

## 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%



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### ✓ 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%.

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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

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