

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



Source: Shutterstock

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.
Friday 29 June					
Russia	1400	1Q F C/A (US\$m)	-	-	28800
Turkey	0800	May Trade Balance (US\$m)	-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\$m)	-	-	-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
Monday 2 July					
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
Tuesday 3 July					
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
Wednesday 4 July					
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
Thursday 5 July					
Mexico	1500	Central Bank Monetary Policy Minutes	-	-	-
Friday 6 July					
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

[Click here to download a printer-friendly version of this table](#)

Author

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

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 www.ing.com.