

Key Events in EMEA next week

Russia's retail trade data should be positive next week but long-term challenges remain while in Hungary, it's all about the job market



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✓ Russia: Cautious longer-term outlook with low vaccination rates and mounting lockdown risk

Russian activity data should be positive, with retail trade likely showing 25-30% year-on-year growth, mostly on low base effects, but also thanks to restrained foreign tourism. Banking sector statistics have already indicated that Russians have financed local consumption with higher unsecured borrowing and savings. For the longer term we remain cautious, however. Challenges include the reopening of foreign tourism to Turkey and mounting risks of a lockdown due to a third wave of Covid in Russia. Despite government efforts, the vaccination rate is below 15%. A strict lockdown would cost around 1% of annual GDP per month.

✓ Hungary: Unemployment declines and double-digit wage growth on the horizon

In Hungary, the labour market will be in focus. With a reopening on the way in May, we expect the unemployment rate to decline. Due to last year's negative shock in wages in April, the base effect will support the year-on-year growth rate in April 2021. This could translate into double-digit wage

growth again. A manufacturing PMI reading for June will also be released. We expect this to follow European sentiment and show further improvement, cementing our view of solid 2Q GDP growth.

EMEA Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|--------------------------|------|----------------------------------|-------|--------|-----------|
| Monday 28 June | | | | | |
| Mexico | 1200 | May Trade Balance SA | - | | 0.249 |
| Tuesday 29 June | | | | | |
| Turkey | 1200 | May Bank NPL Ratio | - | | 3.74 |
| Czech Rep | 0800 | Q1 Revised GDP (QoQ/YoY%) | - | | -0.3/-2.1 |
| Hungary | 0800 | May Unemployment Rate 3M | 4.2 | | 4.3 |
| Brazil | 1200 | Jun IGP-M Inflation Index | - | | 4.1 |
| | 1300 | May Central Govt Balance | - | | 16.5 |
| Wednesday 30 June | | | | | |
| Russia | 1700 | May Retail Sales (YoY%) | 25.0 | 23.0 | 34.7 |
| Turkey | 0800 | May Trade Balance | -4.15 | | -3.06 |
| Hungary | 0800 | Apr Average Gross Wages (YoY%) | 10.2 | | 9.2 |
| Thursday 1 July | | | | | |
| Russia | 0700 | Jun Markit Manufacturing PMI | - | | 51.9 |
| Turkey | 0800 | Jun Manufacturing PMI | - | | 49.3 |
| Poland | 0800 | Jun Markit Manufacturing PMI | - | | 57.2 |
| Czech Rep | 0830 | Jun Markit PMI | - | | 61.8 |
| | 1300 | Jun Budget Balance | - | | -255 |
| Hungary | 0800 | Jun Manufacturing PMI | 55.0 | | 52.8 |
| Brazil | 1400 | Jun Markit Manufacturing PMI | - | | 53.7 |
| Mexico | 1530 | Jun Markit Manufacturing PMI | - | | 47.6 |
| Friday 2 July | | | | | |
| Hungary | 0800 | Apr Trade Balance Final | 321 | | 321 |
| Brazil | 0900 | Jun IPC-Fipe Inflation Idx | - | | 0.41 |
| | 1300 | May Industrial Output (MoM/YoY%) | -/- | | -1.3/34.7 |

Source: Refinitiv, ING, *GMT

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