

Key events in EMEA and Latam next week

Hungarian and Czech central bank meetings next week. Expect the former to firmly stay put but probably surprise with its forward guidance and forecasts, while the latter might hike, but the majority view is to maintain the status quo



Source: Shutterstock

National Bank of Hungary: Balancing hot domestic and cooling external factors

The National Bank of Hungary meets next Tuesday. The dichotomy still prevails, so domestic factors are heating while external ones are cooling the economy. In line with the central bank's expectations, external effects have started to dominate in the last few months, driving down inflation to the target of 3%.

The worsening economic outlook, the dovish tone of major central banks and elevated global uncertainties coupled with oil price and FX shocks are likely to support a status quo decision by the NBH. Against this backdrop, we see no change in interest rates. The real questions are whether the central bank releases forward guidance (generally we see no reason for doing it taking into consideration the mounting uncertainties around the inflation outlook) and how inflation and GDP forecasts will change in the upcoming new Inflation Report.

✓ Czech National Bank: Pointing towards a hold

The Czech National Bank (CNB) meeting next Wednesday should not bring any change to the current CNB monetary stance.

Czech data is broadly in line with CNB estimates while inflationary and wage pressures continue. CNB board member Tomas Holub indicated in his last interview that the central bank will be discussing whether to hike rates or remain on hold. Tomas Holub confirmed that an on-hold decision seems to be preferred given the risks abroad. We also believe this will be the CNB majority view, as other board members also have signalled recently that longer-term rates stability is the preferred option given the current risk environment.

✓ Poland: Not much change for the budget in August

We expect the government budget in August to close with a similar deficit compared with July. Lack of progress in revenue collection would pose a question mark, as to whether a balanced budget is possible next year.

EMEA and Latam Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|-------------------------------|------|---|-------|--------|----------|
| Sunday 22 September | | | | | |
| Hungary | 2300 | Sep Economic Sentiment | 3.6 | - | 4.0 |
| | 2300 | Sep Business Confidence | 6.7 | - | 7.5 |
| | 2300 | Sep Consumer Confidence | -5.5 | - | -5.9 |
| Israel | 1100 | Jul Industrial Production (SA, MoM%) | - | - | -0.7 |
| Monday 23 September | | | | | |
| Poland | 1300 | Aug M3 Money Supply (YoY%) | 10.0 | 10.0 | 9.9 |
| Kazakhstan | - | Aug M3 Money Supply (MoM%) | - | - | 1.6 |
| Israel | 1100 | Aug Monthly Unemployment Rate (%) | - | - | 3.7 |
| | - | Aug Leading 'S' Indicator (MoM%) | - | - | 0.2 |
| Brazil | 1430 | Aug C/A Balance (\$mn) | -5100 | - | -9035 |
| Mexico | 1200 | Jul Retail Sales (YoY%) | -1.1 | - | 1.0 |
| Tuesday 24 September | | | | | |
| Turkey | 0800 | Sep Real Sector Confidence Index SA | - | - | 102.1 |
| | 0800 | Sep Industrial Confidence | - | - | 102.5 |
| | 0800 | Sep Capacity Utilization (%) | - | - | 76.6 |
| Poland | 0900 | Aug Unemployment Rate (%) | 5.2 | 5.2 | 5.2 |
| | - | Aug Budget Level (YTD) | - | - | -4783 |
| Czech Rep | 0800 | Sep Business Confidence | - | - | 12.5 |
| | 0800 | Sep Consumer & Business Confidence | - | - | 10.5 |
| | 0800 | Sep Consumer Confidence | - | - | 2.8 |
| Hungary | 1300 | Policy Rate (%) | 0.90 | - | 0.90 |
| | 1300 | Overnight Deposit Rate (%) | -0.05 | - | -0.05 |
| Wednesday 25 September | | | | | |
| Czech Rep | 1200 | Repo Rate | 2.00 | - | 2.00 |
| Serbia | 1100 | Jul Real Wages (YoY%) | - | - | 4.2 |
| South Africa | 0800 | Jul Leading Indicator | - | - | 103.4 |
| Mexico | 1200 | Aug Unemployment Rate SA (%) | 3.62 | - | 3.58 |
| Thursday 26 September | | | | | |
| Poland | 1300 | National Bank of Poland Publishes Minutes of Rate Meeting | - | - | - |
| South Africa | 1030 | Aug PPI (MoM/YoY%) | -/- | -/- | -0.2/4.9 |
| Mexico | 1900 | Overnight Rate | 7.75 | - | 8.00 |
| Friday 27 September | | | | | |
| Kazakhstan | - | 2Q C/A (US\$mn) | - | - | 361.4 |
| Brazil | 1300 | Aug Unemployment Rate (%) | 11.6 | - | 11.8 |

Source: ING, Bloomberg

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

Author

Peter Virovacz

Chief 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 www.ing.com.