

## Our view on next week's key events

Discover what ING analysts are looking for next week in our global economic calendars

### In this bundle



#### Key Events

##### Key events in developed markets next week

Next week's US data should be fairly decent, and we'll be listening out for any details on a potential US/China trade deal that could lift some of...

By James Knightley and Carsten Brzeski



#### Asia week ahead: China's 'two sessions' and more

China's 'two sessions' will inform the macro policy directive for 2019. Inflation and trade releases will shape economic policies elsewhere...



#### Key Events

##### Key events in EMEA and Latam next week

It's central bank frenzy next week, but don't expect any changes to monetary policy. Plus, we get a new set of macroeconomic forecasts from Poland...

By Muhammet Mercan, Peter Virovacz and 2 others

# Key events in developed markets next week

Next week's US data should be fairly decent, and we'll be listening out for any details on a potential US/China trade deal that could lift some of the gloom surrounding the global economy. Meanwhile, all eyes are on the ECB for any further hints surrounding fresh policy options to tackle liquidity and bank lending problems



Source: Shutterstock

## ✓ US: Decent data, patient Fed

The recent US data flow has been offering confusing messages, which may in part reflect data disruption issues relating to the government shutdown. Nonetheless, the Federal Reserve has indicated it can be 'patient', seeing risks from cross currents yet believing the underlying position of the US economy is sound.

This week's data should be decent with the strong jobs market helping to underpin consumer confidence and spending. Payrolls growth will likely slow from the unexpected 304k surge in January, but there is upside potential for wage growth as the tightness in the jobs market fuels inflation-busting pay awards.

We will also be listening out for more details on a potential US/China trade deal that could lift some of the gloom surrounding the global economy. Given this backdrop, we believe markets are being too pessimistic on the outlook for policy in pricing the next move being a 25 basis point Fed rate cut by summer 2021. Instead, we continue to favour a 25 basis point rate hike later in the year.

## ✓ ECB: Oh so quiet, for now

We expect the ECB to keep its cards close to its chest next week, and this means no new TLTRO announcements or changes to forward guidance. Instead, we expect the ECB to strike a dovish tone and mention that the Governing Council has asked the relevant committees to look into possible options to tackle liquidity and bank lending problems. This would open the door to some new policy announcements at the April meeting.

## ✓ Canada: Watching wage growth

The Bank of Canada meeting next Wednesday is likely to be a non-event when it comes to a change in the policy rate. That said, the language that governor Stephen Poloz uses in his press release will be analysed carefully. We hope some light will be shed with regard to the BoC's tone, and whether there's an indication that monetary tightening is still deemed the appropriate course of action this year.

