

## 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 Czerwińska, 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.
<b>Sunday 25 November</b>					
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
<b>Monday 26 November</b>					
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
<b>Tuesday 27 November</b>					
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
<b>Wednesday 28 November</b>					
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			
<b>Thursday 29 November</b>					
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			
<b>Friday 30 November</b>					
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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