-/-	0.3/4.6
Brazil	1100 Central Bank Quarterly Inflation Report			
Mexico	1200 Feb Unemployment Rate SA (%)	3.7	-	3.66
	1900 Overnight Rate	6.5	-	7.0
Friday 27 March				
Kazakhstan	- Feb M3 Money Supply (MoM%)	-	-	4.1

Source: ING, Bloomberg

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