

## Key events in EMEA and Latam next week

Inflation data and clues about the state of manufacturing will take centre stage in EMEA and Latam next week



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### ✓ Hungary expected to be on the brighter side of 'soft' European indicators

In Hungary, we are looking for a further acceleration of PPI, as in Germany and China. Across Europe, 'soft' economic indicators have been mixed but we believe Hungary will be on the brighter side, with manufacturing PMI posting an increase - particularly because of recently announced new capacity, which should fuel optimism. Retail sales are to remain strong; we see a significant contribution from consumption in the 2Q18 GDP reading.

### ✓ Turkish prices are on the up

We expect July inflation at 0.9% pulling the annual figure up to 16.3% from 15.4%. This is due to the recent sharp increase in price pressures from the FX pass through, upward pressure from domestic PPI and unsupportive base effects.

### ✓ Will the Czech National Bank deliver yet another rate hike?

We were rather sceptical a few weeks ago that the Czech National Bank (CNB) would deliver

another rate hike following the one in June. But the latest comments from CNB representatives suggest that another hike next week is slightly more likely than remaining on hold.

Indeed, Chief Economist Tomas Holub signalled such a huge change in the recent staff forecast (due to the weak koruna) that even less hawkish board members might be persuaded to vote for another 25 basis point rate hike in August. This message from the chief economist had only limited impact on CZK, remaining above the 25.6 EUR/CZK level. Some board members might feel uncomfortable tightening monetary conditions just one month after a previous hike and might decide to remain on hold to see if weak CZK assumptions persist. The likelihood seems to be skewed to a hike now, which has become our base case.

## EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Friday 27 July</b>					
Russia	1130	Key Rate (%)	-	7.25	7.25
South Africa	-	South African Reserve Bank Holds General Meeting			
Israel	-	Jun Leading 'S' Indicator (MoM%)	-	-	0.25
<b>Monday 30 July</b>					
South Africa	0700	Jun M3 Money Supply (YoY%)	-	-	5.73
	1300	Jun National Budget Balance (ZARbn)	-	-	-17.69
<b>Tuesday 31 July</b>					
Turkey	0800	Jun Trade Balance (US\$mn)	-5.51	-	-7.76
	0830	Central Bank Inflation Report			
Poland	0900	Jul P CPI (MoM/YoY%)	-/-	-/-	0.1/2
Hungary	0800	Jun PPI (MoM/YoY%)	0.5/6.0	-/-	1.9/5.3
Romania	0700	Jun Unemployment Rate 15-74 Yrs Old SA	-	-	4.6
Serbia	1100	Jun Industrial Production (YoY%)	-	-	0.5
	1100	2Q P GDP (YoY%)	-	-	4.6
	1100	Jun Trade Balance (€m)	-	-	-377.4
	1100	Jun Retail Sales (YoY%)	-	-	3.5
Croatia	1000	Jun Industrial Production (SA, YoY%)	-	-	-0.7
	-	Jun M1 Money Supply (HRKmn)	-	-	106502
South Africa	1030	2Q Unemployment Rate (%)	-	-	26.7
	1300	Jun Trade Balance (ZARbn)	-	-	3.52
Israel	1100	Jun Monthly Unemployment Rate (%)	-	-	3.9
Brazil	1300	Jun Unemployment Rate (%)	-	-	12.7
Mexico	1400	2Q P GDP (YoY%)	-	-	1.3
<b>Wednesday 1 August</b>					
Russia	0700	Jul Market Manufacturing PMI	-	-	49.5
Turkey	0800	Jul Market/ISO Manufacturing PMI	-	-	46.8
Poland	0800	Jul Market Manufacturing PMI	-	-	54.2
Czech Rep	0830	Jul Market Manufacturing PMI	56.5	-	56.8
	1300	Jul Budget Balance (CZKbn)	-	-	-5.88
Hungary	0800	Jul Manufacturing PMI	54.9	-	53
	2300	Richter Publishes 2Q Earnings			
Romania	-	Jul FX Reserves (€bn, Net)	-	-	35348.8
Kazakhstan	-	Jul CPI (MoM/YoY%)	-/-	-/-	0.2/5.9
	-	Jul PPI (MoM/YoY%)	-/-	-/-	3/22.2
South Africa	1000	Jul Kagiso PMI	-	-	47.9
Brazil	-	Selic Rate	-	6.5	6.5
<b>Thursday 2 August</b>					
Czech Rep	1200	Repo Rate	1.25	-	1
Hungary	0800	May F Trade Balance (€mn)	577	-	577
Romania	0700	Jun PPI (MoM/YoY%)	-/-	-/-	0.83/5.2
Brazil	1300	Jun Industrial Production (YoY%)	-	-	-6.6
Mexico	1900	Overnight Rate	-	-	7.75
<b>Friday 3 August</b>					
Turkey	0800	Jul CPI (MoM/YoY%)	0.9/16.3	-/-	2.6/15.4
	0800	Jul Domestic PPI (MoM/YoY%)	-/-	-/-	3.0/23.7
	0800	Jul Core CPI (YoY%)	-	-	14.6
Czech Rep	-	Czech Sovereign Debt to be Rated by Fitch			
Hungary	0800	Jun Retail Sales (YoY%)	7.4	-	7.7
Romania	0700	Jun Retail Sales (MoM/YoY%)	-/-	-/-	2.1/6.6
South Africa	0815	Jul HSBC PMI SA	-	-	50.9

Source: ING, Bloomberg

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