

Key events in developed markets

A busy week for the UK and US. While in the former most of the attention will be on the inflation readings, focus in the latter will be on the US-China trade deal on Wednesday



Source: Shutterstock

US: Data flow to show a moderate growth

The Federal Reserve is clear that it would take a big shift in the economic outlook for them to alter monetary policy after implementing three rate cuts through the second half of last year. There appears to be general contentment that that policy adjustment has stabilised the economic situation and with Presidents Trump and Xi set to sign the phase one trade deal on 15 January, protectionism fears should become less of a headwind for growth (at least for the next few months). Nonetheless, the relative performance of the economy will have implications for the Presidential election given that Donald Trump will want to see a robust jobs market and rising asset prices, as the battle for the Presidency heats up.

The coming data flow should, in general, remain consistent with the view that the economy is growing respectably, if unspectacularly. Business surveys are currently consistent with GDP growth running at a touch under 2% and this week's NFIB small business survey should continue that theme. Industrial production is likely to correct lower after the surge seen in November, which was (literally) driven by auto output restarting following the conclusion of the GM workers' strike in plants across the country. Retail sales could be interesting, too. Car sales were softer, which should drag down the headline figure, while anecdotal evidence has suggested that department stores had a tough holiday season period. This though should be more than offset by non-store sales,

given that Mastercard reported internet purchases were up 18.8% year-on-year. Rounding out the releases we should see consumer price inflation remaining broadly in line with the 2% inflation target.

UK: A busy week of data

In a busy week for UK data, keep an eye on inflation where a fall in petrol prices should keep the headline rate fixed for now. But as we move into 2020, expect inflation to dip as a sharp decline in water bills and to a lesser extent other regulated energy costs feeds through. With wages growing more quickly, this should add a bit of support to consumer spending over coming months, albeit the trend is likely to remain relatively lacklustre.

Don't expect to see evidence of that just yet though; retail sales figures out later in the week may well disappoint, following numbers from the British Retail Consortium suggesting the festive period was not great for the high street.

Developed Markets Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Monday 13 January				
US	1500 Boston Fed's Rosengren Discusses Economic Outlook			
Japan	2350 Nov C/A Balance, adjusted (Yen bn)	-	-	1732
UK	0930 Nov Industrial Production (MoM%)	0.0	0.0	0.1
	0930 Nov UK Services Index (MoM%)	0.1	0.1	0.2
	0930 Nov UK GDP (MoM%)	0.1	0.0	0.0
Tuesday 14 January				
US	1100 Dec NFIB Small Business Optimism	104.5	104.9	104.7
	1330 Dec CPI (MoM%)	0.1/2.2	0.3	0.3
	1330 Dec CPI ex. food and energy (MoM%/YoY%)	0.2/2.3	0.2/-	0.2/2.3
	1400 Fed's Williams Discusses Behavioral Science at London Event			
	1800 Fed's George Speaks in Kansas City			
Sweden	0500 Dec PES Unemployment Rate	-	-	3.9
Wednesday 15 January				
US	1900 U.S. Federal Reserve Releases Beige Book			
Japan	2350 Nov Core machine orders (MoM%/YoY%)	-/-	-/-	-6.0/-6.1
	2350 Dec PPI (MoM%/YoY%)	-/-	-/-	0.2/0.1
	0030 Kuroda Speech at Branch Managers' Meeting			
Eurozone	1000 Nov Industrial Production (WDA, YoY%)	-	-	-2.2
	1000 Nov Trade Balance (€bn)	-	-	24500
Germany	0900 2019 GDP (YoY%)	-	-	1.5
UK	0930 Dec CPI (MoM%/YoY%)	0.2/1.5	-/-	0.2/1.5
	0930 Dec Core CPI (YoY%)	1.6	-	1.7
Spain	0800 Dec F HICP (MoM%/YoY%)	-/-	-/-	-0.1/0.8
Sweden	0830 Dec CPI (MoM%/YoY%)	-/-	-/-	0.1/1.8
	0830 Dec CPIF (MoM%/YoY%)	-/-	-/-	0.1/1.7
Thursday 16 January				
US	1330 Dec Advance Retail Sales (MoM%)	0.3	0.5	0.2
	1330 Dec Retail Sales ex. Auto and Gas (MoM%)	0.3	-	0.0
Germany	0700 Dec F CPI (YoY%)	-	-	1.5
	0700 Dec F CPI (MoM%)	-	-	0.5
Friday 17 January				
US	1415 Dec Industrial Production (MoM%)	-0.2	0.0	1.1
	1500 Jan P U. of Mich. Sentiment Index	98.6	99.0	99.3
Japan	0430 Nov Tertiary industry index (MoM%)	-	-	-4.6
Eurozone	1000 Dec CPI (YoY%)	-	-	0.7
UK	0930 Dec Retail Sales ex Auto Fuel (MoM/YoY%)	-0.2/1.9	-	-0.6/0.8
	0930 Dec Retail Sales (MoM%/YoY%)	-0.2/1.8	-/-	-0.6/1.0

Source: ING, Bloomberg

Author

James Knightley

Chief International Economist, US

james.knightley@ing.com

James Smith

Developed Markets Economist, UK

james.smith@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 www.ing.com.