

## Key events in developed markets and EMEA next week

Retail sales and production data are next week's focus in the US after unexpectedly strong inflation data pushed back the anticipated start date of the Fed easing cycle. We'll also get services inflation and wage growth in the UK, which will help shape the debate on whether the BoE cuts rates in June or August



### Retail sales in focus after sticky inflation data

With inflation and strong jobs confirming little prospect of an interest rate cut from the Federal Reserve before September, we expect a calmer period for markets over the coming week. The highlights in the US will be retail sales, industrial production and housing data. Retail sales is a nominal figure, so with inflation running hot our 0.3% month-on-month forecast implies that volumes will remain subdued. We have already had auto volume figures, which disappointed, while the weekly credit card numbers from the Bureau for Economic Analysis have been subdued and data from Opentable suggests restaurant dining has been weak. With loan delinquency rates on the rise and an increasing number of people making only the minimum payment on their loans, there is evidence of increased stress and this is likely to get worse in the near term with inflation running hotter than income growth, especially for those on social security.

An improvement in the ISM index suggests we should look for a decent increase in industrial production, but the rise in mortgage rates means that we expect weakness in housing transaction

numbers. This feeds into retail sales given the strong correlation with home sales and retail activity tied to household appliances, furniture and furnishings and building supplies – when moving home people often want new items in their new property.

## UK inflation and wage data in focus as investors weigh June rate cut

In contrast to the Federal Reserve, the Bank of England looks like it's still on track for a rate cut either in late spring or summer. The Bank has told us that the timing hinges on the next few releases of services inflation and wage growth, both of which we get next week and are set to show some further limited progress. Headline inflation should tick lower too, although this will be tempered by the recent rise in petrol prices.

Irrespective of the outcome, we think May's meeting is too early for a cut. However, a material downside surprise to next week's data – which we stress is not our base case – might convince the Bank to use that meeting as an opportunity to signal its preference for cutting rates in June.

For the time being though, we think an August start date is narrowly more likely, and that's because we think both the March and April services inflation figures could come in a little above BoE forecasts. Our new Fed call for a September rate cut also adds weight to the idea the BoE will wait slightly longer before cutting for the first time.

## Key events in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 15 April</b>					
US	1330	Mar Retail Sales (MoM%)	0.3	0.4	0.6
	1500	Apr NAHB home builder sentiment	50	51	51
Eurozone	1000	Feb Industrial Production (MoM%/YoY%)	-/-		-3.2/-6.7
	1100	Mar Reserve Assets Total	-		1156.11
<b>Tuesday 16 April</b>					
US	1330	Mar Housing Starts (000)	1490	1480	1521
	1415	Mar Industrial Production (MoM%)	0.3	0.4	0.1
UK	0800	Feb ILO Unemployment Rate	3.9		3.9
	0800	Avg. Weekly Earnings ex bonus (3M/YoY%)	5.8		6.1
Italy	1000	Feb Global Trade Balance	-		2.655
Canada	1330	Mar CPI Inflation (MoM%/YoY%)	0.5/2.7	0.7/2.9	0.3/2.8
Eurozone	1000	Feb Total Trade Balance	-		28
<b>Wednesday 17 April</b>					
US	1900	Federal Reserve Beige Book	-		-
UK	0700	Mar Core CPI (MoM%/YoY%)	4.1		4.5
	0700	Mar CPI (MoM%/YoY%)	0.4/3.1		0.6/3.4
	0700	Mar Services CPI (YoY%)	5.9		6.1
Eurozone	1000	Mar CPI (YoY%)	-		
<b>Thursday 18 April</b>					
US	1330	Initial Jobless Claims	215	-	211
	1330	Continuing Jobless Claims	1830	-	1817
	1500	Mar existing home sales (mn)	4.05	4.09	4.38
Eurozone	0900	Feb Current Account, EUR	-		39.35
<b>Friday 19 April</b>					
UK	0700	Mar Retail Sales (MoM%/YoY%)	0.5/1.2		0.0/-0.4
	0700	Mar Retail Sales ex fuel (MoM%/YoY%)	0.4/1.0		0.0/-0.4

Source: Refinitiv, ING

## Key events in EMEA next week

Country	Time	Data/event	ING Survey	Prev.
<b>Friday 12 April</b>				
Ukraine	1430	Feb Trade Balance YTD	-	-1.68
<b>Monday 15 April</b>				
Turkey	0800	Unemployment Rate %	-	9.8
	0900	Mar Budget Balance	-	-153.8
Bulgaria	1000	Mar CPI (MoM%/YoY%)	0.1/2.9	0.3/3.3
Poland	0900	Mar CPI (MoM%/YoY%)	0.2/1.9	-/- 0.2/1.9
Kazakhstan	1200	Mar Industrial Production (YoY%)	-	4.6
	1000	Apr Industrial Production (MoM%)	-	3.8
<b>Tuesday 16 April</b>				
Poland	1300	Mar Core Inflation (YoY%)	4.6	4.7 5.4
Croatia	1000	Mar CPI (YoY%) NSA	4.1	4.1
	1000	Mar CPI (MoM%) NSA	0.9	0.2
<b>Wednesday 17 April</b>				
Russia	1700	Mar PPI (MoM%/YoY%)	-/-	/ 0.9/19.5
Turkey	0800	Feb Current Account Balance	-4.0	-2.556
South Africa	0900	Mar CPI (MoM%/YoY%)	-/-	/ 1/5.6
	0900	Mar Core inflation (MoM%/YoY%)	0.9/4.1	/ 1.2/5
	1200	Feb Retail Sales (YoY%)	-	-2.1

Source: Refinitiv, ING

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