

## Key events in EMEA and Latam next week

Czech consumers to remain confident, continued deceleration in Hungary and the Romanian central bank seems sceptical on budging its rates. Read more for an insight into why the week ahead for EMEA and Latam is a mixed bag



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### ✓ No change in the National Bank of Poland's policy

We expect a little deterioration of sentiment in manufacturing with the PMI index mirroring developments of this sector's confidence in Germany. CPI inflation should remain low compared with other CEE states, supporting no change in the National Bank of Poland's policy.

### ✓ Czech retail sales may disappoint but consumer sentiment remains strong

While the PMI is likely to remain close to its May level, retail sales might slightly disappoint. While the number of working days in year-on-year terms were the same, the distribution of two public holidays differed. This year's holidays were on a Tuesday instead of last year's Monday. The Tuesday holiday will have motivated prolonged weekend breaks that could cause slightly weaker sales in year-on-year terms. Still, consumer confidence hit an historical high in May so consumer sentiment remains strong.

## ✓ Continued deceleration in Hungary

In Hungary, we see the economic activity indicators showing further deceleration. On the one hand, a deceleration in both the industry and the retail sectors would fit the trend. On the other hand, last year's high base will have a lot to do with the weak May readings. We expect the budgetary situation to worsen as there is still no sign that the government stopped the pre-financing of EU projects.

## ✓ Turkish inflation on the rise

We expect June inflation to come in at 1% pulling the annual figure up from 12.1% to 13.5%. This is given the intensifying inflationary pressures from the recent Turkish lira depreciation with repercussions on the outlook for core goods, upward pressure from domestic PPI dynamics and unsupportive base effects.

## ✓ Romanian central bank to keep the key rate unchanged

We expect the Romanian central bank (NBR) to keep the rate unchanged at 2.5% at the 4 July meeting, mentioning the need to assess the outlook better after more than 200bp in the tightening of lending rates in less than one year, despite CPI recently surprising to the upside. Nevertheless, with money market rates much higher than the key rate and with the Romanian leu under weakening pressure, we see a material chance (around 30%) of a 25bp hike.

## EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Friday 29 June</b>					
Russia	1400	1Q F C/A (US\$mn)	-	-	28800
Turkey	0800	May Trade Balance (US\$mn)	-7.7	-7.7	-6.69
Czech Rep	0800	1Q F GDP (QoQ/YoY%)	-/-	0.4/4.4	0.4/4.4
Hungary	0800	May PPI (MoM/YoY%)	0.2/3.4	-/-	-0.3/2.7
Kazakhstan	-	1Q C/A (US\$mn)	-	-	-95
	-	1Q F GDP YTD YoY	-	-	4.1
Serbia	1100	May Industrial Production (YoY%)	-	-	3.1
	1100	May Trade Balance (€m)	-	-	-452.4
	1100	May Retail Sales (YoY%)	-	-	5.1
Croatia	1000	May Industrial Production (SA, YoY%)	-	-	-1.3
	-	1Q C/A balance	-	-	-674.2
	-	May M1 Money Supply (HRKmn)	-	-	101972
South Africa	0700	May M3 Money Supply (YoY%)	-	6.31	6.39
	0700	May Private Sector Credit (YoY%)	-	4.92	5.07
	1300	May Trade Balance (ZARbn)	-	5.8	1.14
	1300	May National Budget Balance (ZARbn)	-	-	-43.71
Brazil	1300	May Unemployment Rate (%)	12.7	12.6	12.9
<b>Monday 2 July</b>					
Russia	0700	Jun Markit Manufacturing PMI	-	-	49.8
	-	1Q F GDP (YoY%)	-	-	1.3
Turkey	0800	Jun Markit/ISO Manufacturing PMI	-	-	46.4
Poland	0800	Jun Markit Manufacturing PMI	52.8	53.1	53.3
	0900	Jun P CPI (MoM/YoY%)	0.0/1.8	0.1/2	0.2/1.7
Czech Rep	0830	Jun Markit Manufacturing PMI	56.5	-	56.5
	1300	Jun Budget Balance (CZKbn)	-	-	-23.09
Hungary	0800	Jun Manufacturing PMI	55.9	-	55.4
Romania	0700	May Unemployment Rate Total SA	-	-	4.6
	-	Jun FX Reserves (€bn, Net)	-	-	36841.8
South Africa	1000	Jun Kagiso PMI	-	-	49.8
<b>Tuesday 3 July</b>					
Turkey	0800	Jun CPI (MoM/YoY%)	1.0/13.5	-/-	1.6/12.2
	0800	Jun Domestic PPI (MoM/YoY%)	-/-	-/-	3.8/20.2
	0800	Jun Core CPI (YoY%)	1.1/13.8	-	12.64
Hungary	0800	May Retail Sales (YoY%)	5.4	-	6.1
	0800	Apr F Trade Balance (€mn)	536	-	536
Romania	0700	May Retail Sales (MoM/YoY%)	-/-	-/-	1.7/7.9
	0700	May PPI (MoM/YoY%)	-/-	-/-	0.38/4.2
Kazakhstan	-	Jun CPI (MoM/YoY%)	-/-	-/-	0.2/6.2
	-	Jun PPI (MoM/YoY%)	-/-	-/-	2.6/18.3
Israel	-	Jun Foreign Currency Balance (US\$bn)	-	-	114.7
<b>Wednesday 4 July</b>					
Czech Rep	0800	May Retail Sales (YoY%)	2.7	-	4.7
	0800	May Retail Sales Excl. Motor Vehicles (YoY%)	4.3	-	5.6
Hungary	1300	Hungarian Central Bank's Minutes			
Romania	-	Repo rate (%)	2.5	-	2.5
South Africa	0815	Jun HSBC PMI SA	-	-	50
Brazil	1300	May Industrial Production (YoY%)	-3.3	-	8.9
<b>Thursday 5 July</b>					
Mexico	1500	Central Bank Monetary Policy Minutes			
<b>Friday 6 July</b>					
Russia	-	Jun CPI (MoM/YoY%)	-/-	-/-	0.4/2.4
	-	Jun Core CPI (YoY%)	-	-	2
Poland	1300	Jun Official Reserves Total	-	-	111762
Hungary	0800	May Industrial Production (MoM/YoY%)	0.8/2.1	-/-	0.2/2.9
	1000	Jun Budget Balance (YTD)	-1575	-	-1187.5
Romania	0700	1Q F GDP (SA, QoQ/YoY%)	-/-	-/-	0.04/4
	-	Romania Sovereign Debt to be rated by Fitch			
Serbia	1100	Jun HPPI (MoM/YoY%)	-/-	-/-	0.8/0.5
Croatia	1000	Jun PPI (MoM/YoY%)	-/-	-/-	0.9/2.9
	1000	May F Retail Sales (YoY%)	-	-	4.3
	-	Croatia Sovereign Debt to be rated by Fitch			
South Africa	0700	Jun Gross Reserves (US\$bn)	-	-	51.15
	0700	Jun Net Open Foreign Currency Position (US\$bn)	-	-	42.87
Brazil	1300	Jun Inflation (IPCA) (MoM/YoY%)	1.3/4.44	-/-	0.4/2.86

Source: ING, Bloomberg

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