

## 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



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### 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.
<b>Sunday 22 September</b>					
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
<b>Monday 23 September</b>					
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
<b>Tuesday 24 September</b>					
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
<b>Wednesday 25 September</b>					
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
<b>Thursday 26 September</b>					
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
<b>Friday 27 September</b>					
Kazakhstan	-	2Q C/A (US\$mn)	-	-	361.4
Brazil	1300	Aug Unemployment Rate (%)	11.6	-	11.8

Source: ING, Bloomberg

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