

## 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 EMEA next week

Despite the Central Bank of Turkey implying in its forward guidance that further rate cuts are ahead, we believe it will keep the policy rate unchanged...

By Muhammet Mercan, Adam Antoniak and Peter Virovacz



#### Key Events

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

Next week is packed with central bank meetings. The Fed is likely to match the European Central Bank in hiking rates by 75bp, while the Bank of England...

By James Knightley, Bert Colijn and 2 others



#### Asia week ahead | Australia | Indonesia...

##### Asia week ahead: Busy week for central banks

In the coming week, several central banks will meet to discuss policy with inflation in the spotlight

By Min Joo Kang and Robert Carnell

## Key events in EMEA next week

Despite the Central Bank of Turkey implying in its forward guidance that further rate cuts are ahead, we believe it will keep the policy rate unchanged...



Source: Shutterstock

### ✓ Turkey: Expecting the CBT to keep rates unchanged this month

While the Central Bank of Turkey (CBT) cut the policy rate last month in a surprise move, it did issue forward guidance implying further rate cuts were ahead, citing some loss in economic momentum. The CBT moves will likely be determined by FX developments, as the tourism season comes to end, as well as the growth outlook. We expect the CBT to keep the policy rate unchanged this month to see the impact of recent moves, though the risks are on the downside.

### ✓ Poland: Key data for the week ahead

**Industrial output:** Annual growth of industrial production moderated to a single-digit pace in July (7.6%), but is projected to improve somewhat in August (9.8%) amid the less negative impact of the number of working days in year-on-year terms. The output should be supported by shorter summer production halts in the automotive industry and house appliances plants. Electricity production was also rather solid. Output was reduced in some energy-intensive industries due to the soaring price of natural gas.

**PPI inflation:** We forecast that PPI inflation declined to 24.5%YoY in August from 24.9%YoY in July as prices in the manufacture of coke and refined petroleum products eased. Annual growth of metal products manufacture also declined. Unless we see yet another upswing in energy and industrial commodities, the producers' prices should continue to decline. We believe that the peak is most likely behind us.

**Enterprise wages:** In July, enterprise wages jumped up by 15.8%YoY boosted by one-off payments and compensations for high inflation in the mining, energy and foresting sectors. In August, growth is expected to be lower, albeit still at a double-digit level. Nevertheless, real wages in the enterprise sector are projected to turn negative again. The labour market remains tight, which is what drives wages upwards.

**Enterprise employment:** Average paid employment went up by 2.3%YoY in July, with the number of posts increasing by 11,000 people versus the previous month. In August we expect a seasonal decline, but smaller than last year, which should drive annual employment growth up to 2.4%YoY. Despite signs of slowing activity, particularly in industry and construction, demand for labour remains solid, especially in services.

**Unemployment rate:** The labour market is drained from skilled workers and even the inflow of refugees from Ukraine that have assimilated quite well and are active in the labour market is not putting upward pressure on the unemployment rate so far. Since January the number of unemployed people is on a downward path and the registered unemployment rate is projected to remain at 4.9% for the second month in a row in April.

## Hungary: Further widening of the current account deficit

The National Bank of Hungary will release the second quarter current account balance and it is expected to be in the same ballpark that we saw during the first quarter. A roughly €2tr deficit is the result of the rising energy bill of the country, deteriorating the balance of goods in an extreme manner. An early estimation of the July balance suggests further widening of the current account deficit. When it comes to the labour market, we see wage growth accelerating further, as the price-wage spiral has started.

More and more companies have announced extra compensation for employees (either one-off or mid-year salary hikes) in the last couple of months, which will be visible in the wage statistics as well. On the other hand, the news has also been about companies planning redundancies in the future (various surveys put the share of these corporates between 25-50%), thus we won't be surprised if the unemployment rate reflects that development, moving a bit higher compared to the previous month.

