

Key events in EMEA and Latam next week

A credit rating decision on Bulgaria and insights into Poland's strong surplus will be the key highlights next week



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✓ Bulgaria: Rating upgrade?

After raising its outlook from stable to positive in June 2018, S&P could move to upgrade Bulgaria's sovereign credit rating further, this time into investment grade territory at 'BBB', thus aligning itself with Moody's and Fitch.

While our main scenario is still for an unchanged rating, an upgrade is possible given that some of the reasons cited for a potential upgrade in June seem to be in place- namely improved domestic financial conditions, strengthened fiscal and external buffers and declining non-performing loans. Still others - namely the balance of payments or imminent admission to the European Exchange Rate Mechanism II, are less supportive. The process to join the European Banking Union and participate in the ERM II are important milestones and help to temper worries about the domestic financial system.

✓ Weak 3Q growth figures won't stop Czech National Bank from tightening

Flash 3Q GDP growth ended below both the market's and the Czech National Bank's (CNB) forecast

(2.3% year-on-year vs. 2.7%). A revised estimate released next week should confirm that household consumption remains the main driver of growth, with the weaker-than-expected figure driven mainly by volatile investments and inventories. The data should be no game changer for the CNB, which should continue to tighten monetary policy gradually. This will be delivered via higher rates, as the Czech koruna will most likely appreciate more slowly than the CNB's forecast assumes.

Poland: An insight into the strong surplus

According to the Ministry of Finance's Teresa Czerewińska, the central budget achieved a strong surplus of PLN 6 billion at the end of October. Next week's budget data should provide greater detail about the reason for this surplus, i.e. additional revenues or lower expenses.

A final GDP reading is likely to confirm 5.1% year-on-year growth with a strong contribution from both private consumption and investments. The contribution from net exports is expected to be close to the neutral level of zero percentage points.

EMEA and Latam Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|------------------------------|------|--|----------|--------|----------|
| Sunday 25 November | | | | | |
| Hungary | 2300 | Nov Economic Sentiment | 8.3 | - | 7.2 |
| | 2300 | Nov Business Confidence | 14.0 | - | 13.1 |
| | 2300 | Nov Consumer Confidence | -8.0 | - | -9.5 |
| Serbia | 1100 | Sep Real Wages (YoY%) | - | - | 3.5 |
| Monday 26 November | | | | | |
| Turkey | 1130 | Nov Real Sector Confidence Index, SA | - | - | 91.1 |
| | 1130 | Nov Industrial Confidence | - | - | 87.6 |
| | 1130 | Nov Capacity Utilization (%) | - | - | 75.4 |
| Poland | 0900 | Oct Unemployment Rate (%) | 5.6 | - | 5.7 |
| | - | Oct Budget Perf. (YTD) | - | - | 2.1 |
| Czech Rep | 0800 | Nov Business Confidence | - | - | 16.8 |
| | 0800 | Nov Consumer & Business Confidence | - | - | 15.4 |
| | 0800 | Nov Consumer Confidence | - | - | 9.5 |
| Croatia | 1000 | Sep Real Wages (YoY%) | - | - | 2.6 |
| Mexico | 1400 | Sep Retail Sales (YoY%) | 4.1 | - | 3.9 |
| Tuesday 27 November | | | | | |
| South Africa | 1000 | 4Q BER Business Confidence | - | - | 38.0 |
| Brazil | 1230 | Oct C/A Balance (\$mn) | 1200 | - | 31.79 |
| Mexico | 1400 | Oct Unemployment Rate SA (%) | 3.3 | - | 3.3 |
| Wednesday 28 November | | | | | |
| Croatia | 1000 | 3Q P GDP (YoY%) | - | - | 2.9 |
| South Africa | 0700 | 3Q Consumer Confidence | - | 15.0 | 22.0 |
| Mexico | - | Mexican Central Bank Releases Inflation Report | | | |
| Thursday 29 November | | | | | |
| Romania | 0700 | Oct Unemployment Rate, 15 - 74 Yrs Old, SA | - | - | 4.1 |
| Croatia | 1000 | Oct Industrial Production (SA, YoY%) | - | - | -2.6 |
| South Africa | 0600 | Oct M3 Money Supply (YoY%) | - | - | 7.0 |
| | 0600 | Oct Private Sector Credit (YoY%) | - | - | 6.3 |
| | 0930 | Oct PPI (MoM/YoY%) | -/- | -/- | 0.5/6.2 |
| Israel | 1100 | Oct Monthly Unemployment Rate (%) | - | - | 4.0 |
| Brazil | 1100 | Oct Unemployment Rate (%) | 11.7 | - | 11.9 |
| Mexico | 1500 | Central Bank Monetary Policy Minutes | | | |
| Friday 30 November | | | | | |
| Turkey | 0700 | Oct Trade Balance (US\$m) | -0.5 | - | -1.9 |
| Poland | 0900 | Nov P CPI (MoM/YoY%) | -/- | -/- | 0.4/1.8 |
| | 0900 | 3Q F GDP (QoQ/YoY%) | 1.7/5.1 | -/- | 1.7/5.1 |
| Czech Rep | 0800 | 3Q P GDP (QoQ/YoY%) | 0.5/2.4 | -/- | 0.4/2.3 |
| Hungary | 0800 | Sep F Trade Balance (€mn) | 268.0 | - | 268.0 |
| | 0800 | Oct PPI (MoM/YoY%) | -0.1/5.3 | -/- | 0.1/6.7 |
| Bulgaria | - | Bulgaria Sovereign Debt to be Rated by S&P | | | |
| Serbia | 1100 | Oct Industrial Production (YoY%) | - | - | -1.2 |
| | 1100 | Oct Trade Balance (€m) | - | - | -400.4 |
| | 1100 | Oct Retail Sales (YoY%) | - | - | 5.9 |
| Croatia | - | Oct M1 Money Supply (HRKmn) | - | - | 115502.2 |
| South Africa | 1200 | Oct Trade Balance (ZARbn) | - | - | -2.95 |
| | 1200 | Oct National Budget Balance (ZARbn) | - | - | 3.4 |
| Brazil | 1100 | 3Q GDP (QoQ/YoY%) | 0.7/1.1 | -/- | 0.2/1.0 |

Source: ING, Bloomberg

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