

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.

EMEALatam Economic Calendar

| Country | Time Data/event | ING | Survey | Prev. |
|-------------------------------|--|---------|---------|-------------|
| Sunday 13 September | | | | |
| Israel | 1100 Aug Trade Balance (US\$mn) | - | - | -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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