

## Key events in EMEA next week

The focus of next week will be Poland's fourth quarter GDP flash estimate for 2023, which we expect to come in at 1.0% YoY. Also in focus will be the National Bank of Hungary's February meeting, where we're expecting to see a 100bp cut. In Turkey, we see full-year GDP growth for 2023 coming in at 4.5% YoY



Source: Shutterstock

### **Poland: Flash estimate of fourth quarter GDP growth to be 1.0% YoY**

**GDP (4Q23): 1.0% YoY**

We expect the flash estimate of 2023 fourth quarter GDP growth of 1.0% year-on-year to be confirmed in Poland next week. The StatOffice will also unveil the composition of economic growth in the final quarter. We estimate that households consumption stalled in the fourth quarter after rising by 0.8% YoY in the third quarter. At the same time, fixed investment likely continued rising at a solid pace (7-8% YoY). We estimate that foreign trade contributed positively to fourth quarter GDP growth last year, while change in inventories was still a serious drag on growth. We still remain positive on the 2024 outlook and we forecast consumption-led growth of 3%.

## ✔ Hungary: We expect the NBH to deliver a 100bp cut

The main event next week in Hungary is the February rate-setting meeting. Favourable domestic developments (e.g., continued strong disinflation) strengthen the case for a larger rate cut, while FX stability and external risks justify a more cautious approach by the National Bank of Hungary. If market stability prevails, we expect the central bank to embrace the present and [deliver a 100bp cut](#), temporarily accelerating the pace of monetary easing.

Elsewhere on the calendar, we will see the details behind the surprisingly ugly December trade balance data, which may give us a clue as to its nature (a temporary hiccup or the start of a bad trend). Last but not least, the manufacturing PMI will reflect the ongoing weakness of the Hungarian industry, which is affected by limited domestic and foreign demand, in our view.

## ✔ Turkey: Full year GDP growth expected to be 4.5% tYoY

Despite the earthquakes in February, Turkish GDP recorded a strong 4.7% YoY in the first three quarters, mainly driven by domestic demand. However, there were signs of a slowdown in the growth trend in the last quarter. Accordingly, we expect it to come in at 4.1% YoY, with full year growth in 2023 at 4.5% YoY. There are signs of a boost to growth in the first quarter of this year with the rise in minimum wages and acceleration in budgetary spending.

## Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 26 February</b>					
Russia	1600	Jan Industrial Output	3.4		2.7
<b>Tuesday 27 February</b>					
Hungary	1300	Feb Hungary Base Rate	9.00		10.00
Croatia	1000	Q4 GDP (YoY%)	3.2		2.8
<b>Wednesday 28 February</b>					
Russia	1600	Jan Retail Sales (YoY%)	7.7		10.2
	1600	Jan Unemployment Rate	3.0		3
Turkey	0700	Jan Trade Balance	-	-6.2	-6.04
Poland	0900	Q1 GDP (QoQ%/YoY%) Flash	-		
<b>Thursday 29 February</b>					
Turkey	0700	Q4 GDP Quarterly (YoY%)	4.1		5.9
	1100	Jan Bank NPL Ratio	-		1.6
Poland	0900	Q4 GDP (YoY%)	1.0	/	1.0
South Africa	0600	Jan M3 Money Supply (YoY%)	-		7.63
	0600	Jan Private Sector Credit Ext.	-		4.94
	0930	Jan PPI (MoM%/YoY%)	-/-	/	-0.6/4
	1200	Jan Trade Balance (Incl. Region)	-		14.06
<b>Friday 1 March</b>					
Russia	0600	Feb S&P Global Manufacturing PMI	-		52.4
Poland	0800	Feb S&P Global Manufacturing PMI	45.3		47.1
Czech Rep	0800	Q4 Final GDP (QoQ%/YoY%)	-		0.2/-0.2
	0830	Feb S&P Global PMI	-		43
	1300	Feb Budget Balance	-		-26
Hungary	0730	Dec Trade Balance Final	-188		-188
	0800	Feb Manufacturing PMI	47.7		49.9

Source: Refinitiv, ING

## Authors

### Adam Antoniak

Senior Economist, Poland

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

### Peter Virovacz

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

### 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 <http://www.ing.com>.