

Key events in EMEA next week

A higher-than-consensus inflation print in Hungary could trigger a sharp market reaction, especially after the hawkish comments at the central bank's August rate-setting meeting



Source: Shutterstock

Hungarian inflation in focus amid busy data week

We have a very busy week ahead in Hungary. First of all, the first batch of hard data for July should reinforce our view that the Hungarian economy is not out of the woods yet. We expect both retail sales and industrial production to remain well below last year's levels.

Perhaps the most important data release will come on Friday when the Statistical Office will announce the inflation rate for August. We have made a last-minute change based on big data and anecdotal evidence. We see a significant rise in the month-on-month inflation print as the removal of food price caps may have a bigger pro-inflationary impact than we initially thought. Against this backdrop, food, fuel and services will be responsible for the rise in monthly inflation. However, with a favourable base effect, the year-on-year figure is expected to show continued disinflation. A higher-than-consensus inflation print could trigger a sharp market reaction, especially after the hawkish comments at the central bank's August rate-setting meeting.

We expect the trade balance to remain in surplus in July, while the fiscal situation could improve in August with better revenues thanks to buoyant tourism (partly related to the World Athletics

Championships in Budapest).

Key events next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 4 September					
Turkey	0800	Aug CPI (MoM%/YoY%)	-/-	/	9.49/47.83
Czech Rep	0800	Q2 Gross wages (YoY%)	-		-6.7
Tuesday 5 September					
Russia	0700	Aug S&P Global Services PMI	-		54
South Africa	0815	Aug Std Bank Whole Econ PMI	-		48.2
	1030	Q2 GDP (YoY%)	-		0.2
Wednesday 6 September					
Poland		NBP rate decision (Sep)	6.50		6.75
Czech Rep	0800	Jul Industrial Output (YoY%)	-		0.9
	0800	Jul Trade Balance	-		18.2
Hungary	0730	Jul Retail Sales (YoY%)	-7.8		-8.3
Thursday 7 September					
Czech Rep	0800	Jul Retail Sales (YoY%)	-		-4
Hungary	0730	Jul Industrial Output (YoY%)	-6.9		-3.8
Serbia	1100	Sep Benchmark Interest rate	6.5		6.5
South Africa	1000	Q2 Current Account	-		-66.2
Romania	0700	2Q23 GDP (YoY%)	1.1		1.1
Mexico	1300	Aug Headline Inflation	-		0.48
	1300	Aug Core inflation	-		0.39
Friday 8 September					
Russia	1700	Aug CPI (MoM%/YoY%)	0.25/5.1	/	0.6/4.3
	1700	Q2 GDP (YoY% quarterly revised)	4.9		4.9
Czech Rep	0800	Aug Unemployment Rate	-		3.5
Hungary	0730	Aug Core CPI (YoY%)	-		17.5
	0730	Aug CPI (YoY%)	16.3		17.6
	0730	Aug CPI MM NSA	0.6		0.3
	0730	Jul P Trade Balance	1200		1481
	1000	Aug Budget Balance	45		-44.3
Ukraine	1430	Aug CPI (MoM%/YoY%)	-/-	/	-0.6/11.3

Source: Refinitiv, ING

Author

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@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.