

## Key events in EMEA next week

With the National Bank of Hungary switching to a "whatever it takes" approach to ensure stability, we expect the base rate to remain unchanged at 13%, while the effective rate should remain at 18%. In Poland, data on money supply and unemployment will be in focus



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### **Poland: Cash in circulation continues to decline, unemployment remains unchanged**

#### **Money supply (7.3% year-on-year):**

We estimate that money supply (M3) went up by 7.3% YoY in September vs. a 7.4% YoY increase in October. Both household deposit and corporate deposit growth are projected to increase in annual terms. At the same time, loans to households are very poor as mortgage loans are in free fall, whereas loans to enterprises are expanding robustly (mostly current loans). We forecast that cash in circulation continued to see a monthly decline.

#### **Registered unemployment (4.8%):**

We project registered unemployment to have remained unchanged at 4.8% in September. The economy is slowing, albeit gradually, and demand for labour remains solid. Tight labour markets

and shortages of skilled workers are making businesses reluctant to lay off staff which may be difficult to re-employ later on. We expect labour hoarding during the current downturn to be substantial.

## ✔ Hungary: Base rate is expected to remain unchanged at 13%

The National Bank of Hungary held an emergency meeting in mid-October, switching to a 'whatever it takes' approach. We expect the central bank to maintain this new modus operandi to ensure market stability. This means no material change in the monetary policy set-up at the upcoming regular rate-setting meeting. We expect the base rate to remain unchanged at 13%, while the effective rate (the new overnight deposit quick tenders rate) should remain at 18%. In addition to monetary policy, the focus will be on labour market data. With more and more companies giving one-off support to their employees or raising wages to mitigate the impact of the cost-of-living crisis, we expect an acceleration in wage growth. On the other hand, some companies are reacting to rising energy bills with cost-saving steps, translating into a higher unemployment rate.

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Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 24 October</b>					
Poland	1300 Sep	M3 Money Supply (YoY%)	7.3	7.4	7.4
Hungary	0800 Aug	Average Gross Wages (YoY%)	16.0		15.3
Kazakhstan	1000 Oct	Base Interest Rate	15.0		14.5
Brazil	1330 Aug	Current Account	-		-4.1
	1330 Aug	Foreign Direct Investment	-		7.7
Mexico	1200 Oct	1st Half-Month Core Inflation (MoM%)	-		0.44
	1200 Oct	1st Half-Month Inflation (MoM%)	-		0.41
<b>Tuesday 25 October</b>					
Poland	0900 Sep	Unemployment Rate	4.8	4.8	4.8
Hungary	1300 Oct	Hungary Base Rate	13.00		13.00
Brazil	1300 Oct	IPCA-15 Mid-Month CPI	-		-0.37
	1300 Oct	IPCA-15 Mid-Month CPI (YoY%)	-		7.96
Mexico	1200 Aug	IGAE Econ Activity (YoY%)	-		1.3
<b>Wednesday 26 October</b>					
Russia	1600 Sep	Industrial Output	-1.0	-1.0	-0.1
<b>Thursday 27 October</b>					
Turkey	0800 Sep	Trade Balance	-10.4		-11.2
Turkey	830	Inflation Report (2022 - IV)	-		-
Hungary	0800 Sep	Unemployment Rate 3M	3.6		3.5
South Africa	1030 Aug	PPI (MoM%/YoY%)	-/-	0.4/-	-/16.6
Brazil	-	Sep Central Government Balance	-		-50
	2200	Selic Interest Rate	-		13.75
Mexico	1200 Sep	Trade Balance SA	-		-3.6
	1200 Sep	Jobless Rate	-		3.5
<b>Friday 28 October</b>					
Russia	1130 Oct	Central bank key rate	7.5	7.5	7.5
	-	Sep GDP (YoY%) Monthly	-		-4.1
Brazil	1300 Oct	IGP-M Inflation Index	-		-0.95

Source: Refinitiv, ING

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