

Key events in EMEA next week

In anticipation of the National Bank of Hungary's rate-setting meeting next week, we predict a 50bp raise in the base rate



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Hungary: unchanged GDP outlook with tightening on the horizon

The main event of the next week in Hungary is the rate setting meeting. The situation remains delicate and though the direction is crystal clear (tightening it is), we are not sure what we can exactly expect from the National Bank of Hungary. Our base case counts with the usual combination of rate hikes: 50bp raise in the base rate followed by a 30bp hike in the 1-week deposit rate on Thursday. However, should the EUR/HUF reach 400 again and stick to this stubbornly as we are approaching the day of the meeting, we would add a higher probability to a more aggressive rate hikes, especially taking into consideration the market pricing regarding the rates in the short run. Alongside with the decision, we will get the latest staff projections as well, where we see an unchanged GDP outlook, but an upwardly revised inflation path both for 2022 and 2023. This should nudge decisionmakers into further commitment of tightening in the second half of the year. We see an above 9% terminal rate in Hungary by the year-end.

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 27 June					
Mexico	1200	May Trade Balance SA	-		-4.3
Tuesday 28 June					
Hungary	1300	Jun Hungary Base Rate	6.4		5.9
Mexico	1200	May Jobless Rate	-		3.0
Wednesday 29 June					
Russia	1700	May Industrial Output	-5.0		-1.6
	1700	May Retail Sales (YoY%)	-15.0	-5.5	-9.7
	1700	May Unemployment Rate	4.3	4.5	4.0
Turkey	1200	May Bank NPL Ratio	-		2.8
Brazil	1300	Jun IGP-M Inflation Index	-		0.5
	-	May Central Government Balance	-		28.6
Thursday 30 June					
Turkey	0800	May Trade Balance	-10.7		-6.1
	1230	W 1 Gross FX Reserves	-		60.8
Czech Rep	0800	Q1 Revised GDP (QoQ%/YoY%)	-		0.9/4.8
Hungary	0800	One-Week Deposit Rate	7.55		7.25
South Africa	0700	May M3 Money Supply (YoY%)	-		7.5
	0700	May Private Sector Credit Extension	-		6.0
	1030	May PPI (MoM%/YoY%)	-/-		1.8/13.1
	1300	May Trade Balance (Incl. Region)	-		15.5
Friday 1 July					
Russia	0700	Jun Markit Manufacturing PMI	-		50.8
Turkey	0800	Jun Manufacturing PMI	-		49.2
Poland	0800	Jun Markit Manufacturing PMI	48.2		48.5
	0900	Jun CPI Flash (YoY%)	15.3	15.6	13.9
Czech Rep	0830	Jun Markit PMI	-		52.3
	1300	Jun Budget Balance	-		-189.3
Hungary	0800	Jun Manufacturing PMI	52.4		51.5
	0800	Apr Trade Balance Final	-475.0		-475.0
Brazil	1400	Jun Markit Manufacturing PMI	-		54.2
Mexico	1530	Jun Markit Manufacturing PMI	-		50.6

Source: Refinitiv, ING

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