Economic fundamentals are looking good though, and Friday's employment report could reinforce our view that – despite the global risk environment, the labour market is strong. Wage growth for full-time workers finally picked up to 1.8% YoY in January after seven months of consistent declines. On Friday, we'll be seeing if this upward trend is sustained, as this would further support our case that monetary tightening will resume later this year.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Sunday 3 March</b>					
Japan	2350	Feb Monetary Base (JPY tr)	505.1	-	500.2
<b>Monday 4 March</b>					
New Zealand	0100	Treasury Publishes Monthly Economic Indicators			
Switzerland	0625	SNB Annual Result 2018			
<b>Tuesday 5 March</b>					
US	1500	Feb ISM Non-manufacturing	57.4	57.2	56.7
Eurozone	0900	Feb F Markit Services PMI	-	-	52.3
	0900	Feb F Markit Composite PMI	-	-	51.4
	1000	Jan Retail Sales (MoM/YoY%)	-/-	-/-	-1.6/0.8
UK	0930	Feb Markit/CIPS Services PMI	49.7	-	50.1
	0930	Feb Markit/CIPS Composite PMI	49.9	-	50.3
	0930	Financial Policy Committee Minutes, Feb meeting			
	1535	BOE Governor Mark Carney Testifies to House of Lords			
Italy	0900	4Q F GDP (QoQ/YoY%)	-0.2/0.1	-/-	-0.2/0.1
Australia	0330	RBA Cash Rate Target	1.5	1.5	1.5
	2210	RBA Governor Lowe Speaks in Sydney			
Sweden	0730	Feb Swedbank/Silf Services PMI	-	-	54.1
<b>Wednesday 6 March</b>					
US	1315	Feb ADP Employment Change (000's)	190.0	182.5	212.9
	1330	Dec Trade Balance (US\$bn)	-52.0	-51.3	-49.3
	1700	Fed's Williams Speaks to Economic Club of New York			
	1700	Fed's Mester Participates in Moderated Discussion			
	1900	U.S. Federal Reserve Releases Beige Book			
Japan	0130	BOJ Harada Speaks in Kofu			
UK	1215	BOE's Jon Cunliffe Speaks at Symposium			
Italy	1000	Istat Releases Monthly Economic Note			
Canada	1500	Bank of Canada Policy Rate	1.75	1.75	1.75
Australia	0030	4Q GDP (QoQ/YoY%)	0.5/2.7	-/-	0.3/2.8
Norway	0700	4Q Current Account Balance (NOKbn)	-	-	91780.0
Sweden	0830	4Q Current Account Balance (SEKbn)	-	-	38.6
<b>Thursday 7 March</b>					
Japan	2350	4Q F GDP (Annualised, QoQ%)	-	-	1.4
	2350	4Q F GDP Deflator, Advance (Q) (YoY%)	-	-	-0.3
	2350	Jan P C/A Balance, Adjusted (Yen bn)	-	-	1562.3
Eurozone	1000	4Q F GDP (QoQ/YoY%)	-/-	-/-	0.2/1.2
	1245	ECB Main Refinancing Rate	0.0	0.0	0.0
	1245	ECB Marginal Lending Facility	0.25	0.25	0.25
	1245	ECB Deposit Facility Rate	-0.4	-0.4	-0.4
Italy	1000	OECD Interim Economic Outlook			
Italy	-	Bank of Italy Report on Balance-Sheet Aggregates			
Australia	0030	Jan Trade Balance (A\$m)	2227.0	-	3681.0
	0030	Jan Retail Sales (MoM%)	0.1	-	-0.4
Norway	0700	Jan Industrial Production (MoM/YoY%)	-/-	-/-	-1.0/1.2
Sweden	0500	Maklarstatistik Swedish Housing Price Data			
<b>Friday 8 March</b>					
US	1330	Feb Change in Nonfarm Payrolls ('000s)	170.0	185.0	304.0
	1330	Feb Unemployment Rate (%)	3.9	3.8	4.0
	1330	Feb Average Hourly Earnings (MoM/YoY%)	0.4/3.5	0.3/3.3	0.1/3.2
	1330	Feb Participation Rate	63.2	-	63.2
Germany	0700	Jan New Orders (MoM/YoY%)	1.2/-2.4	-/-	-1.6/-7.0
Canada	1330	Feb Net Change in Employment	-	-	66.8
	1330	Feb Unemployment Rate (%)	5.8	5.8	5.8
Norway	0700	Jan GDP Mainland (MoM%)	-	-	0.0

Source: Bloomberg, ING

[Click here to download a printer-friendly version of this table](#)

## Author

### **James Knightley**

Chief International Economist, US

[james.knightley@ing.com](mailto:james.knightley@ing.com)

### **Carsten Brzeski**

Global Head of Macro

[carsten.brzeski@ing.de](mailto:carsten.brzeski@ing.de)

---

Article | 28 February 2019

## Asia week ahead: China's 'two sessions' and more

China's 'two sessions' will inform the macro policy directive for 2019. Inflation and trade releases will shape economic policies elsewhere in the region. Malaysian central bank meeting will be of some interest after deflation returns for the first time in nearly a decade



Source: Shutterstock

### ➔ China: An annual rite of spring

Top government officials from all over China will gather in Beijing for the annual rite of spring - the Chinese People's Political Consultative Conference (CPPCC) and the National People's Congress (NPC) sessions to be held on 3rd and 5th March respectively. The typical focus in these meetings is Premier Li Keqiang's work report, as well as speeches by the heads of the central bank and other regulatory bodies.

