

Key events in EMEA next week

Next week, Turkey's central bank is expected to increase the policy rate to 30%. Meanwhile, a number of data points will be released in Poland, with deflation expected to deepen despite some rebound in global oil prices



Source: Shutterstock

✓ Turkey: Monetary policy expected to tighten further

We're expecting Turkey's central bank to make another strong move next week by hiking the policy rate to 30% (up from 25% currently).

This follows a [surprisingly big hike in August](#) which was on the back of a further deterioration in the inflation outlook and signals from President Erdogan of support for tight monetary policy and disinflation in 2024.

✓ Poland: Deflation is expected to deepen

Industrial output (August): -2.5% year-on-year

Even though we have been waiting for some signs of stability in the industrial sector, the data flow does not give much ground for optimism. External orders remain subdued as German manufacturing is underperforming. On top of that, recent PMI reports point to a deterioration in

domestic orders as well. We expect annual declines in industrial output to continue in the coming months.

PPI (August): -3.5% YoY

Deflation is expected to deepen despite some rebound in global oil prices. Given the statistical base and recent developments, we expect PPI deflation to prevail for the next two or three quarters. The lack of a rebound in manufacturing is not helping either. Developments in PPI support CPI disinflation in the short term.

Wages (August): 11.8% YoY

The scale of bonuses in July this year turned out to be visibly lower than in July 2022, which pushed average wage growth down to 10.4%YoY on a high reference base, but the underlying trend remains unchanged. Therefore we forecast that wage growth in the enterprise sector will bounce back towards 12%YoY again. We project double-digit growth in average wages in 2023 and 2024, which poses a challenge to the CPI return to the target over the medium term.

Employment (August): 0.1% YoY

Nothing new on the employment front. Employment levels have stalled in recent months and annual growth is close to neutral. Demand for labour has eased amid subdued economic activity, especially in manufacturing. At the same time, businesses are reluctant to lay off workers (labour hoarding) as re-hiring is difficult amid shortages of labour. Supply-side factors (a shrinking working-age population, for instance) are a drag to employment developments.

Retail sales (August): -4.1% YoY

Despite the ongoing improvement in the real disposable income of households, consumers are still reluctant to spend. Consumer confidence has been improving for some time so consumption is set to bounce back, but the recovery is being delayed. We foresee improvement in consumer spending in late 2023 and in 2024.

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Country	Time Data/event	ING	Survey	Prev.
Monday 18 September				
Poland	1300 Aug Net Inflation (YoY%)	10		10.6
Wednesday 20 September				
Russia	1700 Aug PPI (MoM%/YoY%)	-/-	/	1.4/4.1
Poland	0900 Aug Industrial Output (YoY%)	-2.5		-2.7
Poland	0900 Aug PPI (YoY%)	-3.5		-2.6
Poland	0900 Aug Wages (YoY%)	11.8		11.9
Poland	0900 Aug Employment (YoY%)	0.1		0.1
South Africa	0900 Aug CPI (MoM%/YoY%)	-/-	/	0.9/4.7
	0900 Aug Core inflation (MoM%/YoY%)	-/-	/	0.5/4.7
	1200 Jul Retail Sales (YoY%)	-		-0.9
Thursday 21 September				
Turkey	1200 Sep CBT Weekly Repo Rate	30.0		25
	1200 Sep O/N Lending Rate	31.5		26.5
	1200 Sep O/N Borrowing Rate	28.5		23.5
Poland	0900 Aug Retail Sales (YoY%)	-4.1		-4
Friday 22 September				
Poland	1300 Aug M3 Money Supply (YoY%)	7.5		8

Source: Refinitiv, ING

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