

Key events in EMEA and Latam next week

Activity data from Hungary next week should confirm the positive momentum. Elsewhere, a central bank meeting in Poland is likely to be a non-event but discussions around the 2020 inflation outlook could prove interesting



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✓ Hungary: Activity data to confirm the good momentum

Next week's focus will be on the CPI data. We expect headline inflation to increase slightly, while both core inflation and tax-adjusted core inflation are likely to jump further due to energy price base effects. Despite the (expected) 4.0% CPI figure, we're not expecting any reaction from the National Bank of Hungary.

Elsewhere, April activity data should show that the positive momentum continues, with both retail and industry expected to accelerate somewhat. The May year-to-date budget deficit might surprise on the upside again, proving that there are sufficient resources behind the new fiscal measures.

✓ Poland: MPC to focus on the longer-term inflation outlook

CPI should remain stable in May at 2.2% YoY as the rise in food prices is likely to be offset by lower gasoline costs and core inflation - where we forecast a drop from 1.7% to 1.6% YoY. Last month's

increase relied on a seasonal distortion in the price of plane tickets, which added +0.25 percentage points to the headline figure, but this move should (at least) partially retract in May. However, upward pressure is expected from communication prices, as the biggest mobile operator increased basic fees.

The MPC meeting should be a non-event. We expect discussion to be focused on the 2020 CPI outlook. The Ministry of Energy recently announced that the freezing of electrical energy prices for enterprises will be abandoned in the second half of the year (effectively from July 2019). There is also no information about energy tariffs for households in 2020 - current comments suggest only that, in 2019, the lower prices will be sustained at the present lower level. The former decision should result in the arrival of some cost pressures next year.

However, we do not expect a material change in the MPC communication. Our CPI forecast for 2020 (2.8% YoY) remains close to the National Bank of Poland's March projections (2.7%). Furthermore, central banks assumptions regarding energy prices are rather conservative.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 3 June					
Russia	0700	May Markit Manufacturing PMI	-	-	51.8
Turkey	0800	May Markit/ISO Manufacturing PMI	-	-	46.8
	0800	May CPI (MoM/YoY%)	-/-	-/-	1.7/19.5
	0800	May Core CPI (YoY%)	-	-	16.3
	0800	May Domestic PPI (MoM/YoY%)	-/-	-/-	3.0/30.1
Poland	0800	May Markit Manufacturing PMI	49.0	-	49.0
Czech Rep	0830	May Markit Manufacturing PMI	-	-	46.6
	1300	May Budget Balance (CZKbn)	-	-	-29.7
Hungary	0800	May Manufacturing PMI	55.5	-	54.9
	0800	Apr PPI (MoM/YoY%)	0.4/3.4	-/-	0.0/2.7
Romania	-	May FX Reserves (€bn, Net)	-	-	37510.7
Kazakhstan	1200	Key Policy Rate (%)	-	-	9.0
	-	May CPI (MoM/YoY%)	-/-	-/-	0.5/4.9
	-	May PPI (MoM/YoY%)	-/-	-/-	1.1/12.5
South Africa	1000	May Kagiso PMI	-	-	47.2
Israel	-	BOI Publishes Minutes of Rate Meeting			
Tuesday 4 June					
Poland	0900	May P CPI (MoM/YoY%)	0.2/2.2	-/-	1.1/2.2
	-	Monetary Policy Council Rate Meeting			
Romania	0700	Apr PPI (MoM/YoY%)	-/-	-/-	0.8/5.3
	0700	Apr Unemployment Rate, SA	-	-	3.8
South Africa	1030	1Q GDP (QoQ-SAAR/YoY%)	-/-	-/-	1.4/1.1
Brazil	1300	Apr Industrial Production (YoY%)	1.8	-	-6.1
Wednesday 5 June					
Poland	-	Base Rate (%)	1.5	-	1.5
Czech Rep	0800	Apr Retail Sales (YoY%)	-	-	2.7
	0800	Apr Retail Sales ex. Motor Vehicles (YoY%)	-	-	4.3
Hungary	0800	Apr Retail Sales (YoY%)	6.2	-	5.9
Romania	0700	Apr Retail Sales (MoM/YoY%)	-/-	-/-	0.6/9.2
South Africa	1030	May SACCI Business Confidence	-	-	93.7
Thursday 6 June					
Russia	-	May CPI Core (YoY%)	-	-	4.6
	-	May CPI (MoM/YoY%)	0.4/5.2	0.3/5.1	0.3/5.2
Czech Rep	0800	Apr Construction Output (YoY%)	-	-	11.6
	0800	Apr Trade Balance (CZKmn)	-	-	21.8
	0800	Apr Industrial Output (YoY%)	-	-	0.1
Hungary	0800	Apr Industrial Production (MoM/YoY%)	0.6/8.4	-/-	-8.0
Ukraine	1200	Key Rate (%)	-	-	17.5
Romania	0700	1Q P GDP (SA, QoQ, SA/YoY%)	1.3/5.0	-/-	1.3/5.0
Bulgaria	0900	1Q F GDP (QoQ/YoY%)	1.1/3.4	-/-	1.1/3.4
Serbia	1100	Repo Rate (%)	3.0	-	3.0
Israel	-	May Foreign Currency Balance (US\$bn)	-	-	118.7
Friday 7 June					
Poland	1300	May Official Reserves Total	-	-	117016.7
Czech Rep	0900	May International Reserves (US\$bn)	-	-	142.9
Hungary	0800	May CPI (MoM/YoY%)	0.7/4.0	-/-	0.9/3.9
	1000	May Budget Balance (YTD)	-240.0	-	-39.0
	1100	Hungarian Finance Minister Varga Speaks to Amcham			
Romania	0700	Apr Net Wages (YoY%)	-	-	13.7
Bulgaria	0900	Apr Industrial Production (MoM/YoY%)	-/-	-/-	-0.9/2.8
	0900	Apr Retail Sales (MoM%)	-	-	0.3
Serbia	1100	May HPPI (MoM/YoY%)	-/-	-/-	0.5/1.8
Croatia	1000	Mar Trade Balance (HRK m)	-	-	-5665.0
	1000	May PPI (MoM/YoY%)	-/-	-/-	0.8/2.5
South Africa	0700	May Gross Reserves (US\$bn)	-	-	49.5
	0700	May Net Open Foreign Currency Position (US\$bn)	-	-	43.3
Brazil	1300	May Inflation (IPCA) (MoM/YoY%)	0.2/4.7	-/-	0.6/4.9
Mexico	1400	May CPI (MoM/YoY%)	-0.4/4.2	-/-	0.1/4.4

Source: ING, Bloomberg

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