

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

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