

Key events in EMEA and Latam next week

Poland and Russia's central bank meet next week and both are expected to keep rates on hold, but keep an eye on inflation figures and some key industry data releases



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Russia: Rates to stay unchanged, but the rate cut cycle may not be over yet

The Bank of Russia is likely to keep the 4.25% key rate unchanged at the upcoming monetary policy meeting on 18 September.

The arguments in favour of a pause in the rate cut cycle include strengthening of CPI, better than expected trend in the overall GDP and consumption, increased volatility on the local financial market, and a halt in the rate cycle among Russia's peers. Meanwhile, the mid-term guidance should not exclude further cuts in the next six months, provided external factors, including foreign policy context, allows it.

In other events, macro activity data for August should point at some modest recovery in industrial output, constrained by the adverse calendar factor, and some recovery in consumption, though the latter might have been limited by the re-opening of outward tourism to popular resort destinations.

✓ Poland: Fast recovery in 3Q expected

Poland's central bank meets next week and is unlikely to bring much new to the table. Recent real activity figures showed substantial recovery, but the Council is likely concerned with the strength of the zloty, possibly underlining CPI may continue to slide down in the coming months. Hence it's unlikely that the current consensus within the MPC of flat rates for long should change.

In terms of key figures next week we expect solid industrial production growth, slightly above consensus. A rise in PMI export orders suggests industrial recovery should be more balanced compared to July (when automotive played the key role). We also expect a less deep contraction of employment compared to the consensus.

Overall the figures should support our scenario of fast GDP recovery this quarter.

EMEA/Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Sunday 13 September					
Israel	1100	Aug Trade Balance (US\$m)	-	-	-2066
Monday 14 September					
Turkey	0800	Jul Industrial Production (MoM/YoY%)	-3.5	-/-	17.6/0.09
Poland	1300	Jul C/A (€mn)	1516	1797	2842
Czech Rep	0900	Jul C/A (CZKbn)	-	-	1.81
Ukraine		- National Bank of Ukraine Publishes Minutes of Rate Meeting			
Romania	0700	Jul Industrial Production (MoM/YoY%)	-/-	-/-	16.2/-14.3
	0700	Jul Industrial Sales (MoM/YoY%)	-/-	-/-	20.0/-10.29
		- Jul C/A YTD (€m)	-	-	-3497
Tuesday 15 September					
Russia	1700	Aug Industrial Production (YoY%)	-7.5	-6.4	-8.0
Poland	0900	Aug F CPI (MoM/YoY%)	2.9	2.9	-0.1/2.9
		- Base Rate (%)	0.1	0.1	0.1
		- Monetary Policy Council Rate Meeting			
Hungary	0805	Hungary Central Bank Deputy Governor Virag Speaks			
Kazakhstan		- Aug Industrial Production Yearly	-	-	-9.6
Bulgaria	0900	Aug CPI (MoM/YoY%)	0.0/1.2	-/-	0.5/1.2
Israel	1630	Aug CPI (MoM/YoY%)	-/-	-/-	0.2/-0.6
Wednesday 16 September					
Russia	1700	Aug PPI (MoM/YoY%)	-	0.9/0.7	4.3/-2.2
Poland	1300	Aug Core Inflation (MoM/YoY%)	4.1	4.1	0.2/4.3
Czech Rep	0800	Aug PPI (Industrial) (MoM/YoY%)	-	-	0.1/-0.1
South Africa	1200	Jul Retail Sales (MoM/YoY%)	-	-	6.4/-7.5
Israel	1100	2Q P GDP (QoQ Annualised %)	-	-	-28.7
Brazil		- Selic Rate	2.0	2.00	2.00
Thursday 17 September					
Poland	0900	Aug Avg Gross Wages (MoM/YoY%)	3.5	4	1.8/3.8
	0900	Aug Employment (MoM/YoY%)	-1.4	-1.7	1.1/-2.3
South Africa		- Repo rate (%)	-	-	3.5
Friday 18 September					
Russia	1130	Key Rate (%)	4.25	4.25	4.25
	1400	Aug Retail Sales (YoY%)	-2.5	-1.7	-2.6
	1400	Jul Real wages (YoY%)	0.1	0.1	0.6
Poland	0900	Aug Industrial Output (MoM/YoY%)	3.0	2.8	3.4/1.1
	0900	Aug PPI (MoM/YoY%)	-1.0	-0.9	0.3/-0.6
Ukraine		- 2Q F GDP (YoY%)	-11.4	-	-11.4
Serbia		- Jul C/A (€mn)	-180	-	-196
Croatia	1000	Aug Unemployment Rate (%)	9.0	-	9.0
	1000	Jul Real Wages (YoY%)	2.5	-	2.7

Source: ING, Bloomberg

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