Premier Li's report sets out economic targets for the year – GDP growth, inflation, money supply, bank lending, etc. – and also policy changes required to achieve these targets. The trade rift with the US is playing a significant role in shaping the economy and macro policy in China. The media has signalled a possible growth downgrade target for this year to a '6.0% to 6.5% range' from 'around 6.5%' in 2018, which makes more stimulatory policies the order of the day. The stimulus is already being rolled out within the confines of the current policy stance of 'prudent' monetary policy and 'pro-active' fiscal policy - the stance likely to be reinforced next week.

China's economic growth continues to soften as the sixth consecutive drop in the manufacturing PMI in February suggests. The message from the forthcoming data – February trade, inflation, and monetary data, all due next week – is unlikely to be any different. We believe the markets will be biding time until the Trump-Xi summit on trade at the end of March.

## ➔ Rest of Asia: Falling inflation allows for central bank easing

Trade and inflation data dominate the economic calendar for the rest of the region. Asian exports have been under pressure from the trade war and slumping global electronics demand, as the data from Taiwan and Malaysia is likely to reinforce.

Among all inflation releases, Philippines' steals the focus. From a peak of 6.7% YoY high in September-October 2018, inflation has slowed sharply through January to 4.4%. Further fall in February will see it return to the central bank's 2-4% target, thus opening the doors for reversal of some of last year's 175 basis points rate hike this year, while the dovish US Fed policy allows for some local currency strengthening. We anticipate two 25bp cuts in the second and fourth quarters of the year.

Inflation in Korea continues to be low, and in Taiwan, it's almost non-existent. We don't think the Bank of Korea's 25bp rate hike last November was at all needed. The BoK left the policy on hold today. Governor Lee Ju-Yeol cited the Fed's and ECB's policy stance as important factors in deciding the policy. We think the weak domestic economy, trade uncertainty, and dovish G3 central banks' policy puts the BoK next in the line of Asian central banks to cut rates later this year.

Malaysia's central bank announces the outcome of its policy meeting on 5th March. BNM meetings had been really boring lately, but this one may be less so after the latest CPI data showing negative inflation for the first time in nearly a decade, thus raising the prospects of policy easing. However, the recent falling streak in CPI is the result of supply-side factors (the administrative cut in domestic fuel prices) that nothing the monetary policy could do about.

We believe BNM will see through the latest data and leave policy unchanged.

[Read Deflation returns in Malaysia after nearly a decade](#)

## Asia Economic Calendar

Country	Time*	Data/event	ING	Survey	Prev.
<b>Monday 4 March</b>					
Malaysia	0400	Jan Trade Balance (RM bn)	8.2	-	10.4
	0400	Jan Exports (YoY%)	-4.6	-	4.8
	0400	Jan Imports (YoY%)	-3.1	-	1.0
Singapore	1300	Feb Purchasing Managers Index	-	-	50.7
Taiwan	0030	Feb Nikkei Manufacturing PMI	47.0	-	47.5
South Korea	0030	Feb Nikkei Manufacturing PMI	-	-	48.3
	2300	4Q F GDP (QoQ/YoY%)	1.0/3.1	-/-	1.0/3.1
	2300	Feb CPI (YoY%)	0.5	-	0.8
	2300	Feb Core CPI (YoY%)	0.9	-	1.2
<b>Tuesday 5 March</b>					
China	-	Annual Session of National Peoples Congress Starts			
India	0500	Feb Nikkei Services PMI	-	-	52.2
	-	4Q Current Account Balance (Q) (US\$bn)	-15.0	-16.0	-19.1
Hong Kong	0030	Feb Nikkei PMI	-	-	48.2
	0830	Jan Retail Sales Value (YoY%)	1.1	-	0.1
	0830	Jan Retail Sales Volume (YoY%)	1.3	-	0.2
Malaysia	0700	Overnight Policy Rate	3.25	-	3.25
Philippines	0100	Feb CPI (YoY%)	3.8	-	4.4
<b>Wednesday 6 March</b>					
Taiwan	0800	Feb Forex Reserves (US\$bn)	463.6	-	463.0
<b>Thursday 7 March</b>					
China	-	Feb Forex Reserves (US\$bn)	3097.9	-	3087.9
Hong Kong	-	Feb Forex Reserves (US\$bn)	-	-	432.0
Indonesia	-	Feb Forex Reserves (US\$bn)	120.9	-	120.1
Malaysia	0700	Forex reserves, Mth-end (US\$bn)	-	-	102.3
Philippines	-	Feb Forex Reserves (US\$bn)	85.1	-	82.5
<b>Friday 8 March</b>					
China	-	Feb Trade Balance (US\$bn)	51.2	-	39.2
	-	Feb Exports (YoY%)	9.0	-	9.1
	-	Feb Imports (YoY%)	-1.4	-	-1.5
Taiwan	0800	Feb CPI (YoY%)	0.1	-	0.2
	0800	Feb Exports (YoY%)	0.2	-	-0.3
	0800	Feb WPI (YoY%)	-0.3	-	0.8
	0800	Feb Imports (YoY%)	5.1	-	6.8
	0800	Feb Trade Balance (US\$bn)	3.0	-	0.9

