

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



Source: Shutterstock

✓ 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.

EMEALatam 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%)	3.3	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

Author

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Piotr Poplawski

Senior Economist, Poland

piotr.poplawski@ing.pl

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 www.ing.com.