

## 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



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### **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.
<b>Monday 13 January</b>				
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
<b>Tuesday 14 January</b>				
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
<b>Wednesday 15 January</b>				
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
<b>Thursday 16 January</b>				
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
<b>Friday 17 January</b>				
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

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