## Key events in EMEA next week

Country	Time	Data/event	ING Survey	Prev.
<b>Tuesday 20 September</b>				
Poland	0900	Aug Industrial Output (YoY%)	9.8	7.6
	0900	Aug PPI (YoY%)	24.5	24.9
	0900	Aug Corporate Sector Wages (YoY%)	13.5	15.8
	0900	Aug Corporate Sector Employment (YoY%)	2.4	2.2
<b>Wednesday 21 September</b>				
Russia	1700	Aug PPI (MoM%/YoY%)	-/-	-2.2/6.1
Poland	0900	Aug Retail Sales, real (YoY%)	3	2
South Africa	0900	Aug CPI (MoM%/YoY%)	-/-	1.5/7.8
	0900	Aug Core inflation (MoM%/YoY%)	-/-	0.7/4.6
Brazil	2200	Selic Interest Rate	-	13.75
Mexico	1200	Jul Retail Sales (MoM%/YoY%)	-	-0.3/4.0
<b>Thursday 22 September</b>				
Turkey	1200	Sep CBT Weekly Repo Rate	13	13
	1200	Sep O/N Lending Rate	14.5	14.5
	1200	Sep O/N Borrowing Rate	11.5	11.5
Poland	1300	Aug M3 Money Supply (YoY%)	6.0	6.2
Hungary	0730	Q2 C/A Balance QQ	-2.0	-2.1
	0800	Aug Unemployment Rate 3M	3.5	3.3
Mexico	1200	Sep 1st Half-Month Core Inflation (MoM%)	-	0.49
	1200	Sep 1st Half-Month Inflation (MoM%)	-	0.42
<b>Friday 23 September</b>				
Poland	0900	Aug Unemployment Rate	4.9	4.9
Hungary	0800	Jul Average Gross Wages (YoY%)	16.0	15.4

Source: Refinitiv, ING

### Authors

#### Muhammet Mercan

Chief Economist, Turkey

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

#### 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)

# Key events in developed markets next week

Next week is packed with central bank meetings. The Fed is likely to match the European Central Bank in hiking rates by 75bp, while the Bank of England...



Source: Shutterstock

## **US: 75bp is our favoured call, however there's a chance for the Fed to go even further**

All eyes will be on the Federal Reserve meeting next Wednesday. The market was favouring a 75bp hike ahead of the August CPI report, but the much higher-than-expected inflation print has seen the market price in a 20% chance that the Fed will go over and above that by opting for 100bp. A 75bp hike is still our favoured call, but we acknowledge the risk that with inflation proving to be stickier than we had suspected, the subsequent meetings in November and December could see more aggressive action from the Fed than we are currently pencilling in. While the geopolitical backdrop, the China slowdown story, the potential for energy rationing in Europe, the strong dollar and fragile-looking domestic equity and housing markets argue for a more moderate path of tightening in the coming months, if inflation momentum doesn't slow the bank will hike by a further 75bp in November and possibly 50bp in December. The message from the Fed next week is likely to emphasise data dependency, but its updated economic forecasts are likely to show the end-2022 Fed funds rate at 4.125% rather than 3.4% (July forecast) and we suspect it will be kept at that for 2023, before dropping back to a long-term average rate of 2.5%.

## ✓ UK: Bank of England to stick to 50bp rate hike despite Fed and ECB doing more

We narrowly favour a 50bp hike on Thursday, taking the Bank Rate to 2.25%, although 75bp is clearly on the table and we would expect at least a couple of policymakers to vote for it. The announcement of an energy price cap from the government will drastically lower near-term CPI, reducing concerns about consumer inflation expectations becoming de-anchored and reducing the urgency to act even more aggressively. However, the hawks will be worried about the recent independent sterling weakness, and will also argue that the government's support package could increase medium-term inflation given it reduces the risk of recession.

That means it's a close meeting to call, but if we're right and the committee does move more cautiously than the Fed and ECB next week, then we expect another 50bp move in November and at least another 25bp in December. That would take Bank Rate to the 3% area. [Read our full Bank of England Preview here.](#)

## ✓ Sweden: Riksbank to match ECB's 75bp hike – and there's a risk of more

With only two meetings left this year, and facing higher-than-expected inflation and a tight jobs market, we expect the Riksbank to hike rates by at least 75bp on Tuesday. We expect a repeat move in November.

