

## Key events in EMEA and Latam next week

Despite the global tightening era coming to an end, the rationale of hiking rates still persists in the EMEA sphere. The Czech central bank is pretty much set to make a move higher next week, but the National Bank of Hungary - even though data says otherwise, is likely to stay put (for now)



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### National Bank of Hungary: How behind are we?

Despite the upside surprise in March inflation data and the recent advance in oil prices, we expect the National Bank of Hungary's rate-setting meeting to be a non-event. The central bank made it clear in March it doesn't intend to change monetary policy until there is new staff projections for decision-makers. The prolonged 'wait-and-see' approach may cause some upward shift in EUR/HUF as the market continues questioning how far the NBH is falling behind the curve. The expected double-digit wage growth might just add to those jitters.

On the other hand, the upcoming PPI data might show some softening, but it won't be a game changer in terms of underlying inflation in the short-run. Other than this, we see manufacturing PMI falling in line with the latest Hungarian business sentiment indicator.

## ✔ Turkey: Higher oil prices should help pull up inflation

Following a decline in core inflation in March, which emerged largely through the weakness in domestic demand (which in turn eased pricing pressures), we expect April inflation to be 2.2% MoM. This would pull the annual figure up to 20.1%; higher oil prices and an adjustment in cigarette prices standing as our main arguments. In the period ahead, exchange rate developments will be key, though the current economic backdrop - with ongoing weakness in domestic demand and base effects - will remain supportive.

## ✔ A Czech rate hike is on the cards

Despite foreign uncertainties persisting, which suggests a more cautious approach in further monetary tightening, recent interviews with the Czech National Bank board appear to be relatively hawkish. T. Holub signalled a closing "opportunity window" for a hike in 1H19. J.Rusnok suggested a very narrow line between being on hold and hiking. M.Mora signalled a willingness to support a hike if forecasts enable that and - due to a weaker path for the CZK and a higher inflation trajectory, new forecast will more than likely indicate a hike. Moreover, a hike will be traditionally supported (again) by V. Benda and most likely by A.Michl too - both who voted for hikes during previous meetings. As such, given all recent signals from the board members, a hike seems like the most likely outcome next week now.

## ✔ Poland: PMI's still in contraction territory

We expect a stabilisation of CPI dynamics in April at 1.7% YoY. The core inflation figure should also remain unchanged at 1.4% YoY.

The PMI index is unlikely to recover, given the weakness of German manufacturing. Therefore, we suspect the headline figure will remain below the 50pt threshold.

## EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 29 April</b>					
Israel	1100	Feb Industrial Production (MoM%, SA)	-	-	5.4
<b>Tuesday 30 April</b>					
Russia	0700	Apr Markit Manufacturing PMI	-	-	52.8
Turkey	0800	Mar Trade Balance (US\$m)	-2.1	-	-2.1
	0830	Central Bank Inflation Report			
Poland	0900	Apr P CPI (MoM/YoY%)	0.5/1.7	-/-	0.3/1.7
Hungary	0800	Feb Avg Gross Wages (YoY%)	11.1	-	10.6
	0800	Mar PPI (MoM/YoY%)	-0.1/2.6	-/-	-0.3/2.7
	1300	Policy Rate (%)	0.9	-	0.9
Romania	0700	Mar Unemployment Rate	-	-	3.8
Serbia	1100	Mar Industrial Production (YoY%)	-	-	2.4
	1100	1Q P GDP (YoY%)	-	-	3.4
	1100	Mar Retail Sales (YoY%)	-	-	10.8
	1100	Mar Trade Balance (€m)	-	-	-471.6
Croatia	1000	Mar Industrial Production (YoY%, SA)	-	-	0.6
	1000	Mar Retail Sales (YoY%)	-	-	8.7
	-	Mar M1 Money Supply (HRKmn)	-	-	116342.9
South Africa	0700	Mar M3 Money Supply (YoY%)	-	-	5.3
	0700	Mar Private Sector Credit (YoY%)	-	-	6.0
	1300	Mar National Budget Balance (ZARbn)	-	-	10.9
	1300	Mar Trade Balance (ZARbn)	-	-	4.0
Israel	1100	Mar Monthly Unemployment Rate (%)	-	-	4.1
	-	Mar Leading 'S' Indicator (MoM%)	-	-	0.3
Brazil	1300	Mar Unemployment Rate (%)	-	12.7	12.4
Mexico	1400	1Q P GDP (YoY%)	-	-	1.7
<b>Thursday 2 May</b>					
Turkey	0800	Apr Markit/ISO Manufacturing PMI	-	-	47.2
Poland	0800	Apr Markit Manufacturing PMI	48.5	-	48.7
Czech Rep	0830	Apr Markit Manufacturing PMI	47.0	-	47.3
	1200	Repo Rate	2.0	-	1.75
	1300	Apr Budget Balance (CZKbn)	-	-	-9.2
Hungary	0800	Apr Manufacturing PMI	50.2	-	52.4
	0800	Feb F Trade Balance (€mn)	891.0	-	891.0
Romania	-	Apr FX Reserves (€bn, Net)	-	-	35865.1
Kazakhstan	-	Apr CPI (MoM/YoY%)	-/-	-/-	0.5/4.8
	-	Apr PPI (MoM/YoY%)	-/-	-/-	2.5/11.2
South Africa	1000	Apr Kagiso PMI	-	-	45.0
<b>Friday 3 May</b>					
Turkey	0800	Apr CPI (MoM/YoY%)	2.2/20.1	-/-	1.0/19.7
	0800	Apr Domestic PPI (MoM/YoY%)	-/-	-/-	1.6/29.6
	0800	Apr Core CPI (YoY%)	-	-	17.5
	1200	Monthly Aggregate Banking Data			
Romania	0700	Mar PPI (MoM/YoY%)	-/-	-/-	1.1/4.8
Brazil	1300	Mar Industrial Production (YoY%)	-	-3.6	2.0

Source: ING, Bloomberg

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