

## Key events in EMEA next week

Third quarter GDP data across the EMEA region next week is likely to reflect an improvement in economic activity. However, with the second wave of Covid-19 forcing fresh lockdowns, this is unlikely to last long



Source: Shutterstock

### Czech Republic: CPI deceleration

We expect Czech CPI to decelerate further to 3.0% from 3.2% in September, though a few opposing forces will play a role. Preliminary data suggests that food prices could fall again in monthly terms (though they are volatile and difficult to estimate) while electricity prices should also fall in October given announcements from the biggest providers. On the other hand, a weaker Czech koruna in the last two months could be slightly pro-inflationary, while fuel prices stagnated in month-on-month terms. Still, full-year inflation is heading towards 3.2%, the highest full-year reading since 2012.

### Hungary: Second wave to bring a new fiscal package and overshadow strong quarterly growth

We are still waiting for a new fiscal package from the Hungarian government in response to the second wave of the pandemic. The October budget data will give us a clue about how much room

there is to manoeuvre. In our view, there is a chance for a 1% of GDP package this year. We see headline inflation dropping significantly on base effects and fuel and service prices as the Covid-19 impact spills over into the economy. The mechanical rebound will elevate quarterly GDP growth into double-digit territory in the third quarter, but this will provide only temporary comfort as we are heading into the winter with a rapidly worsening pandemic situation.

### **Poland: Third quarter GDP rebound won't last long with cases back on the rise**

Third quarter flash GDP data should confirm a solid recovery after the first wave of the pandemic, largely reflecting a rebound in consumer spending. However the number of Covid-19 cases in Poland is on the rise, forcing the government to reintroduce much of the security measures seen in the second quarter. This means another dip in GDP this quarter.

Current account figures should confirm a solid surplus, confirming our 3% of GDP surplus call for this year. Poland continues to benefit from solid external demand and relatively low oil prices. In the fourth quarter, the situation may even improve, as new security measures domestically are likely to limit imports, while external demand should remain relatively good.

## **EMEALatam Economic Calendar**

Country	Time Data/event	ING	Survey	Prev.
<b>Saturday 7 November</b>				
Kazakhstan	- 3Q E C/A (US\$m)	-	-	94.6
<b>Monday 9 November</b>				
Poland	0800 National Bank of Poland Publishes Inflation Report			
Czech Rep	0900 Oct International Reserves (US\$bn)	-	-	157.8
Hungary	1000 Oct Budget Balance (YTD)	-2500	-	-2270.3
Ukraine	1430 Oct CPI (MoM/YoY%)	0.7/2.3	-/-	0.5/2.3
Romania	0700 Sep Trade Balance (€m)	-	-	-1513.9
Bulgaria	0900 Sep Industrial Production (MoM/YoY%)	-	-	0.7/-5.7
	0900 Sep Retail Sales (MoM/YoY%)	-/-	-/-	2.6/-12.2
Croatia	1000 Aug Trade Balance (HRK m)	-	-	-4826
Mexico	1200 Oct CPI (MoM/YoY%)	0.54/4.0	-	0.23/4.01
<b>Tuesday 10 November</b>				
Turkey	0700 Aug Unemployment Rate (%)	-	-	13.42
Czech Rep	0800 Oct CPI (MoM/YoY%)	0.2/3.0	-/-	-0.6/3.2
	0800 Sep Export Price Index (YoY%)	-	-	-0.5
	0800 Sep Import Price Index (YoY%)	-	-	-2.9
Hungary	0800 Oct CPI (MoM/YoY%)	0.0/2.8	-/-	-0.4/3.4
Romania	0700 Sep Avg Net Wages (YoY%)	-	-	7.6
Kazakhstan	- Oct International Reserves (US\$bn)	-	-	33.8
Croatia	1000 Oct PPI (MoM/YoY%)	-/-	-/-	-0.4/-4.6
South Africa	1100 Sep Manufacturing Production (SA, MoM%)	-	-	3.6
	1100 Sep Manufacturing Prod. (MoM%)	-	-	-10.8
<b>Wednesday 11 November</b>				
Russia	1300 Sep Trade Balance (US\$bn)	-	4.35	3.72
Turkey	0700 Sep C/A (US\$m)	-2.3	-	-4.63
Romania	0700 Oct CPI (MoM/YoY%)	0.1/2.1	-/-	-0.14/2.45
Brazil	1200 Sep Retail Sales (YoY%)	-	-	6.1
Mexico	1200 Sep Industrial Production (YoY%)	-5.0	-	-9.0
<b>Thursday 12 November</b>				
Russia	1600 3Q A GDP (YoY%)	-3.5	-4.0	-8.0
Romania	0700 Sep Industrial Production (MoM/YoY%)	-/-	-/-	3.9/-5.1
	0700 Sep Industrial Sales (MoM/YoY%)	-/-	-/-	-10.72/-3.05
Serbia	1100 Oct CPI (MoM/YoY%)	0.0/1.7	-	-0.5/1.8
	1100 Repo rate (%)	1.25	-	1.25
Croatia	1000 Sep Tourism arrivals (YoY%)	-	-	-47.62
South Africa	0930 3Q Unemployment Rate (%)	-	32.0	23.3
	0930 Sep Mining Production (MoM/YoY%)	-	-	6.81/-3.35
	0930 Sep Mining Production Volume Index YoY	-	-	12.67
	0930 Sep Mining Gold Production (YoY%)	-	-	-14.8
Israel	1100 Oct Trade Balance (US\$m)	-	-	-1733.7
Mexico	1900 Overnight Rate	4.25	-	4.25
<b>Friday 13 November</b>				
Turkey	0700 Sep Industrial Production (MoM/YoY%)	-/3.0	-/-	3.4/10.43
Poland	0900 3Q P GDP (YoY%)	-1.9	-	-8.9/-8.4
	0900 Oct F CPI (YoY%)	3.0	-/-	3
	1300 Sep C/A (€mn)	1702	-	947
Czech Rep	0900 Sep C/A (CZKbn)	-	-	16.37
	0800 CNB minutes			
Hungary	0800 3Q P GDP (SWDA, QoQ/YoY%)	10.5/-5.4	-	-14.6/-13.6
Romania	0700 3Q A GDP (SA, QoQ/YoY%)	7.7/-4.0	-	-11.9/-10.3
	- Sep C/A YTD (€m)	-	-	-5789
Bulgaria	0900 3Q P GDP (QoQ/YoY%)	6.0/-3.6	-	-10.01/-8.46

Source: ING, Bloomberg

## Authors

### **Peter Virovacz**

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

### **Piotr Poplawski**

Senior Economist, Poland

[piotr.poplawski@ing.pl](mailto: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>.