

Key events in EMEA and Latam next week, from 3 November

There's another packed EMEA calendar next week. Expect inflation readings to be subdued in Hungary and Turkey, and we're not expecting any surprises from the Polish central bank meeting



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✓ Czech National Bank's meeting likely to go for stability of rates

Despite a hawkish tilt of the last September Czech National Bank's (CNB) meeting, we still believe that stability of rates is more likely outcome next week, despite the fact that the new forecast will remain relatively hawkish and recommend to hike and also ex-CNB Chief economist and new board member Tomas Holub mentioned 50 percentage chance he will vote for a hike next week. However, foreign uncertainty remains elevated and also deceleration of September CPI to 2.7% might bring some comfort to those Board members, who were more concerned of hitting 3% upper tolerance band. As such, majority of Board members will support stability of rates, in our view. Even vice-governor Marek Mora, backing the hike in September, said that his vote is not certain. Also, O. Dedek and also Governor Rusnok see stability of rates more likely, after balancing all pros and cons. As such, on hold decision is more likely, despite new forecast might remain quite optimistic.

✓ Romania: Central bank on hold at 2.5%

With inflation floating around the 3.50% upper point of the central bank's inflation target band, and fiscal consolidation delayed by the electoral agenda, there is not much the National Bank of Romania can do but to keep things in check for a while. We see the key rate flat at 2.50% until the end of 2020.

✓ Turkey: Inflation downtrend to carry on

We expect a continuation of the inflation downtrend in October, pulling the annual figure to 8.9% (2.3% month-on-month) from 9.3% thanks to easing in cost-push factors, TRY stabilisation and still relatively weak demand. The trend will change direction in the last two months of the year because of unsupportive base effects.

✓ A packed Hungarian calendar

Hungary will face a busy calendar next week. We expect to see the activity indicators (both soft and hard) to show some improvement. Industrial production will jump significantly on last year's low base, while retail sales are expected to maintain the positive momentum as the labour market remains strong. The highlight of the week is the October inflation reading. We see a drop in the year-on-year headline CPI on non-core items (mainly on fuel and raw food). Despite a 0.2% MoM increase in core CPI, the high base will drag down the YoY reading.

✓ Poland: Don't expect much news

The next monetary policy committee meeting is unlikely to bring material news for monetary policy. The National Bank of Poland (NBP) will publish its new November inflation projections. According to recent comments by Governor Głapiński, it should bring minor downward revisions to GDP growth and upward ones to inflation. The central bank's staff projections are likely to present CPI below the 3.5% YoY threshold in the first quarter of 2020 and return towards the inflation target in the second half of 2020.

✓ Russia: Inflation likely to decelerate further

The recent weekly data suggests Russian CPI is likely to decelerate from 4.0% YoY in September to 3.7-3.8% in October. Global agriculture prices are declining, the ruble is stable, the government is struggling with executing its annual spending plan, while the population is returning to a savings-mode.

The current slowdown is mostly accounted for by the Bank of Russia, which has recently cut the key rate by 50bp, taking the level to 6.5%. It also lowered the year-end 2019 CPI forecast to 3.2-3.7%. A further cut at the upcoming December meeting is possible if CPI approaches the lower end of the forecast range, which is becoming increasingly likely.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Sunday 3 November					
Israel	-	Sep Leading 'S' Indicator (MoM%)	-	-	0.2
Monday 4 November					
Turkey	0700	Oct CPI (MoM/YoY%)	2.3/8.9	-/-	1.0/9.2
	0700	Oct Core CPI (YoY%)	7.2	-	7.5
	0700	Oct Domestic PPI (MoM/YoY%)	-/-	-/-	0.13/2.45
Poland	0800	Oct Markit Manufacturing PMI	47.5	-	47.8
Hungary	0800	Oct Manufacturing PMI	52.3	-	51.8
Ukraine	-	National Bank of Ukraine's Minutes			
Romania	0700	Sep PPI (MoM%/YoY%)	-/-	-/-	-0.3/3.3
South Africa	0930	Oct SACCI Business Confidence	-	-	92.4
Tuesday 5 November					
South Africa	0715	Oct HSBC PMI SA	-	-	49
	0800	3Q Consumer Confidence	-	-	5.0
Brazil	1100	COPOM Meeting Minutes			
Wednesday 6 November					
Russia	1300	Oct CPI Core (YoY%)	-	3.9	4
	1300	Oct CPI (MoM/YoY%)	0.2/3.8	0.2/3.8	-0.2/4.0
Poland	-	Base Rate (%)	1.50	1.50	1.50
Czech Rep	0800	Sep Construction Output (YoY%)	-	-	-2.4
	0800	Sep Trade Balance (CZKmn)	-	-	8.6
	0800	Sep Industrial Output (YoY%)	-	-	-3.8
Hungary	0800	Sep Retail Sales (YoY%)	6.0	-	5.8
	1300	Central Bank Minutes			
Romania	0700	Sep Retail Sales (MoM%/YoY%)	-/-	-/-	0.4/8
	-	Repo rate (%)	2.50	-	2.50
Thursday 7 November					
Poland	1300	Oct Official Reserves Total (mn)	-	-	120871
Czech Rep	0800	Sep Retail Sales (YoY%)	-	-	1.4
	0800	Sep Retail Sales Excl. Motor Vehicles (YoY%)	-	-	3.7
	0900	Oct International Reserves (US\$bn)	-	-	143.3
	1200	Repo Rate (%)	-	-	2.00
Romania	0700	Sep Avg Net Wages (YoY%)	-	-	14.1
Serbia	1100	Oct HPPI (MoM/YoY%)	-/-	-/-	0.1/-0.1
	1100	Repo Rate (%)	2.25	-	2.50
South Africa	0600	Oct Gross Reserves (US\$bn)	-	-	54.9
	0600	Oct Net Open Foreign Currency Position (US\$bn)	-	-	44.1
	1100	Sep Manufacturing Prod. (MoM%)	-	-	-1.8
	1100	Sep Manufacturing Production (SA, MoM%)	-	-	1.3
Israel	-	Oct Foreign Currency Balance (US\$bn)	-	-	119.5
Brazil	1200	Oct Inflation (IPCA) (YoY%)	2.55	2.63	2.9
	1200	Oct Inflation (IPCA) (MoM%)	0.12	0.14	0.0
Mexico	1200	Oct CPI (MoM%)	0.47	-	0.3
	1200	Oct CPI (YoY%)	2.95	-	3.0
Friday 8 November					
Czech Rep	0800	Oct Unemployment Rate (%)	-	-	2.7
Hungary	0800	Oct CPI (MoM/YoY%)	0.3/2.6	-/-	0.1/2.8
	0800	Sep Industrial Production (MoM/YoY%)	1.3/6.2	-/-	-1.2/2.7
	1000	Oct Budget Balance (YTD)	-444	-	-303.6
Ukraine	-	Oct CPI (MoM/YoY%)	-/-	-/-	0.7/7.5
Kazakhstan	-	Oct International Reserves (US\$bn)	-	-	28.8
Bulgaria	0900	Sep Industrial Production (MoM/YoY%)	-/-	-/-	-0.1/-1.3
	0900	Sep Retail Sales (MoM/YoY%)	-/-	-/-	-0.3/2.0
Croatia	1000	Aug Trade Balance (HRK m)	-	-	-4822.6
	1000	Oct PPI (MoM/YoY%)	-/-	-/-	0.2/-0.4

Source: ING, Bloomberg

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Author

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

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