

Key events in EMEA next week

Russian retail sales and a possible rate hike in Hungary will be this week's highlights



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✓ Russia: Annual growth rates expected to decelerate

Russian activity data for June is likely to show moderation in the annual growth rates, primarily due to the base effect. But growth in retail trade should remain in double-digit territory. For the second half of the year, we are more cautious, as in addition to the statistical effects, consumption should become more constrained by the reopening of mass outward tourism while accelerating inflation will eat into real incomes. Still, the recovery trend could be supported by fiscal policy, if additional non-oil revenues collected from this year's budget are re-distributed in favour of current spending, ahead of September's parliamentary elections.

✓ Hungary: Rising inflation will strengthen the hawkish tone

In Hungary, the highlight of the coming week is the July rate setting meeting. After a significant upside surprise in inflation in June, we see the central bank continuing its hiking cycle with a 30bp effective move. This will put both the base rate and the one-week deposit rate at 1.20%. The National Bank of Hungary could also strengthen its hawkish message by moving the whole interest rate corridor upwards. With such a shift, the overnight deposit rate would move back to positive territory for the first time since early 2016. When it comes to the forward guidance, we see no

change to the hawkish tone. Later in the week, incoming labour market data will be pro-inflationary, with strong wage growth and a further drop in the unemployment rate (increasing the labour shortage) in Hungary.

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 26 July					
Turkey	1230	Weekly Gross FX Reserves	-		62.6
Kazakhstan	1000	Jul Base Interest Rate	-		9.0
Mexico	1200	Jun Jobless Rate	-		4.0
Tuesday 27 July					
Hungary	1300	Jul Hungary Base Rate	1.20		0.9
	1300	Jul O/N Deposit Rate	0.20		-0.05
Brazil	1100	Jun Current Account	-		3.8
	1100	Jun Foreign Direct Investment	-		1.2
Mexico	1200	May IGAE Economic Activity (YoY%)	-		22.3
	1200	Jun Trade Balance SA	-		-0.91
Wednesday 28 July					
Russia	2000	Jun Retail Sales (YoY%)	12.0	12.0	27.2
	2000	Jun Unemployment Rate	4.9	5.0	4.9
Hungary	0800	Jun Unemployment Rate 3M	4.0		4.1
Thursday 29 July					
South Africa	0700	Jun M3 Money Supply (YoY%)	-		1.8
	0700	Jun Private Sector Credit Extension	-		-0.42
	1030	Jun PPI (MoM/YoY%)	-/-		0.4/7.4
Brazil	1200	Jul IGP-M Inflation Index	-		0.6
	1300	Jun Central Government Balance	-		-20.95
Friday 30 July					
Turkey	0800	Jun Trade Balance	-		-4.13
Czech Rep	0800	Q2 Flash GDP (QoQ/YoY%)	-		-0.3/-2.4
Hungary	0800	May Trade Balance Final	97.0		97.0
	0800	May Average Gross Wages (YoY%)	8.5		10.3
South Africa	1300	Jun Trade Balance (Incl. Region)	-		54.6

Source: Refinitiv, ING, *GMT

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