

## Key events in EMEA next week

Several releases from Hungary should maintain the optimistic sentiment next week while price pressures in Turkey are likely to remain but GDP data should show strength and Russia is expected to increase FX interventions to US\$2.6bn in June



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### ✓ Hungary: Upbeat data across the board

Hungarian manufacturing purchasing managers' index will reflect the recent upbeat global sentiment on the economic rebound, suggesting a significant improvement in manufacturing performance going forward. We'll also get April retail sales data, which will be affected by the low base and the gradual reopening process, which started in April.

Finally, we'll see the details behind the astounding first-quarter economic activity, and we think the main surprise will be from the domestic demand side (mainly from investments).

### ✓ Turkey: Price pressures remain elevated

We expect pricing pressures to remain high with annual inflation standing flat at 17.1% in May (1.3% on monthly basis), in comparison to a month ago.

This is down to the government's decision to pass some of the recent energy price increases to

consumers, continuing cost-push effects and worsening inflation expectations while risks are on the upside given uncertainties in price adjustments with the reopening in the economy. 1Q growth, on the other hand, will likely be strong at 6.2% YoY including base effects, though sequential growth is expected to lose momentum given the impact of pandemic restrictions, and tightening policy framework.

## ✓ Russia: Increase in FX interventions and positive activity data

On 3 June, the Russian finance ministry is likely to announce an increase in FX interventions from US\$1.7 bn in May to US\$2.6bn in June, following an increase in the average monthly Urals price by US\$4/bbl. Given the stabilisation of oil prices amid Iranian nuclear deal expectations, the temporary [sweet spot](#) for rouble in May, is most likely coming to an end.

In other news, the Russian statistics agency, Rosstat will hopefully release the complete set of activity data for April after the significant delay.

To remind you all, we expect those to be strong, mainly on the back of low base effects, as April - May 2020 were the only two months of strict lockdowns in Russia. We expect retail trade, which may show at least 24% YoY growth, to have benefitted from a lack of foreign tourism and higher leverage, confirmed by the recent banking statistics. Meanwhile, the recently published [industrial output](#) data was even stronger than expected, suggesting an upside risk to the forecasts.

## EMEA Economic Calendar

Country	Time	Data/event	ING Survey	Prev.
<b>Monday 31 May</b>				
Turkey	0800	Q1 GDP Quarterly (YoY%)	6.2	5.9
Poland	0900	Q1 GDP (QoQ/YoY%)	-/-	0.9/-1.2
<b>Tuesday 1 June</b>				
Russia	0700	May Markit Manufacturin PMI	-	50.4
Turkey	0800	May Manufacturing PMI	-	50.4
Poland	0800	May Markit Manufacturing PMI	-	53.7
Czech Rep	0800	Q1 Final GDP (QoQ/YoY%)	-	-0.3/-2.1
	0830	May Markit PMI	-	58.9
	1300	May Budget Balance	-	-192
Hungary	0800	Q1 GDP Final (YoY%)	-2.3	-2.3
	0800	May Manufacturing PMI	55.1	50.8
	0800	Mar Trade Balance Final	1013	1013
Brazil	1300	Q1 GDP (QoQ/YoY%)	-/-	3.2/-1.1
	1400	May Markit Manufacturing PMI	-	52.3
Mexico	1530	May Markit Manufacturing PMI	-	48.4
<b>Wednesday 2 June</b>				
Brazil	0900	May IPC-Fipe Inflation Idx	-	0.44
	1300	Apr Industrial Output (MoM/YoY%)	-/-	-2.4/10.5
<b>Thursday 3 June</b>				
Turkey	0800	May CPI (MoM/YoY%)	1.3/17.1	1.68/17.14
	1200	Apr Bank NPL Ratio	-	3.79
<b>Friday 4 June</b>				
Russia	1700	Apr Retail Sales (YoY%)	24.0	24.5
Czech Rep	0800	Q1 Gross wages (YoY%)	-	3.8
Hungary	0800	Apr Retail Sales (YoY%)	14.7	-2.0
Brazil	1400	May Markit Services PMI	-	42.9
	1400	May Markit Composite PMI	-	44.5

Source: ING, Refinitiv

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