

## Key events in EMEA and Latam next week

Quite a busy week of data ahead for the EMEA and Latam regions. Watch out for GDP data, some CPI releases and industry data which will reveal what impact the second lockdown has had on economic activity



Source: Shutterstock

### Hungary: Heavy week of data for retail, industry, and GDP

Next week's calendar for Hungary will be quite heavy, headlined by the first hard data for the fourth quarter. October will still show some growth in the retail sector as the new containment measures only came into effect in November. We expect the good series of industrial data to continue based on soft indicators and the order books, so industrial production could show a positive year-on-year figure. With the revised third quarter GDP data, we will know the details behind the rebound. Our bet is on services and industry.

### Russia: Uptick in CPI means the key rate will likely stay on hold for now

Russian CPI is likely to pick up from 4.0% year-on-year in October to at least 4.3% YoY in November due to higher global grain prices, recent rouble depreciation, and the lack of Black Friday promotions this year. This will mean a high likelihood of an unchanged key rate at 4.25% this

December, but it does not mean a reversal in the Bank of Russia's overall dovish stance, as confirmed this week by Governor Elvira Nabiullina. Based on the temporary nature of the current CPI uptick and likely weakness in the Russian growth story in 2021 we continue to expect a small reduction of 25-75 basis points in the key rate from the current level, depending on the global emerging market trends.

### **Czech Republic: Despite 3Q GDP accelerating, expect a 4Q decline from renewed lockdowns**

We will get detailed 3Q GDP data next week in the Czech Republic. While the economy accelerated solidly by more than 6% quarter-on-quarter, according to the flash estimate, it will decline again in the last quarter. Next year's outlook is mixed; more positive news related to vaccination vs. the assumption that Covid restrictions will continue to weigh on growth in the first half of the year. The November PMI should remain above 50 points but lag behind its counterpart from Germany, and 3Q wage growth should accelerate by around 3.5% YoY in nominal terms (0.5% real terms) after a weak 2Q (0.5% YoY nominal, -2.5% YoY real) affected by coronavirus economic restrictions.

### **Turkey: 4Q growth to lose momentum and November inflation to tick upwards**

As the 3Q data shows a continued strong recovery, we expect GDP growth in this period to be 4.5% YoY, though the pace of activity will likely lose momentum given moves by the Banking Regulation and Supervision Authority and the Central Bank of Turkey.

November inflation will likely push the annual figure up to 12.6% from 11.9% a month ago given the continuing impact of food prices and pass-through from currency volatility.

## EMEALatam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 30 November</b>					
Turkey	0700	Q3 GDP Quarterly (YoY%)	4.5		-9.9
	0700	Oct Trade Balance	-		-4.83
South Africa	0600	Oct M3 Money Supply (YoY%)	-		9.48
	1200	Oct Trade Balance (Incl. Region)	-		33.51
Hungary	0800	Sep Average Gross Wages (YoY%)	8.7	-	9.1
<b>Tuesday 1 December</b>					
Russia	0600	Nov Markit Manufacturing PMI	-		46.9
Turkey	0700	Nov Manufacturing PMI	-		53.9
Poland	0800	Nov Markit Manufacturing PMI	-		50.8
	0900	Nov CPI (MoM/YoY%)	-/-	-	0.1/3.0
Hungary	0800	Nov Manufacturing PMI	48.9	-	50.1
	0800	Q3 GDP (QoQ/YoY%)	11.3/-4.6	-	11.3/-4.6
	0800	Oct PPI (MoM/YoY%)	0.5/5.8	-	
Czech Rep	0830	Nov Markit PMI	52.5		51.9
	0800	Q3 GDP (QoQ/YoY%)	6.2/-5.8		6.2/-5.8
	1300	Budget balance (CZK bn)			-274.0
<b>Wednesday 2 December</b>					
Poland	-	NBP Base Rate	-		0.1
Brazil	1200	Oct Industrial Output (YoY%)	5.5	-	3.4
<b>Thursday 3 December</b>					
Turkey	0700	Nov CPI (MoM%)	1.0		2.13
South Africa	0715	Nov Std Bank Whole Econ PMI	-		51.0
Brazil	1200	Q3 GDP (QoQ/YoY%)	9.4/-3.2	9.0/-3.5	-9.7/-11.4
Hungary	0800	Oct Retail Sales (YoY%)	-1.4	-	-2.0
<b>Friday 4 December</b>					
Russia	1600	Nov CPI (MoM/YoY%)	0.6/4.3	-	0.4/4.0
Hungary	0800	Oct Industrial Production (MoM/YoY%)	1.4/1.0	-	2.3/-1.0
Czech Rep	0800	3Q average real monthly wage (% YoY)	0.5	-	-2.5
	0830	November share of unemployed people	3.7	-	3.7

Source: ING, Refinitiv

### Authors

#### Peter Virovacz

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

#### Dmitry Dolgin

Chief Economist, CIS

[dmitry.dolgin@ing.de](mailto:dmitry.dolgin@ing.de)

#### Muhammet Mercan

Chief Economist, Turkey

[muhammet.mercan@ingbank.com.tr](mailto:muhammet.mercan@ingbank.com.tr)

### Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial

instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.