

## Key events in EMEA next week

A relatively quiet week ahead for the EMEA regions. Given the Central Bank of Turkey cut the policy rate last month, and signalled that cuts would not be continuous, we expect rates to remain unchanged for now. In Poland, consumer demand in early 2023 looks to remain subdued and we see continued weakness in retail sales



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### Poland

#### **Industrial output (Feb): 1.0% YoY**

A relatively strong January reading (2.3% year-on-year) was supported by calendar effects, but with a neutral impact of working days in February, industrial output growth is projected to have eased to 1.0% YoY. Even though the severity of the European energy crisis is smaller than feared, the outlook for the real economy, especially manufacturing in the EU, looks better than expected. PMI surveys point to slower declines in new orders and output, while cost pressures have eased. Demand and supply are more aligned, but Poland's industrial growth is projected to be sluggish in the near term and the emergence of concerns about financial stability risks are skewed to the downside.

#### **Retail sales (Feb): -1.4% YoY**

Household consumption fell in the fourth quarter of 2022 and consumer demand remains subdued in early 2023 as a result of elevated inflation that has eroded the real purchasing power of consumers. We project continued weakness in retail sales of goods in early 2023, and yet another annual decline in consumption, especially given the high reference base from the first quarter of 2022.

### ✓ Turkey: Central bank expected to remain on hold

Last month when the Central Bank of Turkey cut the policy rate to 8.5%, it signalled that interest rate cuts would not continue as a series. Given this backdrop, we expect the bank to remain on hold this month. But we can expect further macro-prudential measures to maintain favourable financial conditions with the objective of minimising the effects of the earthquakes in the period ahead.

### ✓ Hungary: Unemployment expected to increase further

The relatively quiet period regarding data releases is set to continue in Hungary. The only hard data is the unemployment rate for February, where we see a further increase as companies are adjusting to the new reality earmarked by the technical recession.

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Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 20 March</b>					
Poland	0900 Feb	Industrial Output (YoY%)	1.2	1.0	2.6
Mexico	1200 Jan	Retail Sales (MoM%/YoY%)	-	-	2.5
	1200 Jan	Retail Sales (MoM%)	-	-	0.1
<b>Tuesday 21 March</b>					
Poland	0900 Feb	Real Retail Sales (YoY%)	-1.4	-1.4	-0.3
<b>Wednesday 22 March</b>					
Russia	1600 Feb	PPI (MoM%/YoY%)	-/-	-	-0.9/-4.6
Poland	1300 Feb	M3 Money Supply (YoY%)	6.5	6.5	6.9
South Africa	0800 Feb	CPI (MoM%/YoY%)	-/-	-	-0.1/6.9
	0800 Feb	Core inflation (MoM%/YoY%)	-/-	-	0.2/4.9
Brazil	2100	Selic Interest Rate	-	-	13.75
<b>Thursday 23 March</b>					
Turkey	1100 Mar	CBT Weekly Repo Rate	8.5	-	8.5
	1100 Mar	O/N Lending Rate	10	-	10
	1100 Mar	O/N Borrowing Rate	7	-	7
Poland	0900 Feb	Unemployment Rate	5.6	5.5	5.5
Mexico	1200 Mar	1st Half-Month Core Inflation (MoM%)	-	-	0.35
	1200 Mar	1st Half-Month Inflation (MoM%)	-	-	0.3
<b>Friday 24 March</b>					
Hungary	0730 Feb	Unemployment Rate 3M	4.1	-	4.0
Brazil	1200 Mar	IPCA-15 Mid-Month CPI	-	-	0.76
	1200 Mar	IPCA-15 Mid-Month CPI (YoY%)	-	-	5.63
Mexico	1200 Jan	IGAE Econ Activity (YoY%)	-	-	2.6

Source: Refinitiv, ING

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