

Key events in EMEA and Latam next week

Details behind first-quarter growth figures dominate next week. We'll discover what drove Hungary's second highest GDP growth rate ever, and find out whether a flash GDP estimate from the Czech Republic was a little too optimistic



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Poland: Second estimate of 1Q GDP to confirm decent economic performance

We expect the budget deficit to have narrowed in April from PLN4.5 billion to approximately PLN3 billion, in line with the Ministry of Finance's. VAT revenues should increase after a relatively soft first quarter. Public expenditures related to retirement payouts should garner more attention, as the government introduced a lump sum benefit for the elderly to be paid in late-April and May.

A second GDP estimate should confirm the initial 4.6% YoY reading. The breakdown is likely to show stable consumption at 4.2% YoY and relatively strong investment, with a growth rate of close to 7.0%. The net export contribution should be close to neutral after a strong downward revision of imports.

✓ Turkey: The only way is up?

Industrial production is stabilising thanks to stimulus measures introduced by the government for both households and companies. Accordingly, we expect 1Q growth to be -1.8% YoY, though the recovery in the period ahead will likely be slower than anticipated, given corporate balance sheet vulnerabilities and a weak capital flow outlook.

✓ National Bank of Hungary: Keeping things quiet - for now

The main event next week is the National Bank of Hungary's (NBH) rate setting meeting, but we don't expect any fireworks. The NBH has made clear several times that it doesn't intend to change the course of monetary policy until the new staff forecast is available in June. Against this backdrop of a weaker currency and higher inflation, accelerating wage growth and stronger GDP data, the NBH remains tight-lipped.

Hungary posted its second-highest GDP growth rate ever in the first quarter, at 5.3%. And next Friday, we'll get a detailed breakdown of the result. We suspect the figure was driven by domestic factors, with some positives from the trade side, too.

✓ Czech Republic: Possible downward growth revision for the first quarter

The flash GDP estimate came in at 0.5% quarter-on-quarter and 2.5% year-on-year growth in 1Q. The preliminary figure was broadly in line with expectations but the high contribution from industry came as a surprise. According to monthly figures, this component stagnated in the first-quarter. As such, we wouldn't be surprised by some downward revision to the 1Q GDP figure next Friday. Then again, the gross value added calculation might differ significantly from the real industrial production figures that are available on a monthly basis.

EMEA and Latam Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|-------------------------|------|---|---------|--------|----------|
| Sunday 26 May | | | | | |
| Brazil | 1430 | Apr C/A Balance (\$mn) | 50.0 | - | -494.2 |
| Monday 27 May | | | | | |
| Poland | 0900 | Apr Unemployment Rate (%) | 5.6 | - | 5.9 |
| | - | Apr Budget Level (YTD) | -3000.0 | - | -4489.8 |
| Hungary | 2300 | May Economic Sentiment | 2.5 | - | 2.9 |
| | 2300 | May Business Confidence | 6.2 | - | 7.1 |
| | 2300 | May Consumer Confidence | -8.2 | - | -8.9 |
| Croatia | 1000 | Apr Unemployment Rate (%) | - | - | 8.6 |
| | 1000 | Mar Real Wages (YoY%) | - | - | 2.8 |
| Israel | 1100 | Apr Monthly Unemployment Rate (%) | - | - | 3.9 |
| Tuesday 28 May | | | | | |
| Hungary | 1300 | Policy Rate (%) | 0.9 | - | 0.9 |
| | 1300 | Overnight Deposit Rate (%) | -0.05 | - | -0.05 |
| Mexico | 1400 | Apr Unemployment Rate (% SA) | 3.6 | - | 3.6 |
| Wednesday 29 May | | | | | |
| Croatia | 1000 | 1Q P GDP (YoY%) | - | - | 2.3 |
| Mexico | 1800 | Mexican Central Bank Releases Inflation Report | | | |
| Thursday 30 May | | | | | |
| Poland | 1300 | National Bank of Poland Publishes Minutes of Rate Meeting | | | |
| Hungary | 0800 | Mar Avg Gross Wages (YoY%) | 12.2 | - | 12.1 |
| Croatia | 1000 | Apr Retail Sales (YoY%) | - | - | 5.7 |
| South Africa | 0700 | Apr M3 Money Supply (YoY%) | - | - | 7.0 |
| | 0700 | Apr Private Sector Credit (YoY%) | - | - | 6.1 |
| | 1030 | Apr PPI (MoM/YoY%) | -/- | -/- | 1.3/6.2 |
| | 1300 | Apr National Budget Balance (ZARbn) | - | - | -20.3 |
| Brazil | 1300 | 1Q GDP (QoQ/YoY%) | -/- | -/- | 0.1/1.07 |
| Mexico | 1500 | Central Bank Monetary Policy Minutes | | | |
| Friday 31 May | | | | | |
| Turkey | 0700 | 1Q19 GDP (YoY%) | -1.8 | - | -3.0 |
| | 0800 | Apr Trade Balance (US\$mn) | -3.0 | - | -2.1 |
| Poland | 0900 | 1Q F GDP (QoQ/YoY%) | 1.4/4.6 | -/- | 1.4/4.6 |
| Czech Rep | 0800 | 1Q P GDP (QoQ/YoY%) | 0.4/2.4 | -/- | 0.5/2.5 |
| Hungary | 0800 | Mar F Trade Balance (€mn) | 677.0 | - | 677.0 |
| | 0800 | 1Q F GDP (QoQ/YoY%) | 1.5/5.3 | -/- | 1.5/5.3 |
| Serbia | 1100 | Apr Industrial Production (YoY%) | - | - | -2.8 |
| | 1100 | 1Q F GDP (YoY%) | - | - | 2.3 |
| | 1100 | Apr Retail Sales (YoY%) | - | - | 9.5 |
| | 1100 | Apr Trade Balance (€m) | - | - | -507.0 |
| Croatia | 1000 | Apr Industrial Production (YoY%, SA) | - | - | 3.0 |
| | - | Apr M1 Money Supply (HRKmn) | - | - | 119555.5 |
| South Africa | 1300 | Apr Trade Balance (ZARbn) | - | - | 5.0 |
| Brazil | 1300 | Apr Unemployment Rate (%) | 13.0 | - | 12.7 |

Source: ING, Bloomberg

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