

## Key events in EMEA and Latam next week

Data next week will reveal the extent of the decline in Czech GDP during the second quarter. Also watch out for inflation data in Poland and unemployment figures from Hungary



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### ✓ Hungary: Labour market supported despite misclassification of unemployment data

Soft indicators continue to show a rebound. After an improvement in consumer confidence in July, we see business sector confidence inching closer to pre-crisis levels. We also get the latest update on Hungary's labour market. Misclassification is still affecting the unemployment rate so the expected official 5% rate is more likely to be around 8% in reality. Wage growth should remain quite sound despite the Covid shock as previous wage hikes in manufacturing, an increase in the minimum wage and short-term work schemes continue to support the job market.

### ✓ Czech Republic: Double-digit decline expected for 2Q GDP

We get the flash GDP estimate for the second quarter next week, and for the first time it will be published 30 days after the end of the quarter, while previously it was 45 days later. As such, we do not have June's monthly statistics yet, which makes estimates less reliable. The Czech National Bank's median estimate of a quarter-on-quarter decline of almost 11% is equivalent to a 13%

year-on-year decline, while its older estimate pencilled in a year-on-year fall of 10%. As such, a double-digit annual decline seems a done deal given the adverse Covid-19 shock. For the whole of 2020, we expect a 7% contraction, though the pace of recovery in the second half will play an important role.

## ✓ Poland: Inflation expected to remain high

The flash CPI reading will be published on Friday. This shouldn't be a market event, as the central bank is focused on the real economy. CPI should remain elevated throughout the third quarter, given pent-up demand and Poles spending their holidays at home rather than abroad, pushing up prices in tourist regions. However, in the fourth quarter, we expect a fast deceleration in prices.

## EMEA Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Sunday 26 July</b>					
Hungary	2300	Jul Economic Sentiment	-14.3	-	-20.5
	2300	Jul Business Confidence	-9.9	-	-16.2
<b>Monday 27 July</b>					
Turkey	0800	Jul Real Sector Confidence Index SA	-	-	89.8
	0800	Jul Capacity Utilization (%)	-	-	66.0
Israel	1100	May Industrial Production (SA, MoM%)	-	-	0.1
Mexico	1200	Jun Unemployment Rate SA (%)	4.2	-	3.26
<b>Tuesday 28 July</b>					
South Africa	1030	1Q Employees Nonagricultural Industries (QoQ/YoY%)	-/-	-/-	0.2/0.2
Israel	-	Jun Leading 'S' Indicator (MoM%)	-	-	-1.8
Brazil	1430	Jun C/A Balance (\$mn)	2200	-	1326.4
<b>Wednesday 29 July</b>					
Turkey	0800	Jun Trade Balance (US\$bn)	-2.8	-	-3.4
	0830	Central Bank Inflation Report			
	0900	Jun Foreign Tourist Arrivals (YoY%)	-	-	-99.3
South Africa	0700	Jun M3 Money Supply (YoY%)	-	-	10.3
	0700	Jun Private Sector Credit (YoY%)	-	-	6.4
	0900	Jun CPI (MoM/YoY%)	-/-	-/-	-0.6/3.1
	0900	Jun Core CPI (MoM%, NSA)	-	-	-0.2
Brazil	1300	Jun Unemployment Rate (%)	13.2	-	12.9
<b>Thursday 30 July</b>					
Romania	0700	Jun Unemployment Rate Total 15 - 74 Years Old SA	-	-	5.2
Croatia	1000	Jun Retail Sales (YoY%)	-	-	-7.8
	1000	Jun Industrial Production (SA, YoY%)	-	-	-12.4
South Africa	1030	Jun PPI (MoM/YoY%)	-	-	-0.75
	1300	Jun National Budget Balance (ZARbn)	-	-	-52.4
Israel	1100	Jun Monthly Unemployment Rate (%)	-	-	4.2
Mexico	1200	2Q P GDP (YoY%)	-12.0	-	-1.37
<b>Friday 31 July</b>					
Poland	0900	Jul P CPI (MoM/YoY%)	-/-	-/-	0.6/3.3
Czech Rep	0800	2Q A GDP (QoQ/YoY%)	-9.2/-11.5	-/-	-3.4/-2.0
Hungary	0800	May Avg Gross Wages (YoY%)	8.0	-	7.8
	0800	May F Trade Balance (€mn)	155.5	-	155.5
Serbia	1100	Jun Retail Sales (YoY%)	-	-	4.7
	1100	Jun Industrial Production (YoY%)	-	-	-9.3
	1100	Jun Trade Balance (€m)	-	-	-348.2
Croatia	-	Jun M1 Money Supply (HRKmn)	-	-	146188
South Africa	1300	Jun Trade Balance (ZARbn)	-	-	15.9

Source: ING, Bloomberg

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