

Key events in developed markets and EMEA next week

Expect hawkish messaging from the Fed to continue over the coming week as the case for another 25p hike in July continues to gather momentum. While we remain hopeful on the inflation front for Canada, key data releases are still unlikely to deter the BoC from a similar move next month. In Poland, keep an eye out for a decline in June's CPI inflation figures



US: The Fed likely to hike 25bp in July

Hawkish messaging from the Fed continued last week, and we'll likely see more of the same over the coming week with several officials scheduled to speak. The no-change interest rate decision has been characterised as a slowdown in the policy tightening path rather than a "pause" and as such, we would likely need to see weakness in job creation and a sub 0.2% month-on-month increase in inflation to deter the Fed from hiking rates by 25bp in July.

The data calendar includes durable goods orders and housing numbers, which are likely to remain relatively firm. The highlight, however, will be the Fed's favoured measure of inflation, the core personal consumer expenditure deflator. Unfortunately, we don't expect to see any real slowdown and the pricing for a July hike is likely to build.

✓ Canada: Bank of Canada restarted rate hikes this month

In Canada, we will see inflation and GDP numbers. The Bank of Canada restarted its rate hikes this month having paused since January. We remain hopeful that inflation will moderate to some extent, with core CPI potentially dropping below 4%. However, as with the Fed, this probably won't be enough to prevent a final 25bp hike in July

✓ Poland: CPI (June flash): 11.7% YoY

Our initial estimate – which may be slightly fine-tuned in the coming days – points to a decline in CPI inflation to 11.7% year-on-year in June from 13.0% YoY in May. We expect the annual growth of food prices will be similar to that observed in May, with core inflation close to the May reading of 11.5% YoY. A further sharp decline was observed in gasoline prices in year-on-year terms, and energy for housing also posted lower annual growth this month.

We are still on track for single-digit CPI inflation in September, which the National Bank of Poland signals as a precondition for a potential rate cut this year. At the end of 2023, we see consumer inflation slightly above 8% YoY. In August, headline inflation may fall below core inflation, which in our view will be moderating visibly slower than the headline rate.

Key evens in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 26 June					
Germany	0900	Jun Ifo Business Climate	92		91.7
	0900	Jun Ifo Current Conditions	93.5		94.8
	0900	Jun Ifo Expectations	89.9		88.6
Tuesday 27 June					
US	1330	May Durable Goods	1.0	-1.2	1.1
	1400	Apr CaseShiller 20 (MoM%/YoY%)	-/-	/	0.5/-1.1
	1500	Jun Consumer Confidence	105.5	104	102.3
	1500	May New Home Sales-Units ('0000)	0.68	0.66	0.68
Italy	0900	Jun Consumer Confidence	-105.6		105.1
Canada	1330	May CPI Inflation (MoM%/YoY%)	0.3/3.3	0.5/3.4	0.7/4.4
	1330	May CPI BoC Core (YoY%)	4.0	4.0	4.2
Wednesday 28 June					
Germany	0700	Jul GfK Consumer Sentiment	-22		-24.2
Italy	1000	Jun CPI Prelim (MoM%/YoY%)	-/-	/	0.3/8
Spain	0800	May Retail Sales (YoY%)	-		5.5
Eurozone	0900	May Money-M3 Annual Growth	1.5		1.9
Thursday 29 June					
US	1330	Initial Jobless Claims	270		264
	1330	Continuing Jobless Claims	1780		1759
	1330	Q1 GDP Final (USD bn)	1.5	1.5	1.3
Germany	1300	Jun CPI Prelim (MoM%/YoY%)	0.4/6.7	/	-0.1/6.1
Sweden	0830	Riksbank Rate	3.75		3.50
Eurozone	1000	Jun Business Climate	-		0.19
	1000	Jun Economic Sentiment	94.5		96.5
	1000	Jun Consumer Confidence Final	-		
Friday 30 June					
US	1330	May Personal Income (MoM%)	0.4	0.4	0.4
	1330	May Personal Consumption Real (MoM%)	0	0	0.5
	1330	May Consumption, Adjusted (MoM%)	0.2	0.2	0.8
	1330	May Core PCE Price Index (MoM%/YoY%)	0.4/4.7	0.3/4.7	0.4/4.7
	1445	Jun Chicago PMI	45	44.4	40.4
	1500	Jun U Mich Sentiment Final	63.9	63.9	63.9
Germany	0700	May Retail Sales (MoM%/YoY%)	0.05	/	0.8/-4.3
	0855	Jun Unemployment Rate SA	5.6		5.6
France	0745	Jun CPI Prelim (YoY%)	-		6
UK	0700	Q1 GDP (QoQ%/YoY%)	0.1/0.2	/	0.1/0.2
Italy	0900	May Unemployment Rate	7.9		7.8
Canada	1330	Apr GDP (MoM%)	0.2		0
Eurozone	1000	Jun CPI Flash (YoY%)	5.7		6.1
	1000	Jun Core CPI Flash (YoY%)	5.3		5.3
	1000	May Unemployment Rate	6.5		6.5

Source: Refinitiv, ING

Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 26 June					
Poland	0900	May Unemployment Rate	5.1	5.1	5.2
Tuesday 27 June					
Hungary	0730	Q1 C/A Balance QQ	-0.5	-0.5	-4.34
Wednesday 28 June					
Russia	1700	May Industrial Output	5.6	5.8	5.2
	1700	May Retail Sales (YoY%)	7.5	7.8	7.4
	1700	May Unemployment Rate	3.3	3.5	3.3
		- May GDP (YoY%) Monthly	-		3.3
Thursday 29 June					
South Africa	1030	May PPI (MoM%/YoY%)	-/-	/	0/8.6
Turkey	1230	Gross FX Reserves	-		57.79
Friday 30 June					
Poland	0900	June flash CPI (YoY%)	11.7		13
Czech Rep	0800	Q1 Revised GDP (QoQ%/YoY%)	0/-0.4		0/-0.4
South Africa	0700	May M3 Money Supply (YoY%)	-		10.14
	0700	May Private Sector Credit Ext.	-		7.07
	1300	May Trade Balance (Incl. Region)	-		3.54

Source: Refinitiv, ING

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