Source: Bloomberg, ING. \*GMT

### Author

#### Alissa Lefebre

Economist

[alissa.lefebvre@ing.com](mailto:alissa.lefebvre@ing.com)

#### Deepali Bhargava

Regional Head of Research, Asia-Pacific

[Deepali.Bhargava@ing.com](mailto:Deepali.Bhargava@ing.com)

#### Ruben Dewitte

Economist

+32495364780

[ruben.dewitte@ing.com](mailto:ruben.dewitte@ing.com)



**Kinga Havasi**

Economic research trainee

[kinga.havasi@ing.com](mailto:kinga.havasi@ing.com)

**Marten van Garderen**

Consumer Economist, Netherlands

[marten.van.garderen@ing.com](mailto:marten.van.garderen@ing.com)

**David Havrlant**

Chief Economist, Czech Republic

420 770 321 486

[david.havrlant@ing.com](mailto:david.havrlant@ing.com)

**Sander Burgers**

Senior Economist, Dutch Housing

[sander.burgers@ing.com](mailto:sander.burgers@ing.com)

**Lynn Song**

Chief Economist, Greater China

[lynn.song@asia.ing.com](mailto:lynn.song@asia.ing.com)

**Michiel Tukker**

Senior European Rates Strategist

[michiel.tukker@ing.com](mailto:michiel.tukker@ing.com)

**Michal Rubaszek**

Senior Economist, Poland

[michal.rubaszek@ing.pl](mailto:michal.rubaszek@ing.pl)

**This is a test author**

**Stefan Posea**

Economist, Romania

[tiberiu-stefan.posea@ing.com](mailto:tiberiu-stefan.posea@ing.com)

**Marine Leleux**

Sector Strategist, Financials

[marine.leleux2@ing.com](mailto:marine.leleux2@ing.com)

**Jesse Norcross**

Senior Sector Strategist, Real Estate

[jesse.norcross@ing.com](mailto:jesse.norcross@ing.com)

**Teise Stellema**

Research Assistant, Energy Transition

[teise.stellema@ing.com](mailto:teise.stellema@ing.com)

**Diederik Stadig**

Sector Economist, TMT & Healthcare

[diederik.stadig@ing.com](mailto:diederik.stadig@ing.com)

**Diogo Gouveia**

Sector Economist

[diogo.duarte.vieira.de.gouveia@ing.com](mailto:diogo.duarte.vieira.de.gouveia@ing.com)

**Marine Leleux**

Sector Strategist, Financials

[marine.leleux2@ing.com](mailto:marine.leleux2@ing.com)

**Ewa Manthey**

Commodities Strategist

[ewa.manthey@ing.com](mailto:ewa.manthey@ing.com)

**ING Analysts**

**James Wilson**

EM Sovereign Strategist

[James.wilson@ing.com](mailto:James.wilson@ing.com)

**Sophie Smith**

Digital Editor

[sophie.smith@ing.com](mailto:sophie.smith@ing.com)

**Frantisek Taborsky**

EMEA FX & FI Strategist

[frantisek.taborsky@ing.com](mailto:frantisek.taborsky@ing.com)

