

## Key events in EMEA and Latam next week

Two central bank meetings in EMEA this week - both in Poland and in Hungary and both are expected to remain on hold. Also keep an eye out for Russian retail trade data where we see a slump coming, although maybe not as bad as the consensus thinks



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### ✓ Polish central bank meeting

In Poland, the major event next week is the central bank meeting. Recent industrial production data showed much greater depression of the Polish economy than was widely anticipated, but support our below-consensus GDP forecast of -4.5%YoY for 2020.

But we don't expect this to change the MPC stance. In our opinion, the central bank would probably like to wait-and-see whether the fiscal stimulus is working or not.

### ✓ Hungary: An uneventful rate meeting

The highlight of the week in Hungary is the central bank meeting too. But this is likely to be pretty uneventful, as the central bank is unlikely to change rates.

The Bank might express concerns about the economic impact of Covid-19, doing some groundwork ahead of the June inflation report which will likely see a major downward revision to its economic

outlook which seems far too optimistic now. Wage growth might surprise on the upside due to the composition effect as the majority of lay-offs took place in the underpaid services sectors (e.g. restaurants, accommodation, personal services).

Detailed GDP might reveal which sectors were able to save the first quarter due to a flying start in January-February. Our bet is on industry and construction.

### **Russia: First retail trade data since lockdown**

After the 5.6% year on year spike in retail trade in March, Russia is likely to see a major slump in April, which the analyst community sees at 15% YoY. We are slightly more optimistic than consensus expecting 'just' a 10% drop, assuming the negative effect of the likely drop in the overall household income has been partially offset by higher household borrowing in the previous month, as well as local substitution of international travel by middle to high-income households.

Nevertheless, the scope of the income drop and subsequent recovery remains one of the key factors of uncertainty going forward both for the activity indicators and the budget policy. In the case of further disappointment at the household level, we're not ruling out the fiscal stimulus, currently announced at 3.5% of GDP, could potentially be expanded further by up to 1% of GDP.

## **EMEA and Latam Economic Calendar**

Country	Time Data/event	ING	Survey	Prev.
<b>Monday 25 May</b>				
Poland	1300 Apr M3 Money Supply (YoY%)	11.7	12.3	11.8
Czech Rep	0800 May Business Confidence	-	-	-16.2
	0800 May Consumer & Business Confidence	-	-	-18.0
	0800 May Consumer Confidence	-	-	-25.3
Kazakhstan	- Apr M3 Money Supply (MoM%)	-	-	8.6
Serbia	1100 Mar Real Wages (YoY%)	-	-	8.9
Israel	1100 Apr Monthly Unemployment Rate (%)	-	-	3.4
	1100 1Q A GDP (QoQ Annualised %)	-	-14.2	4.6
<b>Tuesday 26 May</b>				
Russia	1400 Apr Retail Sales (YoY%)	-10	-15.0	5.6
	1400 Mar Real wages (YoY%)	1.5	3.2	5.7
Poland	0900 Apr Unemployment Rate (%)	5.6	5.7	5.4
Hungary	1300 Policy Rate (%)	0.90	-	0.90
	1300 Overnight Deposit Rate (%)	-0.05	-	-0.05
South Africa	0800 Mar Leading Indicator	-	-	103
Brazil	1330 Apr C/A Balance (\$mn)	1500	-	868
Mexico	1200 1Q F GDP (YoY%)	-1.6	-	-1.6
<b>Wednesday 27 May</b>				
South Africa	0900 Apr CPI (MoM/YoY%)	-/-	-/-	0.3/4.1
	0900 Apr Core CPI (MoM%, NSA)	-	-	0.6
Mexico	1800 Mexican Central Bank Releases Inflation Report			
<b>Thursday 28 May</b>				
Poland	- Base Rate (%)	0.50	0.50	0.50
Hungary	0800 Mar Avg Gross Wages (YoY%)	9.5	-	9.1
South Africa	1030 Apr PPI (MoM/YoY%)	-/-	-/-	0.3/4.5
Brazil	1300 Apr Unemployment Rate (%)	13.0	-	12.2
Mexico	1500 Central Bank Monetary Policy Minutes			
<b>Friday 29 May</b>				
Turkey	0800 Apr Trade Balance (US\$bn)	-4.0	-	-5.4
Poland	0900 1Q F GDP (YoY%)	-/-	1.9	1.9
	0900 May P CPI (YoY%)	-/-	-/-	3.4
Hungary	0800 1Q F GDP (SWDA, QoQ%)	-0.4	-	-0.4
	0800 1Q F GDP (NSA, YoY%)	2.2	-	2.2
Serbia	1100 Apr Retail Sales (YoY%)	-	-	4.4
	1100 Apr Industrial Production (YoY%)	-	-	-0.1
	1100 Apr Trade Balance (€m)	-	-	-738.5
Croatia	1000 Apr Retail Sales (YoY%)	-	-	-7.0
	1000 Apr Industrial Production (SA, YoY%)	-	-	-4.9
	1000 1Q F GDP (YoY%)	-2.5	-	2.5
	- Apr M1 Money Supply (HRKmn)	-	-	140131
South Africa	0700 Apr M3 Money Supply (YoY%)	-	-	9.5
	0700 Apr Private Sector Credit (YoY%)	-	-	7.8
	1300 Apr Trade Balance (ZARbn)	-	-	24.3
	1300 Apr National Budget Balance (ZARbn)	-	-	-51.2
Brazil	1300 1Q GDP (QoQ/YoY%)	-1.5/0.1	-/-	0.5/1.7

Source: ING, Bloomberg

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