Key events in developed markets and EMEA next week

All eyes will be on the November jobs report in the US, with the trend expected to point towards weaker hiring. Over in Hungary, a busy week ahead sees the release of headline and core inflation numbers. We're expecting both to fall by around 2ppt

US: trend towards weaker hiring in November jobs report expected

We are building up to the Federal Reserve's 13 December FOMC meeting, where the widely held view is that the central bank will leave its policy rate unchanged at 5.25-5.5% and will remove the final rate hike it had pencilled into its forecasts. Whether it chooses to formally signal we are at the peak for the policy rate is uncertain – but the market is convinced, with more than 100bp of rate cuts now priced for 2024. We are looking for 150bp of cuts next year on the basis that consumer weakness will drag the US growth story much lower, given stagnant real household disposable incomes, diminished household savings and reduced access to consumer credit via bank caution and painful borrowing costs.

Next week's data highlight will be the November jobs report. October's was much softer than expected, so there is cope for a bit of a recovery, but the trend is towards weaker hiring, as signalled in the recent Fed Beige Book and the rise in continuing jobless claims. The unemployment rate is expected to stay at 3.9%, but we soon expect it to break above 4%. Subdued wage growth should reaffirm the market's view that the inflation pressures from the jobs market are weakening fast, aided by improving productivity growth.

Hungary: Headline and core inflation will show lack of repricing power

We're looking forward to an action-packed, heavy calendar in Hungary next week. The first batch of data comes on Wednesday with October industrial and retail performance. With new capacity coming on stream in the export sector, we expect an improvement on a monthly basis. Thanks to the base effect, the year-on-year reading will be close to zero. Fuel prices are falling, supporting the recovery of retail sales. Disinflation will also improve food sales, while non-food retailers will continue to face a lack of demand. As a result, after a strong month-on-month performance, we see a marked improvement in the annual index – although a full recovery is still a long way off.

Friday will bring us another set of important data. First and foremost, both the headline and core inflation figures will show the lack of repricing power, and due to the base effect, both readings will fall by around 2ppt compared to the October figures. A strong export performance in industry will keep the trade balance in a large surplus. Speaking of surpluses, November could also be a strong month for the budget, thanks to recent one-off receipts from the sale of state stakes in some companies and dividend prepayments from state-owned utility company MVM.

Key events in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
		Monday 4 December			
US	1500	Oct Factory Orders (MoM%)	-3	-2.6	2.8
Germany	0700	Oct Exports	1.5		-2.4
	0700	Oct Imports	1.2		-1.7
	0700	Oct Trade Balance	18		16.5
Switzerland	0730	Nov CPI (MoM%/YoY%)	-/-	/	0.1/1.7
		Tuesday 5 December			
US	1445	Nov S&P Global Composite Final PMI	-		50.7
	1445	Nov S&P Global Services PMI Final	-		50.8
	1500	Nov ISM Non-Manufacturing PMI	52	52.5	51.8
Germany	0855	Nov S&P Global Services PMI	48.7		48.7
	0855	Nov S&P Global Composite Final PMI	47.1		47.1
France	0745	Oct Industrial Output (MoM%)	-		-0.5
	0850	Nov S&P Global Composite PMI	-		44.5
UK	0930	Nov S&P Global/CIPS Serv PMI Final	50.5		50.5
	0930	Nov Composite PMI Final	50.1		50.1
Italy	0845	Nov Composite PMI	-		47
Spain	0815	Nov Services PMI	-		51.1
Eurozone	0900	Nov S&P Global Services Final PMI	48.2		48.2
	0900	Nov S&P Global Comosite Final PMI	47.1		47.1
		Wednesday 6 December			
US	1315	Nov ADP National Employment	150	120	113
	1330	Oct International Trade $	-62.5	-63	-61.5
	1330	W 2 Initial Jobless Claims	225	-	218
	1330	W 1 Continuing Jobless Claims	1900	-	1927
Germany	0700	Oct Industrial Orders (MoM%)	0.6		0.2
Canada	1330	Oct Trade Balance C$	-		2.04
	1500	BoC Rate Decision	5	5	5.00
Eurozone	1000	Oct Retail Sales (MoM%/YoY%)	0/-1.2	/	-0.3/-2.9
		Thursday 7 December			
US	2000	Oct Consumer Credit	8.5	9	9.06
Germany	0700	Oct Industrial Output (MoM%/YoY%)	0.5	/	-1.4/-3.86
France	0745	Nov Reserve Assets Total	-2.7		224598
	0745	Oct Trade Balance	-		-8.917
Italy	0900	Oct Industrial Output (MoM%/YoY%)	-0.4/-	/	0/-2
Switzerland	0645	Nov Unemployment Rate Adjusted	-		2.1
Eurozone	1000	Q3 Employment Final (YoY%)	1.4		1.4
	1000	Q3 Employment Final (QoQ%)	0.3		0.3
	1000	Q3 GDP Revised (QoQ%/YoY%)	-0.1/0.1	/	-0.1/0.1
		Friday 8 December			
US	1330	Nov Non-Farm Payrolls	180	200	150
	1330	Nov Private Payrolls	150	158	99
	1330	Nov Unemployment Rate	3.9	3.9	3.9
	1500	Dec University of Michigan Sentiment Prelim	61.6		61.3
	1500	Dec University of Michigan Conditions Prelim	-		68.3
	1500	Dec University of Michigan Expectations Prelim	-		56.8
Germany	0700	Nov CPI Final (MoM%/YoY%)	-/-	/	/
Netherlands	0530	Oct Manufacturing Output (MoM%)	-		-0.9

Source: Refinitiv, ING

Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
		Monday 4 December			
Turkey	0700	Nov CPI (MoM%/YoY%)	3.8/62.8	/	3.43/61.36
Czech Rep	0800	Q3 Gross wages (YoY%)	-		-3.1
		Tuesday 5 December			
Russia	0600	Nov S&P Global Services PMI	-		53.6
Kazakhstan	1300	Dec Base Interest Rate	-		15.75
South Africa	0715	Nov Std Bank Whole Econ PMI	-		48.9
	0930	Q3 GDP (YoY%)	-		1.6
		Wednesday 6 December			
Poland	1300	Dec NBP Base Rate	5.75		5.75
Czech Rep	0800	Oct Retail Sales (YoY%)	-		-5.1
Hungary	0730	Oct Industrial Output (YoY%)	-0.2		-7.3
	0730	Oct Retail Sales (YoY%)	-5.9		-7.3
		Thursday 7 December			
Czech Rep	0800	Oct Industrial Output (YoY%)	-		-5
	0800	Oct Trade Balance	-		12.8
Serbia	1100	Dec Benchmark Interest rate	-		6.5
South Africa	0900	Q3 Current Account	-		-160.7
		Friday 8 December			
Russia	1600	Nov CPI (MoM%/YoY%)	1.3/7.6	/	0.8/6.7
Czech Rep	0800	Nov Unemployment Rate	-		3.5
Hungary	0730	Nov Core CPI (YoY%)	8.8		10.9
	0730	Nov CPI (YoY%)	7.9		9.9
	0730	Nov CPI MM NSA	-0.1		-0.1
	0730	Oct P Trade Balance (mEUR)	1075		1263
	1000	Nov Budget Balance (bn HUF)	95		-222.7
Ukraine	1330	Nov CPI (MoM%/YoY%)	-/-	/	0.8/5.3

Source: Refinitiv, ING

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