**Adam Antoniak**

Senior Economist, Poland

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

**Min Joo Kang**

Senior Economist, South Korea and Japan

[min.joo.kang@asia.ing.com](mailto:min.joo.kang@asia.ing.com)

**Coco Zhang**

ESG Research

[coco.zhang@ing.com](mailto:coco.zhang@ing.com)

**Jan Frederik Slijkerman**

Senior Sector Strategist, TMT

[jan.frederik.slijkerman@ing.com](mailto:jan.frederik.slijkerman@ing.com)

**Katinka Jongkind**

Senior Economist, Services and Leisure

[Katinka.Jongkind@ing.com](mailto:Katinka.Jongkind@ing.com)

**Marina Le Blanc**

Sector Strategist, Financials

[Marina.Le.Blanc@ing.com](mailto:Marina.Le.Blanc@ing.com)

**Samuel Abettan**

Junior Economist

[samuel.abettan@ing.com](mailto:samuel.abettan@ing.com)

**Franziska Biehl**

Senior Economist, Germany

[Franziska.Marie.Biehl@ing.de](mailto:Franziska.Marie.Biehl@ing.de)

**Rebecca Byrne**

Senior Editor and Supervisory Analyst

[rebecca.byrne@ing.com](mailto:rebecca.byrne@ing.com)

**Mirjam Bani**

Sector Economist, Commercial Real Estate & Public Sector (Netherlands)

[mirjam.bani@ing.com](mailto:mirjam.bani@ing.com)

**Timothy Rahill**

Credit Strategist

[timothy.rahill@ing.com](mailto:timothy.rahill@ing.com)

**Leszek Kasek**

Senior Economist, Poland

[leszek.kasek@ing.pl](mailto:leszek.kasek@ing.pl)

**Oleksiy Soroka, CFA**

Senior High Yield Credit Strategist

[oleksiy.soroka@ing.com](mailto:oleksiy.soroka@ing.com)

**Antoine Bouvet**

Head of European Rates Strategy

[antoine.bouvet@ing.com](mailto:antoine.bouvet@ing.com)

**Jeroen van den Broek**

Global Head of Sector Research

[jeroen.van.den.broek@ing.com](mailto:jeroen.van.den.broek@ing.com)

**Edse Dantuma**

Senior Sector Economist, Industry and Healthcare

[edse.dantuma@ing.com](mailto:edse.dantuma@ing.com)

**Francesco Pesole**

FX Strategist  
[francesco.pesole@ing.com](mailto:francesco.pesole@ing.com)

**Rico Luman**  
Senior Sector Economist, Transport and Logistics  
[Rico.Luman@ing.com](mailto:Rico.Luman@ing.com)

**Jurjen Witteveen**  
Sector Economist  
[jurjen.witteveen@ing.com](mailto:jurjen.witteveen@ing.com)

**Dmitry Dolgin**  
Chief Economist, CIS  
[dmitry.dolgin@ing.de](mailto:dmitry.dolgin@ing.de)

**Nicholas Mapa**  
Senior Economist, Philippines  
[nicholas.antonio.mapa@asia.ing.com](mailto:nicholas.antonio.mapa@asia.ing.com)

**Egor Fedorov**  
Senior Credit Analyst  
[egor.fedorov@ing.com](mailto:egor.fedorov@ing.com)

**Sebastian Franke**  
Consumer Economist  
[sebastian.franke@ing.de](mailto:sebastian.franke@ing.de)

**Gerben Hieminga**  
Senior Sector Economist, Energy  
[gerben.hieminga@ing.com](mailto:gerben.hieminga@ing.com)

**Nadège Tillier**  
Head of Corporates Sector Strategy  
[nadege.tillier@ing.com](mailto:nadege.tillier@ing.com)

**Charlotte de Montpellier**  
Senior Economist, France and Switzerland  
[charlotte.de.montpellier@ing.com](mailto:charlotte.de.montpellier@ing.com)

**Laura Straeter**  
Behavioural Scientist  
+31(0)611172684  
[laura.Straeter@ing.com](mailto:laura.Straeter@ing.com)

**Valentin Tataru**  
Chief Economist, Romania  
[valentin.tataru@ing.com](mailto:valentin.tataru@ing.com)

**James Smith**

Developed Markets Economist, UK

[james.smith@ing.com](mailto:james.smith@ing.com)

