

Key events in EMEA next week

In Poland, we expect to see a further slowdown in the second half of 2022, as the energy crisis and supply-side constraints loom over the horizon



Source: Shutterstock

Poland: Sharp deterioration in outlook and subdued demand for durable goods

The first cracks in industrial sector performance were already visible in May as output declined for the second consecutive month in quarter-on-quarter, seasonally-adjusted terms, but annual readings remain high. July brought a sharp deterioration in manufacturing PMI, which suggests a further slowdown ahead. Risks from the energy crisis (potential shortages of gas in Germany) and supply-side constraints (zero-Covid policy in China) loom over the horizon and point to a sharp deterioration in the outlook for the second half of 2022. We forecast next week's industrial output reading will be 13.4% year-on-year.

Although high inflation bites into real disposable income and rising interest rates translate into higher debt servicing costs of loans, fiscal expansion and spending by refugees from Ukraine support consumer outlays. The structure of retail sales is tilted towards necessities (clothing and footwear, pharmaceuticals and cosmetics, food and beverages), whereas demand for durable goods (cars, furniture, consumer electronics, house appliances) is subdued amid soft consumer

confidence. We forecast next week's retail sales figure will be 7.2% year-on-year.

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 18 July					
Russia	1300	Jun Budget Fulfilment	-		0.7
Turkey	0900	Jun Budget Balance	-		143.98
Poland	1300	Jun Net Inflation (YoY%)	9.3		8.5
Wednesday 20 July					
Russia	1700	Jun PPI (MoM%/YoY%)	-/-		-6.9/19.3
Poland	0900	Jun Industrial Output (YoY%)	13.4		15.0
South Africa	0900	Jun CPI (MoM%/YoY%)	-/-		0.7/6.5
	0900	Jun Core inflation (MoM%/YoY%)	-/-		0.2/4.1
Thursday 21 July					
Turkey	1200	Jul CBT Weekly Repo Rate	-		14.0
	1200	Jul O/N Borrowing/Lending Rate	-		12.5/15.5
Poland	0900	Jun Real Retail Sales (YoY%)	7.2		8.2
Ukraine	1200	Central bank interest rate	-		25.0
Mexico	1200	May Retail Sales (MoM%/YoY%)	-		0.4/4.6
Friday 22 July					
Russia	1130	Jul Central bank key rate	8.75	9.00	9.50
Poland	1300	Jun M3 Money Supply (YoY%)	8.2		7.6
Mexico	1200	Jul 1st Half-Month Core Inflation (MoM%)	-		0.5
	1200	Jul 1st Half-Month Inflation (MoM%)	-		0.49

Source: Refinitiv, ING

Author

Adam Antoniak

Senior Economist

adam.antoniak@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 <http://www.ing.com>.