## ✓ Norway: Norges Bank to repeat August's 50bp rate hike

Norway's central bank stepped up the pace of rate hikes in August, and core inflation has continued to push higher than Norges Bank's most recent forecasts in June. The message from the August meeting was that the central bank is keen to continue front-loading tightening, and we expect another 50bp hike next week. That would take the deposit rate to 2.25%, and we'd expect another 50bp move in November.

## ✓ Switzerland: SNB will follow the lead of other central banks and hike rates by 75bp

The Swiss National Bank (SNB) meets next week and is ready to raise its key interest rate for a second time, after the 50bp increase in June. Inflation in Switzerland stood at 3.5% in August, still above the SNB's target of 0-2%, although well below the inflation rate in neighbouring countries. The fact that the Swiss franc is relatively strong against the euro is no longer a problem for the SNB, as it reduces imported inflation. The SNB focuses much more on the real exchange rate, which takes into account the inflation differential and has remained very stable in recent months. With no fears of too much appreciation and with inflation above target, there is little reason for the SNB not to follow the lead of other central banks, especially as it only meets once every quarter, so the next meeting will be in December, while the ECB and the Fed will meet in between. We expect a 75bp rate hike next week.

## ✓ Eurozone: PMIs expected to remain below 50

In the eurozone, we get the first look at economic activity in September with PMIs due on Friday. After two months below 50, we expect another one to follow as manufacturing production cuts

due to high energy prices and the end of the tourist season are set to impact business activity. Consumer confidence will also be released next week, where we expect confidence to remain near historical lows for the moment as the cost-of-living crisis continues.

## Key events in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Tuesday 20 September</b>					
Canada	1330	Aug CPI Inflation (MoM%/YoY%)	0.1/7.5		0.1/7.6
Eurozone	1000	Jul Current Account SA (EUR bn)	-		4.24
Sweden	0830	Riksbank Policy Rate	1.50		0.75
<b>Wednesday 21 September</b>					
US	1900	Fed Funds Target Rate (mid rate)	3.125	3.125	2.375
Sweden	0700	Aug Unemployment Rate	-		6.4
<b>Thursday 22 September</b>					
US	1330	Q2 Current Account	-255	-260	-291
	1330	Initial Jobless Claim	220		213
	1330	Continued Jobless Claim	1440		1403
UK	1200	Sep BOE Bank Rate	2.25		1.75
Norway	0900	Key Policy Rate	2.25		1.75
Switzerland	0830	Q3 SNB Policy Rate	0.50		-0.25
Eurozone	1500	Sep Consumer Confidence Flash	-24.5		-24.9
<b>Friday 23 September</b>					
US	1445	Sep S&P Global Manufacturing PMI Flash	51.0	51.3	51.5
	1445	Sep S&P Global Services PMI Flash	46.0	44.8	43.7
	1445	Sep S&P Global Composite Flash PMI	-	-	44.6
Germany	0830	Sep S&P Global Manufacturing Flash PMI	48.2		49.1
	0830	Sep S&P Global Service Flash PMI	47		47.7
	0830	Sep S&P Global Composite Flash PMI	45.5		46.9
France	0815	Sep S&P Global Composite Flash PMI	-		50.4
UK	0930	Sep Flash Manufacturing PMI	48		47.3
	0930	Sep Flash Services PMI	50		50.9
Spain	0800	Q2 GDP (QoQ%/YoY%)	-/-		1.1/6.3
Canada	1330	Jul Retail Sales (MoM%)	0.1		1.1
Eurozone	0900	Sep S&P Global Manufacturing Flash PMI	49.3		49.6
	0900	Sep S&P Global Services Flash PMI	49.5		49.8
	0900	Sep S&P Global Composite Flash PMI	48.8		48.9

Source: Refinitiv, ING

## Authors

### **James Knightley**

Chief International Economist, US

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

### **Bert Colijn**

Chief Economist, Netherlands

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

### **James Smith**

Developed Markets Economist, UK

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

### **Charlotte de Montpellier**

Senior Economist, France and Switzerland

[charlotte.de.montpellier@ing.com](mailto:charlotte.de.montpellier@ing.com)