**Suvi Platerink Kosonen**

Senior Sector Strategist, Financials

[suvi.platerink-kosonen@ing.com](mailto:suvi.platerink-kosonen@ing.com)

**Thijs Geijer**

Senior Sector Economist, Food & Agri

[thijs.geijer@ing.com](mailto:thijs.geijer@ing.com)

**Maurice van Sante**

Senior Economist Construction & Team Lead Sectors

[maurice.van.sante@ing.com](mailto:maurice.van.sante@ing.com)

**Marcel Klokk**

Senior Economist, Netherlands

[marcel.klokk@ing.com](mailto:marcel.klokk@ing.com)

**Piotr Poplawski**

Senior Economist, Poland

[piotr.poplawski@ing.pl](mailto:piotr.poplawski@ing.pl)

**Paolo Pizzoli**

Senior Economist, Italy, Greece

[paolo.pizzoli@ing.com](mailto:paolo.pizzoli@ing.com)

**Marieke Blom**

Chief Economist and Global Head of Research

[marieke.blom@ing.com](mailto:marieke.blom@ing.com)

**Raoul Leering**

Senior Macro Economist

[raoul.leering@ing.com](mailto:raoul.leering@ing.com)

**Maarten Leen**

Head of Global IFRS9 ME Scenarios

[maarten.leen@ing.com](mailto:maarten.leen@ing.com)

**Maureen Schuller**

Head of Financials Sector Strategy

[Maureen.Schuller@ing.com](mailto:Maureen.Schuller@ing.com)

**Warren Patterson**

Head of Commodities Strategy

[Warren.Patterson@asia.ing.com](mailto:Warren.Patterson@asia.ing.com)

**Rafal Benecki**

Chief Economist, Poland

[rafal.benecki@ing.pl](mailto:rafal.benecki@ing.pl)

**Philippe Ledent**

Senior Economist, Belgium, Luxembourg

[philippe.ledent@ing.com](mailto:philippe.ledent@ing.com)

**Peter Virovacz**

Senior Economist, Hungary

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

**Inga Fechner**

Senior Economist, Germany, Global Trade

[inga.fechner@ing.de](mailto:inga.fechner@ing.de)

**Dimitry Fleming**

Senior Data Analyst, Netherlands

[Dimitry.Fleming@ing.com](mailto:Dimitry.Fleming@ing.com)

**Ciprian Dascalu**

Chief Economist, Romania

+40 31 406 8990

[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@ing.com)

**Muhammet Mercan**

Chief Economist, Turkey

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

**Iris Pang**

Chief Economist, Greater China

[iris.pang@asia.ing.com](mailto:iris.pang@asia.ing.com)

**Sophie Freeman**

Writer, Group Research

+44 20 7767 6209

[Sophie.Freeman@uk.ing.com](mailto:Sophie.Freeman@uk.ing.com)

**Padhraic Garvey, CFA**

Regional Head of Research, Americas

[padhraic.garvey@ing.com](mailto:padhraic.garvey@ing.com)

**James Knightley**

Chief International Economist, US

[james.knightley@ing.com](mailto:james.knightley@ing.com)

**Tim Condon**

Asia Chief Economist

+65 6232-6020

**Martin van Vliet**

Senior Interest Rate Strategist

+31 20 563 8801

[martin.van.vliet@ing.com](mailto:martin.van.vliet@ing.com)

**Karol Pogorzelski**

Senior Economist, Poland

[Karol.Pogorzelski@ing.pl](mailto:Karol.Pogorzelski@ing.pl)

**Carsten Brzeski**

Global Head of Macro

[carsten.brzeski@ing.de](mailto:carsten.brzeski@ing.de)

**Viraj Patel**

Foreign Exchange Strategist

+44 20 7767 6405

[viraj.patel@ing.com](mailto:viraj.patel@ing.com)

**Owen Thomas**

Global Head of Editorial Content

+44 (0) 207 767 5331

[owen.thomas@ing.com](mailto:owen.thomas@ing.com)

