

## Key events in EMEA next week

The Polish labour market is holding up well – we expect an upswing in unemployment this January, but the scale of increase should be rather moderate by historical standards. We expect the Central Bank of Turkey to keep its policy rate unchanged at 9%



Source: Shutterstock

### ✓ Poland: Activity to remain subdued, but the situation is better than feared

#### Industrial output: 4.4% year-on-year (January)

Industrial output continues to hold up better than expected, with the energy crisis in Europe being less severe than previously feared. There are no gas shortages and European industry is able to operate, which is supporting export-orientated Polish manufacturing. A higher number of working days compared to January 2022 also boosted the annual output figure. Nevertheless, conditions in manufacturing have deteriorated over the last few months and activity should be subdued in the months ahead.

#### PPI inflation: 17.9% YoY (Jan)

The global disinflationary trend is visible in Polish PPI inflation, where a turnaround is clearly visible.

Pressure from energy commodities has abated, whereas it was strong in January 2022. As a result of the high reference base, annual PPI inflation started moderating in the fourth quarter of 2022 and rapid disinflation in producers' prices is projected in the first half of this year.

### Retail sales (real): 1.5% YoY (Jan)

The annual growth of the retail sales of goods has nearly stalled in recent months as high prices weigh on real disposable incomes of households and hamper spending. Despite additional demand from refugees from Ukraine, purchases weakened markedly in late 2022 and will remain under pressure in the first months of 2023 as wage growth is unable to catch up with retail price growth.

### Unemployment rate (registered): 5.5% (Jan)

Despite weakening economic conditions, the labour market is holding up well and unemployment remains close to all-time lows. Despite the expected upswing in January, the scale of increase in the number of unemployed is estimated to be rather moderate by historical standards.

## ✓ Turkey: Policy rate to remain flat at 9%

In the previous Monetary Policy Committee (MPC) meeting, the Central Bank of Turkey removed its forward guidance which stated that the current policy rate is adequate considering risks to global demand. While this attracted the attention of market participants, we do not expect any change in the policy rate at the February MPC meeting, and see it remaining flat at 9%.

## Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 20 February</b>					
Poland	0900	Jan Industrial Output (YoY%)	4.4	4.3	1.0
		- Jan PPI (MoM%/YoY%)	0.2/17.9		0.5/20.4
Serbia	1100	Jan CPI (MoM%/YoY%)	0.4/14.6	0.65/15.1	0.5/15.1
<b>Tuesday 21 February</b>					
Poland	0900	Jan Retail Sales (YoY%)	1.5	0.3	0.2
Mexico	1200	Dec Retail Sales (MoM%/YoY%)	-		-0.2/2.4
<b>Wednesday 22 February</b>					
Russia	1600	Jan Industrial Output	-3.0	-3.7	-4.3
		1600 Jan PPI (MoM%/YoY%)	-/-		-0.8/-3.3
Poland	1300	Jan M3 Money Supply (YoY%)	6.6	5.8	5.4
<b>Thursday 23 February</b>					
Turkey	1100	Feb CBT Weekly Repo Rate	9		9
		1100 Feb O/N Lending Rate	10.5		10.5
		1100 Feb O/N Borrowing Rate	7.5		7.5
Poland	0900	Jan Unemployment Rate	5.5	5.5	5.2
Hungary	0730	Dec Average Gross Wages (YoY%)	17.0		16.7
South Africa	0930	Jan PPI (MoM%/YoY%)	-/-		0/13.5
Mexico	1200	Feb 1st Half-Month Core Inflation (MoM%)	-		0.44
		1200 Feb 1st Half-Month Inflation (MoM%)	-		0.46
<b>Friday 24 February</b>					
Hungary	0730	Jan Unemployment Rate 3M	4.0		3.9
Kazakhstan	0900	Feb Base Interest Rate	16.75		16.75
Brazil		- Jan Current Account	-		-10.878
		- Jan Foreign Direct Investm't	-		5.57
	1200	Feb IPCA-15 Mid-Month CPI	-		0.55
	1200	Feb IPCA-15 Mid-Month CPI (YoY%)	-		5.87
Mexico	1200	Q4 GDP Final (QoQ%/YoY%)	-/-		0.4/3.3

Source: Refinitiv, ING

## Author

### Adam Antoniak

Senior Economist, Poland

[adam.antoniak@ing.pl](mailto:adam.antoniak@ing.pl)

### Muhammet Mercan

Chief Economist, Turkey

[muhammet.mercan@ingbank.com.tr](mailto:muhammet.mercan@ingbank.com.tr)

## 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](http://www.ing.com).