

Key events in EMEA and Latam next week

In a relatively quiet week, a few things stand out; Polish retail sales for March will likely be soft, though that shouldn't be interpreted as a sign of a weakening trend, and while central banks' of both Russia and Turkey are likely to keep rates steady next week, cuts could be on the horizon



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Bank of Russia to ease rhetoric but unlikely to cut the 7.75% rate on 26 April

Monetary authorities are likely to acknowledge that near-term inflation risks have dissipated, with CPI apparently peaking at a lower-than-expected rate of 5.3% YoY. Policymakers are also likely to discuss the improved sentiment in financial markets and ways to compensate producers for the local gasoline price freeze, which could be extended beyond the currently agreed 1 July.

At the same time, we don't think the Central Bank of Russia (CBR) will be in a rush to cut the key rate at the upcoming non-core meeting, due to persistent mid-term risks, including:

1. PPI growth at 10.9% year-on-year, significantly outperforming CPI over the last two years. This may mean that the CPI's return to the 4% CBR target may take longer-than-expected -

especially if consumer demand recovers throughout the year.

2. Inflation expectations of households and corporates- though off their peaks- remain elevated.
3. Russians don't seem to find RUB rates attractive for savings, as RUB deposits were down 1% - or RUB200 billion - in 1Q19, while FX deposits were up 7% - or \$6 billion.
4. The recent foreign policy narrative from the US highlights the persistent risk of wide range of sanctions.

That said, should the abovementioned risks fail to materialise, our current call of no key rate cut before 4Q19 will become too conservative.

Poland: Easter to soften retail sales

We expect a softer retail sales reading in March but this should reflect calendar effects related to Easter, rather than shifts in consumer spending. The overall trend actually remains stable and we anticipate that April should post a strong reading, with calendar effects actually helping this month.

Central Bank of Turkey: Rate cuts? Any signals will be given with caution

In the rate setting meeting on 25 April we expect the Central Bank of Turkey to remain on hold and keep the 1-week repo rate at 24%, given macro uncertainties and recent currency volatility. We think the bank will remain cautious on signalling any rate cuts, if anything, don't rule out a more hawkish message in the accompanying statement.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 22 April					
Hungary	2300	Apr Economic Sentiment	6.1	-	6.2
	2300	Apr Business Confidence	11.9	-	12.1
	2300	Apr Consumer Confidence	-10.3	-	-10.7
Kazakhstan	-	4Q F GDP YTD (YoY%)	-	-	4.1
Tuesday 23 April					
Poland	0900	Mar Retail Sales (MoM/YoY%)	15.7/4.7	-/-	-3.1/6.5
	1300	Mar M3 Money Supply (MoM/YoY%)	-/-	-9.7	1.3/9.8
	-	Mar Budget Level (YTD)	-	-	-794.5
South Africa	0800	Feb Leading Indicator	-	-	102.8
Mexico	1400	Mar Unemployment Rate SA (%)	3.5	-	3.4
Wednesday 24 April					
Poland	0900	Mar Unemployment Rate (%)	5.9	5.9	6.1
Czech Rep	0800	Apr Business Confidence	-	-	14.7
	0800	Apr Consumer & Business Confidence	-	-	12.2
	0800	Apr Consumer Confidence	-	-	2.3
South Africa	0700	1Q Consumer Confidence	-	5.9	7.0
Thursday 25 April					
Turkey	0800	Apr Real Sector Confidence Index SA	-	-	99.3
	0800	Apr Industrial Confidence	-	-	102.1
	0800	Apr Capacity Utilization (%)	-	-	74.3
	1200	Benchmark Repurchase Rate	24.0	24.0	24.0
Ukraine	1200	Apr Key Rate (%)	-	-	18.0
Kazakhstan	-	Mar M3 Money Supply (MoM%)	-	-	-7.9
Serbia	1100	Feb Real Wages (YoY%)	-	-	6.6
South Africa	1030	Mar PPI (MoM/YoY%)	-/-	-/-	0.3/4.7
Brazil	1430	Mar C/A Balance (\$mn)	1800.0	-	-1134.0
Mexico	1400	Feb Retail Sales (YoY%)	2.0	-	0.9
Friday 26 April					
Russia	1130	Key Rate (%)	7.75	7.75	7.75
Croatia	1000	Mar Unemployment Rate (%)	-	-	10.2
	1000	Feb Real Wages (YoY%)	-	-	3.5

Source: ING, Bloomberg

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