

## Key events in EMEA and Latam next week

A relatively quiet week in EMEA and Latam. The information flow will be dominated again by central banks, particularly in Hungary and the Czech Republic. Both are expected to keep policy on hold



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### National Bank of Hungary: Higher inflation forecasts? But not high enough for a hike

With the global outlook darkening and rhetoric from the Federal Reserve and European Central Bank becoming increasingly dovish, there is little chance that the National Bank of Hungary (NBH) will change its loose monetary policy stance for now. The Inflation Report, which will be released along with the rate decision, may contain higher inflation forecasts for 2019 - though probably not high enough to make the NBH hike rates.

Average wages have been increasing rapidly in the last two years on the back of a tight labour market. Economic activity is outperforming previous expectations, generating even higher demand for labour. We therefore expect wage growth to remain strong going forward.

On the other hand, we expect a significant drop in the PPI - mostly due to lower oil prices, which is slightly counterbalanced by other factors.

## Czech National Bank: Wait and see

Real economic data in the Czech Republic surprised slightly on the positive side in the last few months and inflation surpassed the Czech National Bank's (CNB) expectations somewhat, coming close to its upper-tolerance band in May, at 2.9%. Still, global uncertainty remains elevated due to concerns about the trade war and a weaker outlook for global economic growth, which has turned major central banks dovish (again). In such an environment, especially with Czech inflation near-target in the monetary policy horizon, a 'wait and see' approach seems to be the best strategy for the CNB right now.

## EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Sunday 23 June</b>					
Israel	1100	Apr Industrial Production (SA, MoM%)	-	-	1.3
<b>Monday 24 June</b>					
Hungary	0800	Jun Economic Sentiment	3.7	-	4.3
	0800	Jun Business Confidence	8.8	-	9.4
	0800	Jun Consumer Confidence	-10.9	-	-10.4
Turkey	0800	Jun Real Sector Confidence Index SA	-	-	94.7
	0800	Jun Industrial Confidence	-	-	98.9
	0800	Jun Capacity Utilization (%)	-	-	76.3
Poland	0900	May Retail Sales (MoM/YoY%)	-/-	-/-	4.4/13.6
Czech Rep	0800	Jun Business Confidence	-	-	12.7
	0800	Jun Consumer & Business Confidence	-	-	10.7
	0800	Jun Consumer Confidence	-	-	2.8
Kazakhstan	-	May M3 Money Supply (MoM%)	-	-	-0.2
Israel	1100	May Monthly Unemployment Rate (%)	-	-	3.8
Brazil	1430	May C/A Balance (\$mn)	350.0	-	-62.0
<b>Tuesday 25 June</b>					
Poland	1300	May M3 Money Supply (MoM/YoY%)	-/-	-/-	0.7/10.4
Hungary	1300	Policy Rate (%)	0.90	-	0.90
	1300	Overnight Deposit Rate (%)	-0.05	-	-0.05
Serbia	1100	Apr Real Wages (YoY%)	-	-	6.5
South Africa	0800	Apr Leading Indicator	-	-	104.5
Mexico	1400	Apr Retail Sales (YoY%)	2.5	-	1.6
Brazil	1200	COPOM Meeting Minutes			
<b>Wednesday 26 June</b>					
Poland	0900	May Unemployment Rate (%)	-	-	5.6
Czech Rep	1200	Repo Rate	2.0	-	2.0
Mexico	1400	May Unemployment Rate SA (%)	3.5	-	3.5
<b>Thursday 27 June</b>					
Croatia	1000	May Unemployment Rate (%)	-	-	8.6
	1000	Apr Real Wages (YoY%)	-	-	2.8
South Africa	1030	May PPI (MoM/YoY%)	-/-	-/-	1.3/6.5
Brazil	1500	Central Bank Q2 Inflation Report			
Mexico	1900	Overnight Rate	8.3	-	8.25
<b>Friday 28 June</b>					
Russia	1400	1Q F C/A (US\$m)	-	-	32800
Turkey	0800	May Trade Balance (US\$bn)	-1.8	-	-3.0
Poland	0900	Jun P CPI (MoM/YoY%)	-/-	-/-	0.2/2.4
Czech Rep	0800	1Q F GDP (QoQ/YoY%)	0.6/2.6	-/-	0.6/2.6
Hungary	0800	Apr Avg Gross Wages (YoY%)	10.7	-	10.2
	0800	May PPI (MoM/YoY%)	0.7/2.9	-/-	1.0/4.1
Kazakhstan	-	1Q F GDP YTD YoY	-	-	3.8
Serbia	1100	May Industrial Production (YoY%)	-	-	-0.8
	1100	May Retail Sales (YoY%)	-	-	6.7
	1100	May Trade Balance (€m)	-	-	-500
Croatia	1000	May Industrial Production (SA, YoY%)	-	-	3.0
	1000	May Retail Sales (YoY%)	-	-	4.8
	-	May M1 Money Supply (HRKmn)	-	-	119556
	-	1Q C/A balance	-	-	-872.9
South Africa	1300	May National Budget Balance (ZARbn)	-	-	-63.5
	1300	May Trade Balance (ZARbn)	-	-	-3.4
Brazil	1300	May Unemployment Rate (%)	12.3	-	12.5

Source: ING, Bloomberg

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