Key events in EMEA next week

A rate hike in Hungary and GDP release in Turkey are the key events to look out for in next week's EMEA calendar

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Hungary: 60bp rate hike on the cards

Next week's calendar will prove to be a busy one for Hungary. We end May with a central bank rate-setting meeting, where we expect the National Bank of Hungary to 'walk the talk' regarding its shift from aggressive tightening to a more gradual approach. This could translate into a 60bp rate hike in the base rate, instead of the previous steps of +100bp. What could be much more interesting is the decision regarding the 1-week deposit rate on Thursday. Our base case scenario calls for a 30bp hike to 6.75%, the same as in previous months. However, should the market be disappointed by Tuesday's base rate decision, triggering a further sell-off in HUF markets, we could imagine a situation where the NBH decides to match the size of the effective rate hike (1-week deposit rate hike) with the base rate hike earlier in the week (so hike 60bp instead of 30bp). On the first day of June, we will see the details behind the strong 1Q GDP growth and we expect the main driver to be consumption. Manufacturing PMI will remain in expansion territory, though we are not sure this will translate into strong industrial production data. Before we learn about the performance of industry, we will see the first hard data for April on Friday, as the Statistical Office will release retail sales turnover. We expect a slowdown as one-off impacts boosting non-food and fuel sales are fading.

Turkey: Growth risks tilted to the downside

In May, we expect annual inflation to increase further to 75.0% (3.9% on a monthly basis) from 70.0% a month ago, given the broad-based deterioration in price dynamics, with a largely supportive policy framework, and the Russia-Ukraine war putting pressure on import prices. On the national accounts, 1Q22 growth will likely be strong at 6.0%. However, there have been signs of a deceleration in economic activity lately, also impacted by geopolitical factors. This backdrop leads us to look for a marked slowdown this year to below 3% with risks tilted to the downside.

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
		Monday 30 May			
Russia	-	Apr GDP (YoY%) Monthly	-		1.6
Brazil	1300	May IGP-M Inflation Index	-		1.4
	-	Apr Central Government Balance	-		-6.3
		Tuesday 31 May			
Turkey	0800	Q1 GDP Quarterly (YoY%)	6.0		9.1
	0800	Apr Trade Balance	-6.1		-8.2
Poland	0900	Q1 GDP (QoQ%/YoY%)	-/-		2.4/8.5
Czech Rep	0800	Q1 Final GDP (QoQ%/YoY%)	-		0.7/4.6
Hungary	1300	May Hungary Base Rate	6.0		5.4
South Africa	0700	Apr M3 Money Supply (YoY%)	-		8.4
	0700	Apr Private Sector Credit Ext.	-		5.9
	1300	Apr Trade Bal (Incl. Region)	-		45.9
Mexico	1200	Apr Jobless Rate	-		3.0
		Wednesday 1 June			
Russia	0700	May Markit Manufacturing PMI	-		48.2
	1700	Apr Industrial Output	-0.9		3.0
	1700	Apr Retail Sales (YoY%)	-10.0		2.2
	1700	Apr Unemployment Rate	4.3		4.1
Turkey	0800	May Manufacturing PMI	-		49.2
Poland	0800	May Markit Manufacturing PMI	-		52.4
Czech Rep	0830	May Markit PMI	-		54.4
	1300	May Budget Balance	-		-100.1
Hungary	0800	Q1 GDP Final (YoY%)	8.2		8.2
	0800	May Manufacturing PMI	53.5		58.9
Brazil	1400	May Markit Manufacturing PMI	-		51.8
Mexico	1530	May Markit Manufacturing PMI	-		49.3
		Thursday 2 June			
Hungary	0800	One-Week Deposit Rate	6.75		6.5
Ukraine	1200	Central bank interest rate	-		10.0
Brazil	0900	May IPC-Fipe Inflation Idx	-		1.6
	1200	Q1 GDP (QoQ%/YoY%)	-/-		0.5/1.6
		Friday 3 June			
Russia	0700	May Markit Services PMI	-		44.5
Turkey	0800	May CPI (MoM%/YoY%)	3.9/75.0		7.3/70.0
	1200	Apr Bank NPL Ratio	-		2.9
Hungary	0800	Apr Retail Sales (YoY%)	15.3		16.2
South Africa	0815	May Std Bank Whole Econ PMI	-		50.3
Brazil	1300	Apr Industrial Output (MoM%/YoY%)	-/-		0.3/-2.1
	1400	May Markit Services PMI	-		60.6
	1400	May Markit Composite PMI	-		58.5

Source: Refintiv, ING, *GMT

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