# Asia week ahead: Busy week for central banks

In the coming week, several central banks will meet to discuss policy with inflation in the spotlight



## The week ahead: Central bank super Thursday

It's a busy week for central banks next week. The Bank of Japan (BoJ) will meet to possibly discuss currency intervention measures, while the Reserve Bank of Australia (RBA) releases minutes from its meeting in September. Meanwhile, the central banks of the Philippines and Indonesia will meet on Thursday to discuss rate hikes in order to slow above-target inflation.

## The BoJ meeting

The BoJ will meet on 22 September and this meeting will likely be the highlight of the week. Given recent warnings about FX movements, markets will be looking for clues as to how the BoJ will respond to volatile currency movements and how it will justify its ultra-low policy to support the country's economy.

## RBA meeting minutes

The RBA will release its minutes from the September meeting. The meeting should have provided more clarity on the pace of tightening from here on, given the recent speech from Governor Philip Lowe that seemed to suggest some slowdown was imminent.

## Philippines and Indonesia policy meetings

Bangko Sentral ng Pilipinas (BSP) meets on Thursday to determine policy. We expect BSP to hike by 50bp in a bid to slow inflation which has moved past the target. The central bank will likely retain its hawkish tone and signal additional rate hikes for the rest of the year with inflation still expected to breach the BSP's inflation target for the year.

Bank Indonesia (BI) surprised markets with a rate hike at its August meeting and we can't rule out another surprise next week. We expect BI to hike 50bp when it meets on Thursday. Headline inflation has just recently moved past the central bank's target and we can expect this trend to continue after its fuel price hike. BI Governor Perry Warjiyo, however, did rule out "jumbo-sized" rate hikes, possibly referring to the 75bp rate hikes carried out by the Fed.

## Inflation out from Japan and Singapore

August inflation is set for release on Friday and we expect inflation to heat up to 7.2% year-on-year driven by both demand and supply-side factors. More importantly, core inflation, the measure of price gains more closely monitored by the Monetary Authority of Singapore (MAS), could move past 5% YoY and prod further tightening by the central bank in October.

Meanwhile, we expect the August CPI inflation in Japan to rise further to near 3% YoY given the low base last year. The monthly gain should slow as import prices and producer prices fell recently mainly due to the decline in global energy prices.

## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Tuesday 20 September</b>					
China	0215	Sep Loan Prime Rate 1Y/5Y	-		3.65/4.30
Japan	0030	Aug CPI (%YoY)	2.9		2.6
<b>Thursday 22 September</b>					
Japan	-	BOJ Rate Decision	-0.1		-0.1
Australia	0000	Sep Manufacturing PMI Flash	-		53.8
	0000	Sep Services PMI Flash	-		50.2
	0000	Sep Composite PMI Flash	-		50.2
Indonesia	0500	Sep 7-Day Reverse Repo	4.00		3.75
Philippines	-	Aug Budget Balance (PHP bn)	-		-86.8
	0800	2 Policy Interest Rate	4.25		3.75
Taiwan	-	Q3 Discount Rate	-		1.5
	0900	Aug Unemployment rate (%)	-		3.68
	0920	Aug Money Supply - M2 (YoY%)	-		6.99
<b>Friday 23 September</b>					
Indonesia	0400	Aug M2 Money Supply (YoY%)	-		9.6
Singapore	0600	Aug Core CPI (YoY%)	5.0		4.8
	0600	Aug CPI (MoM%/YoY%) NSA	-7.1		0.2/7.0
Taiwan	0900	Aug Industrial Output (YoY%)	-		1.12

Source: Refinitiv, ING

## Authors

### Min Joo Kang

Senior Economist, South Korea and Japan

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

### Robert Carnell

Regional Head of Research, Asia-Pacific

[robert.carnell@asia.ing.com](mailto:robert.carnell@asia.ing.com)

## 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>.