**Bert Colijn**

Chief Economist, Netherlands

[bert.colijn@ing.com](mailto:bert.colijn@ing.com)

**Peter Vanden Houte**

Chief Economist, Belgium, Luxembourg, Eurozone

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

**Benjamin Schroeder**

Senior Rates Strategist

[benjamin.schroeder@ing.com](mailto:benjamin.schroeder@ing.com)

**Chris Turner**

Global Head of Markets and Regional Head of Research for UK & CEE

[chris.turner@ing.com](mailto:chris.turner@ing.com)

**Gustavo Rangel**

Chief Economist, LATAM

+1 646 424 6464

[gustavo.rangel@ing.com](mailto:gustavo.rangel@ing.com)

**Carlo Cocuzzo**

Economist, Digital Finance

+44 20 7767 5306

[carlo.cocuzzo@ing.com](mailto:carlo.cocuzzo@ing.com)



## Key events in EMEA and Latam next week

It's central bank frenzy next week, but don't expect any changes to monetary policy. Plus, we get a new set of macroeconomic forecasts from Poland as well as inflation data from Hungary, Turkey and Russia



Source: Shutterstock

### ✓ Central bank of Turkey: Quiet despite swap curve suggesting otherwise

We expect the central bank of Turkey to keep rates on hold next week at 24%. The Bank continues to be cautious in signalling any rate cuts and is focusing on macroprudential policies for the time being, despite aggressive easing priced in by the swap curve until the end of the year.

On the inflation side, following a decline in short-term CPI momentum - which brought the annual figure down to 20.4% in January from its October peak, we estimate the February reading to be at a similar level, with the annual change to be pulled down to 20.0%. Still, upside risks remain in the near-term given the marked deterioration in pricing behaviour and volatile food prices.

### ✓ Hungary: Inflation pressures could encourage a March rate hike

Investors following Hungary face a busy week, but the most important data could be inflation. We see both headline and core figures accelerating - the latter reaching 3.4% year-on-year, which should push the National Bank of Hungary to change its monetary policy stance in March.

Economic activity data is expected to show a soft patch for growth - especially due to work stopping at an Audi factory in January, which is likely to translate into weak industrial data. Retail sales are expected to increase further - albeit at a slower pace, and we see the budget balance remaining well in surplus due to a net inflow from EU projects.

## **National Bank of Poland: Flat rates, new macroeconomic forecasts**

The monetary policy committee is expected to keep rates flat on Wednesday. The National Bank of Poland will also publish new macroeconomic projections. We expect a material downward revision to its CPI forecast for 2019 - from 3.2% to approximately 2% YoY on the back of lower energy prices.

The November release assumed no government intervention in the electrical energy market, which effectively lowered price levels in January. According to central bank governor Adam Glapiński, some comment on upward revisions to the 2019 GDP forecast (3.6% YoY) is also possible. The March economic projection is unlikely to incorporate the effects of fiscal stimulus related to recent PiS leader pledges.

## **National Bank of Serbia to stay on hold at 3.0%**

Both year-end and average 2018 inflation came in at 2.0%. Core inflation has been even better behaved, averaging 1.0% for the year and confirming the benign inflationary environment. Assuming quasi-constant oil prices, we see headline inflation inching marginally higher towards 2.4% in the first quarter of 2019 mainly due to base effects, and then to return and hover around 2.0% for the rest of 2019.

We expect no change from the National Bank of Serbia at the 7 March meeting.

## **Czech Republic: 2018, a pretty picture for wage growth**

As usual, February's unemployment rate is supposed to decline slightly due to seasonal reasons. Average wage growth should remain solid, but based on fourth quarter GDP data, we think the slowdown will be closer to 7%, compared to the CNB's forecast of 8% in nominal terms after an 8.5% reading in the 3Q18. With inflation averaging 2.1% in 4Q18, real wage growth should reach 5.0%. Still, average real wage growth for the whole of 2018 will exceed 6% for the first time since 2002.

## **Russia: Will CPI peak in February? We think it still has some way to go**

In February, Russia continued to experience the consequences of the VAT hike, meaning CPI likely increased by 5.3% YoY vs 5.0% in January and 4.3% YoY at the end of 2018. While the initial spike is fading, it is too soon to tell at what level CPI will peak.

