

Key events in EMEA next week

Purchasing Manager Indexes (PMIs) are in focus in the Central and Eastern European region next week, as both supply chain disruptions and new containment measures weigh on activity



Source: Shutterstock

✓ Hungary: Unemployment to jump and PMIs to fall

In Hungary, the focus will be on the labour market and production. We expect to see the monthly unemployment rate jump to a new peak in February, pushing the three-month average closer to 5%.

When it comes to wages, figures don't cover part-time workers, where we've seen an increase in employment among sectors providing in-person services. Among full-time workers, which are included in wage data, those on lower incomes are more likely to have lost their job during the pandemic. This change in composition has meant that wage growth appears artificially higher. Having said that, the delayed minimum wage increase should reduce wage growth significantly in January.

On the production side, we see producer prices rising further due to base effects and energy prices, while the manufacturing PMI will show a contraction, in our view. This will reflect the impact of the new wave of containment measures (including the closure of kindergartens and schools) on employers.

✓ Czech Republic: Supply chain issues weigh on firms despite better PMIs

Given the improvement in preliminary manufacturing PMIs in Germany and the eurozone in March, the Czech PMI due next week is also likely to increase above February's 56.5 level. Still, we expect more modest growth than in Germany as Czech companies are struggling with disruptions in supply chain deliveries causing production delays, and one Czech Toyota plant announced a two-week shutdown at the end of March due to missing chipsets.

Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 29 March					
Turkey	1100	Feb Bank NPL Ratio	-		4.08
Hungary	0800	Jan Trade Balance Final	830		830
Tuesday 30 March					
Hungary	0700	Feb Unemployment Rate 3M	4.9		4.5
Brazil	1000	Feb Central Govt Balance	-		43.2
	1100	Mar IGP-M Inflation Index	-		2.53
Wednesday 31 March					
Turkey	0700	Feb Trade Balance	-3.4		-3.03
Hungary	0800	Feb PPI (MoM/YoY%)	0.7/7.6		0.7/6.6
	0800	Jan Average Gross Wages (YoY%)	7.8		10.6
Thursday 1 April					
Russia	0600	Mar Markit Mfg PMI	-		51.5
		- Q4 GDP (YoY% quarterly revised)	-		
Turkey	0700	Mar Manufacturing PMI	-		51.7
Poland	0700	Mar Markit Mfg PMI	-		53.4
Czech Rep	0700	Q4 Revised GDP (QoQ/YoY%)	0.6/-4.7		0.6/-4.7
	0730	Mar Markit PMI	58.3		56.5
	1200	Mar Budget Balance	-		-86.1
Hungary	0800	Mar Manufacturing PMI	48.5		49.4
Brazil	1100	Feb Industrial Output (MoM/YoY%)	-/-		0.4/2.0
	1300	Mar Markit Mfg PMI	-		58.4

Source: Refinitiv, ING

Author

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>.