

Key events in EMEA next week

Labour market data in Hungary should be positive though activity data from Russia could be mixed



Source: Shutterstock

✓ Hungary: Labour market recovery expected

Labour market data is due from Hungary next week, and we expect further signs of strength. The unemployment rate should remain around 3.9% as labour shortages are mounting and companies are having a hard time filling vacancies. Wage growth will rebound in July from a low rate in June, which was impacted by the high base from last year due to one-off salary payments to healthcare workers. The Manufacturing PMI will probably mirror what we saw in the eurozone: a mild deterioration signalling a slowing pace of growth in the sector.

✓ Russia: Little growth in local consumption and industrial output

Russian activity data for August is subject to uncertainty. On the positive side, there is a lower base from August 2020, low unemployment, and we have the first portion of social handouts that were dispersed in August-September this year. On the negative side however, outward foreign tourism is growing, potentially limiting local consumption. Industrial output has also been disappointing, decelerating to 4.7% year-on-year in August, below consensus and our expectations despite a recovery in oil production. We continue to expect a moderation in the overall activity trend, as

Russia has already reached pre-pandemic levels of employment, industrial production, and consumer activity in most segments, while the scope for fiscal and monetary support is limited. Inflation, which climbed to 7.0% YoY recently and may exceed this level by the end of September, will keep the central bank and the local debt market on their toes, at least in the near-term.

EMEA Economic Calendar

Country	Time	Data/event	ING Survey	Prev.
Monday 27 September				
Mexico	1200	Jul IGAE Economic Activity (YoY%)	-	13.3
	1200	Aug Trade Balance	-	-2.55
Tuesday 28 September				
Hungary	0800	Aug Unemployment Rate 3M	3.9	3.9
Brazil	1300	Aug Central Government Balance	-	-19.8
Mexico	1200	Aug Jobless Rate	-	4.4
Wednesday 29 September				
Turkey	1200	Aug Bank NPL Ratio	-	3.71
Hungary	0800	Jul Average Gross Wages (YoY%)	7.5	3.7
Brazil	1200	Sep IGP-M Inflation Index	-	0.66
Thursday 30 September				
Turkey	0800	Aug Trade Balance	-4.3	-4.28
Czech Rep	0800	Q2 Revised GDP (QoQ%/YoY%)	-	10/8.2
	1330	CNB Repo Rate	-	0.75
South Africa	0700	Aug M3 Money Supply (YoY%)	-	1.93
	0700	Aug Private Sector Credit Ext.	-	0.61
	1030	Aug PPI (MoM%/YoY%)	-/-	0.7/7.1
	1300	Aug Trade Balance (Incl. Region)	-	36.96
Mexico	1900	Sep Interest Rate	-	4.5
Friday 1 October				
Russia	0700	Sep Markit Manufacturing PMI	-	46.5
	1700	Aug Retail Sales (YoY%)	6.5	4.7
	1700	Jul Real Wages (%YoY)	2.0	4.9
Turkey	0800	Sep Manufacturing PMI	-	54.1
Poland	0800	Sep Markit Manufacturing PMI	-	56.0
Czech Rep	0830	Sep Markit PMI	-	61.0
	1300	Sep Budget Balance	-	-298.1
Hungary	0800	Sep Manufacturing PMI	54.2	55.9
	0800	Jul Trade Balance Final	-193	-193.0
Brazil	1400	Sep Markit Manufacturing PMI	-	53.6
Mexico	1530	Sep Markit Manufacturing PMI	-	47.1

Source: Refinitiv, ING, *GMT

Authors

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

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 <http://www.ing.com>.