We remain on the pessimistic side of the consensus, expecting inflation to continue crawling up towards the 6.0% mark in 1H19 due to persistent pressure from the PPI side - especially in the oil downstream sector. The likelihood of a rate hike in March remains well above zero.

## EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 4 March</b>					
Turkey	0700	Feb CPI (MoM/YoY%)	0.4/20.0	-/-	1.1/20.4
	0700	Feb Domestic PPI (MoM/YoY%)	-/-	-/-	0.5/32.9
	0700	Feb Core CPI (YoY%)	-	-	19.0
Hungary	0800	Dec F Trade Balance (€mn)	398.0	-	398.0
Romania	0700	Jan PPI (MoM/YoY%)	-/-	-/-	-0.2/4.5
Kazakhstan	1100	Key Policy Rate (%)	-	-	9.25
<b>Tuesday 5 March</b>					
Poland	-	Monetary Policy Council Rate Meeting			
Hungary	0800	Jan Retail Sales (YoY%)	3.9	-	4.1
Romania	0700	Jan Retail Sales (MoM/YoY%)	-/-	-/-	-1/2.7
South Africa	0930	4Q GDP (SAAR-QoQ/YoY%)	-/-	-/-	2.2/1.1
<b>Wednesday 6 March</b>					
Russia	-	Feb CPI Core (YoY%)	-	-	4.1
	-	Feb CPI (MoM/YoY%)	0.5/5.3	-/-	1.0/5.0
Turkey	1100	Benchmark Repurchase Rate	24.0	-	24.0
Poland	-	Base Rate (%)	1.5	-	1.5
South Africa	0930	Feb SACCI Business Confidence	-	-	95.1
<b>Thursday 7 March</b>					
Poland	1300	Feb Official Reserves Total	-	-	113676.2
Czech Rep	0900	Feb International Reserves (US\$bn)	-	-	143.3
Hungary	0800	Jan Industrial Production (MoM/YoY%)	-2.8/0.8	-/-	2.5/5.7
Ukraine	-	Feb CPI (MoM/YoY%)	-/-	-/-	1.0/9.2
Romania	0700	4Q P GDP (SA, QoQ/YoY%)	0.7/4.1	-/-	0.7/4.1
Bulgaria	0900	4Q F GDP (QoQ/YoY%)	1.2/3.1	-/-	1.2/3.1
Serbia	1100	Repo Rate (%)	3.0	-	3.0
Croatia	1000	Jan Industrial Production (SA, YoY%)	-	-	-6.6
South Africa	0600	Feb Gross Reserves (US\$bn)	-	-	50.8
	0600	Feb Net Open Foreign Currency Position (US\$bn)	-	-	43.6
Israel	-	Feb Foreign Currency Balance (US\$bn)	-	-	118.2
Mexico	1400	Feb CPI (MoM/YoY%)	0.3/4.3	-/-	0.1/4.4
<b>Friday 8 March</b>					
Czech Rep	0800	Feb Unemployment Rate (%)	3.2	-	3.3
	0800	4Q18 Average Real Monthly Wage (YoY%)	5.0	-	6.0
Hungary	0800	Feb CPI (MoM/YoY%)	0.4/2.9	-/-	0.3/2.7
	1000	Feb Budget Balance (YTD)	200.0	-	244.5
Bulgaria	0900	Jan Industrial Production (MoM/YoY%)	-/-	-/-	-2.3/3.8
	0900	Jan Retail Sales (MoM%)	-	-	-0.3
Croatia	1000	Dec Trade Balance (HRK m)	-	-	-5544.2

Source: ING

[Click here to download a printer-friendly version of this table](#)

## Author

### Muhammet Mercan

Chief Economist, Turkey

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

### Peter Virovacz

Senior Economist, Hungary

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

### Valentin Tataru

Chief Economist, Romania

[valentin.tataru@ing.com](mailto:valentin.tataru@ing.com)

### Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@ing.com)

### Dmitry Dolgin

Chief Economist, CIS

[dmitry.dolgin@ing.de](mailto:dmitry.dolgin@ing.de)

## 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).