

Key events in EMEA next week

Next Thursday, the Czech National Bank will hold its first monetary meeting under a new governor and a new board composition. We believe the interest rate will remain unchanged. In Hungary, we expect retail sales to continue to slow and Turkey's July inflation will likely be lower due to price cuts in gasoline



Source: Shutterstock

✓ Turkey: Relatively lower monthly inflation in July

While we have seen significant price adjustments in heavy-weight products like medicines, cigarettes, and bread, as well as the further impact of currency weakness, monthly inflation will likely be relatively lower in July at 2.3% in comparison to previous months this year thanks to price cuts in gasoline. Accordingly, we expect annual inflation of 79.5%.

✓ Czech Republic: central bank meets under new governor

On Thursday, the Czech National Bank (CNB) will hold its first monetary policy meeting under the leadership of a new governor and with a new composition of the board, including the presentation of the central bank's new forecast. Not much has changed in our view since the last [meeting](#) at the end of June. We believe the new governor will deliver what he promised when he was [appointed](#), and interest rates will remain unchanged for the first time since the first post-Covid rate hike in

May last year. The new forecast will, in our view, deliver a less hawkish outlook than we have been used to in the past, but should still point to further rate hikes. For more details see our [CNB preview](#).

✔ Hungary: Retail sales expected to continue to slow

Next week we are getting the last few puzzle pieces to get (an almost) full picture of second-quarter economic activity in Hungary. We expect retail sales to continue their slowdown as rising inflation is reducing the real disposable income of households, though it still looks like a soft landing. The flexibility of manufacturing (especially among car makers) was on full display in May, when the sector showed a significant rebound as producers were able to find supplementing sources for spare parts. We expect this positive development to fuel industry further, though the raw data of year-on-year growth will show a significant slowdown due to a lower number of working days. When it comes to the third quarter, the July manufacturing PMI reading will provide a sneak peek, and based on the remarkably high stock of orders, we see more optimism for the economy.

EMEA Economic Calendar

Country	Time	Data/event	ING Survey	Prev.
Monday 1 August				
Russia	0700	Jul S&P Global Manufacturing PMI	-	50.9
Turkey	0800	Jul Manufacturing PMI	-	48.1
Poland	0800	Jul S&P Global Manufacturing PMI	43.1	44.4
Czech Rep	0830	Jul S&P Global PMI	46.2	49.0
	1300	Jul Budget Balance	-	-183
Hungary	0800	Jul Manufacturing PMI	52.1	57.0
	0800	May Trade Balance Final	135	135
Brazil	1400	Jul S&P Global Manufacturing PMI	-	54.1
Mexico	1530	Jul S&P Global Manufacturing PMI	-	52.2
Tuesday 2 August				
Brazil	0900	Jul IPC-Fipe Inflation Index	-	0.28
	1300	Jun Industrial Output (MoM%/YoY%)	-/-	0.3/0.5
Wednesday 3 August				
Russia	0700	Jul S&P Global Services PMI	-	51.7
Turkey	0800	Jul CPI (MoM%/YoY%)	2.30/79.5	4.95/78.62
	1200	Jun Bank NPL Ratio	-	2.61
Hungary	0800	Jun Retail Sales (YoY%)	10.0	11.1
South Africa	0815	Jul Std Bank Whole Econ PMI	-	52.5
Brazil	1400	Jul S&P Global Services PMI	-	60.8
	1400	Jul S&P Global Composite PMI	-	59.4
	2200	Selic Interest Rate	-	-
Thursday 4 August				
Czech Rep	1330	CNB Repo Rate	7.00	7.00
Friday 5 August				
Czech Rep	0800	Jun Retail Sales (YoY%)	-	-5.5
Hungary	0800	Jun Industrial Output (MoM%/YoY%)	0.7/3.0	1.4/9.4
Romania	1300	Mon Policy Rate	5.75	4.75

Source: Refinitiv, ING

Authors

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

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>.