

## Hungary: Industry rebounds on electronics, cars

Industrial production rebounded in October, as electronics and manufacturing both had a good month. It follows the worst performance of the year in September



Source: Pixabay

# 3.3%

## Industrial production (wda, YoY)

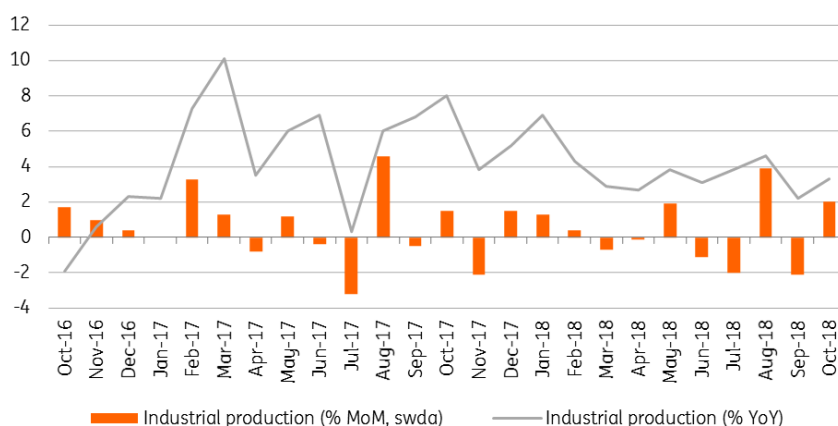
Consensus (2.3%) / Previous (2.2%)

Better than expected

Industrial production rebounded from its worst performance of the year, posting 3.3% year-on-year growth in October. On a monthly basis, the sector's production volume rose 2% on a seasonally-adjusted basis. The October performance roughly matches the 3Q18 average growth rate, but still shows a trend-like deceleration.

We don't know the details but in a separate comment, the Statistical Office highlighted that electronics manufacturing showed strong growth, and after two months of disappointments, car manufacturing also increased production. It seems that the impact from new emissions standards is coming to an end, suggesting a glimmer of hope for the industry in the remainder of the year. We see the sector closing the year with around 3.5% YoY average growth, a full percentage point lower than in the previous year.

## Performance of the Hungarian industry



Source: HCSO

When it comes to the bigger picture, the start of 4Q18 is not particularly strong, but not too bad either, roughly matching the average performance we saw in the third quarter in industry and the retail sector, too. However, the decelerating trend continues to persist in the main sectors, backing our view that the Hungarian economy has passed its peak following a record 3Q18.

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