

Key events in developed markets

Two central bank meetings take centre stage next week. While the Federal Reserve should bring no major surprises, markets are still undecided on the Bank of England - but we believe it's likely that interest rates will remain on hold for now



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US: Fed to wait some more

Three rate cuts in 2019 and a trade deal appear to have underpinned markets, but the economic backdrop remains mixed. A stronger housing market is supporting residential investment, but capex in general remains subdued while consumer spending growth has moderated. This should be evident in this week's GDP report. Meanwhile, although US-China trade tensions have eased, this is yet to feed into US manufacturing, and the risk of an escalation in US-EU tensions remains. Throw non-threatening inflation in the pack and the Fed is likely to reiterate a message of stability in monetary policy for now. Looking further ahead, the risks appear skewed towards lower interest rates rather than higher given that a catalyst for a broader economic upturn remains elusive.

Bank of England likely to opt against easing for now

It's a close call, but we think Bank of England policymakers will opt against cutting interest rates next week. Sentiment indicators have virtually all improved since the election result, with business optimism and new orders turning higher. Admittedly we aren't convinced this will last given the myriad of risks linked to trade talks this year, and that may see up to four MPC members vote for

easing at this month's meeting. But we think most policymakers will remain comfortable with their previous 'wait-and-see' stance and we think the most likely outcome is an 'on hold' decision. [Read more here.](#)

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 27 January					
Germany	0900	Jan IFO Business Climate	96.6	-	96.3
	0900	Jan IFO Expectations	94.8	-	93.8
	0900	Jan IFO Current Assessment	98.4	-	98.8
Tuesday 28 January					
US	1330	Dec P Durable Goods Orders (MoM%)	-	1.0	-2.1
	1330	Dec P Durable Goods Orders (ex. Transport, MoM%)	-	0.3	-0.1
	1500	Jan Consumer Confidence	-	128.1	126.5
Sweden	0830	Dec Retail sales (Ex. Fuel, MoM/YoY%)	-/-	-/-	-0.4/1.4
Wednesday 29 January					
US	1900	FOMC Rate Decision (Upper bound)	1.75	1.75	1.75
	1930	Powell Holds Post-FOMC meeting Press Conference			
Japan	0500	Jan Consumer confidence index	-	-	39.1
Eurozone	0900	Dec M3 Money Supply (YoY%)	5.5	-	5.6
Australia	0030	4Q CPI (QoQ/YoY%)	-1.7	-/-	0.5/1.7
Sweden	0800	Jan Economic Tendency Indicator	-	-	93.3
	0830	Dec Household Lending (YoY%)	-	-	4.994
Thursday 30 January					
US	1330	4Q A GDP (QoQ Annualised %)	2.0	2.1	2.1
Japan	2350	Dec Retail trade (MoM/YoY%)	-/-	-/-	4.5/-2.1
	2350	Dec P Industrial production (MoM/YoY%)	-/-	-/-	-1/-8.2
Eurozone	1000	Jan Economic Confidence	101.9	-	101.5
	1000	Dec Unemployment Rate (%)	7.5	-	7.5
Germany	0855	Jan Unemployment Change (000's)	-	-	8.0
	0855	Jan Unemployment Rate (%)	5.0	-	5.0
	1300	Jan P CPI (MoM/YoY%)	-/-	-/-	0.5/1.5
UK	1200	BoE Policy Rate	0.75	0.75	0.75
	1230	BOE's Carney speaks at press conference in London			
Norway	0700	Dec Retail Sales (Ex. Motor Vehicles, SA, MoM%)	-	-	1.0
Friday 31 January					
US	1500	Jan F U. of Mich. Sentiment Index	-	99.0	99.1
Eurozone	1000	4Q A GDP (QoQ/YoY%)	0.1/1.0	-/-	0.3/1.2
	1000	Jan P CPI (MoM/YoY%)	1.2	-/-	0.3/1.3
	1000	Jan P Core CPI (YoY%)	1.3	-	1.3
Italy	0900	4Q P GDP (QoQ/YoY%)	0.0/0.3	-/-	0.1/0.3
Spain	0800	Jan P HICP (MoM/YoY%)	-/-	-/-	-0.1/0.8
Canada	1330	Nov GDP (MoM/YoY%)	-/-	-/-	-0.1/1.2
Australia	0030	4Q P PPI (Q) (QoQ/YoY%)	-/-	-/-	0.4/1.6
Norway	0700	Dec Credit Indicator (YoY%)	-	-	5.6
	0900	Jan Unemployment Rate	-	-	2.2

Source: ING, Bloomberg

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