

Key events in EMEA and Latam next week

PMI data across EMEA may reflect the rising Covid-19 cases in Europe. Rate decisions in the Czech Republic and Poland are likely to be non-events, but keep an eye on CPI data from Russia and Turkey



Source: Shutterstock

✓ Turkey: Inflation marginally higher

In October, we envisage inflation of 2.1% month-on-month, translating into 11.9% on an annual basis, slightly up from 11.7% a month ago.

Monthly inflation is likely to be impacted by exchange rate developments on some items like transport, while adjustment in electricity fee should be another driver.

✓ Russia: CPI boost unlikely to move markets

Russian CPI is likely to pick up from 3.7% YoY in September to 4.0% YoY in October, however, this is unlikely to be market-moving for Russia, as the central bank is clearly downplaying the importance of near-term CPI pressure and guiding towards below-target CPI for 2021.

Also, statistical releases next week will obviously be overshadowed by the US elections and Russian FX sales for November, which are likely to stay at an elevated level of \$2.5 bn, including extra FX sales for one-off transactions with Sberbank and Aeroflot.

✓ Czech Republic: PMI, industrial production and retail sales rebound, but could be short lived

Given the better manufacturing readings in the Eurozone and Germany in October, we should see also some improvement in the Czech PMI reading next week, and also September industrial production might improve as somehow weak August readings were caused by company holidays.

Also, retail sales might signal solid household demand, but only temporary because October brought new restrictions due to second-wave of Covid and so far improving trend was abruptly disturbed at the beginning of 4Q20.

✓ Poland: PMI to decline amidst second wave, but rates to stay on hold

A quiet week in Poland in terms of economic releases.

We expect a small decline in manufacturing PMI, reflecting worsening outlook in the face of the pandemic. The central bank meeting is unlikely to bring new news.

MPC speakers confirmed that the central bank aims to keep rates on hold for a long time and remains unconcerned with PLN weakness.

EMEA Latam Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Monday 2 November				
Russia	0600 Oct Markit Manufacturing PMI - Bank of Russia releases quarterly monetary report	-	-	48.9
Turkey	0700 Oct Markit/ISO Manufacturing PMI	-	-	52.8
Poland	0800 Oct Markit Manufacturing PMI	50.2	-	50.8
Czech Rep	0830 Oct Markit Manufacturing PMI	52.5	-	50.7
	1300 Oct Budget Balance (CZKbn)	-	-	-252.7
Hungary	0800 Oct Manufacturing PMI	-	-	48.8
	0800 Sep PPI (MoM/YoY%)	-/-	-/-	0.7/3.6
Ukraine	- National Bank of Ukraine Publishes Minutes of Rate Meeting			
Romania	- Oct FX Reserves (€bn, Net)	-	-	37954
Kazakhstan	- Oct CPI (MoM/YoY%)	-/-	-/-	0.3/7
	- Oct PPI (MoM/YoY%)	-/-	-/-	2.4/-3.7
South Africa	0900 Oct Kagiso PMI	-	-	58.3
	- Oct NAAMSA Vehicle Sales (YoY%)	-	-	-23.9
Tuesday 3 November				
Turkey	0700 Oct CPI (MoM/YoY%)	2.1/11.9	-/-	0.97/11.32
	0700 Oct Domestic PPI (MoM/YoY%)	-/-	-/-	2.65/14.33
Romania	0700 Sep PPI (MoM/YoY%)	-/-	-/-	-0.19/-0.66
Brazil	1100 Central Bank Meeting Minutes			
Wednesday 4 November				
Poland	- Base Rate (%)	0.10	-	0.10
	- Monetary Policy Council Rate Meeting			
Hungary	1300 Hungarian Central Bank's Minutes			
	1700 Magyar Telekom 3Q Earnings Report			
South Africa	0715 Oct HSBC PMI SA	-	-	49.4
Brazil	1200 Sep Industrial Production (YoY%)	-1.0	-	-2.7
Thursday 5 November				
Czech Rep	0800 Sep Retail Sales (YoY%)	1.5	-	-2.6
	0800 Sep Retail Sales Excl. Motor Vehicles (YoY%)	0.5	-	0.0
	1330 Repo Rate (%)	0.25	-	0.25
	1445 CNB news conference			
Hungary	0800 Sep Retail Sales (YoY%)	-	-	-0.7
	2300 OTP Bank and Mol 3Q Earnings Report			
Romania	0700 Sep Retail Sales (MoM/YoY%)	-/-	-/-	-1.6/2.3
South Africa	1100 Sep Electricity Production (YoY%)	-	-	-2.4
	1100 Sep Electricity Consumption (YoY%)	-	-	-0.4
Israel	- Oct Foreign Currency Balance (US\$bn)	-	-	160.6
	- Bank of Israel Publishes Minutes of Rate Meeting			
Friday 6 November				
Russia	1600 Oct CPI (MoM/YoY%)	0.4/4.0	-/-	-0.1/3.7
	1600 Oct CPI Core (YoY%)	-	-	3.3
Poland	1300 Oct Official Reserves Total	-	-	139496
	1300 National Bank of Poland Publishes Minutes of Rate Meeting			
Czech Rep	0800 Sep Construction Output (YoY%)	-	-	-9.7
	0800 Sep Trade Balance (CZKmn)	14.0	-	7.6
	0800 Sep Industrial Output (YoY%)	-1.5	-	-8.0
Hungary	0800 Sep Industrial Production (MoM/YoY%)	-/-	-/-	6.8/-0.2
	- Oct Budget Balance (YTD)	-	-	-2270.3
Kazakhstan	- Oct International Reserves (US\$bn)	-	-	33.8
Serbia	1100 Oct HPPI (MoM/YoY%)	-	-	-0.3/-1.7
South Africa	0600 Oct Gross Reserves (US\$bn)	-	-	54.4
	0600 Oct Net Open Foreign Currency Position (US\$bn)	-	-	50.7
Brazil	1200 Oct Inflation (IPCA) (MoM/YoY%)	-	-	0.64/3.14

Source: ING, Bloomberg

Authors

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

Piotr Poplawski

Senior Economist, Poland

piotr.poplawski@ing.pl

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>.