

Key events in developed markets and EMEA next week

Next week in the US, we'll see the Fed's favoured measure of inflation, the core PCE deflator. Here, we expect to see a few signs of weakness in real consumer spending. Over in Hungary, our view is that the NBH will deliver a 75bp cut, accompanied by some hawkish guidance on monetary policy strategy in the second quarter of 2024



US: Potential for a second consecutive real consumer spending number

Having started to waver on the back of hotter-than-expected inflation prints, the March FOMC meeting and a relatively dovish assessment from Federal Reserve Chair Jerome Powell have reinvigorated the market's belief that the Fed will deliver meaningful interest rate cuts this year, most likely starting at the June FOMC meeting. We will no doubt hear more from individual FOMC members on how they see the risks surrounding the central case view from the Fed of three 25bp rate cuts this year and three in 2025.

In terms of data, the main focus will be on the personal spending and income report. This also includes the Fed's favoured measure of inflation, which is the core personal consumer expenditure deflator. In January, it rose 0.4% month-on-month, more than double the 0.17% MoM rate we need to consistently hit to bring the annual rate back to 2% over time. Given the CPI and PPI

numbers that have already been released, the consensus is firmly backing a 0.3% outcome, which – while not ideal – is progress. Given that this is published on Good Friday when many offices will be closed, thin market conditions could mean outsized market moves on any data surprise. There is also potential for the report to signal the second consecutive negative MoM reading for real consumer spending.

Other numbers include new home sales and durable goods orders. Mortgage rates dropped in early February, and this has already lifted existing home sales. We expect new home sales to repeat this story. However, mortgage application numbers have subsequently dropped back, and actual transactions will do the same in March. Meanwhile, Boeing aircraft orders remain weak and will be something of a drag on overall durable goods orders growth.

Hungary: 75bp cut and hawkish guidance expected

The highlight in Hungary next week is the National Bank of Hungary's rate-setting meeting. February was a good opportunity for the NBH to accelerate easing, but we can't say the same this time. Developments since the last meeting have been mixed and could again, in our view, justify a more cautious approach. We expect the central bank to deliver a 75bp cut, accompanied by some hawkish guidance on monetary policy strategy in the second quarter of 2024. The current account balance will deteriorate in the fourth quarter based on monthly statistics, possibly turning into a small deficit due to the slump in goods exports in December. The latest set of labour market data will be challenging to read. We expect strong wage growth to continue, with some deceleration due to base effects. On the other hand, we forecast employment data to deteriorate and the unemployment rate to rise, suggesting a further easing of labour market tightness.

Key events in developed markets next week

Country	Time Data/event	ING	Survey	Prev.
Monday 25 March				
US	1400 Feb New Home Sales-Units	0.68	0.675	0.661
UK	0700 Q4 GDP (QoQ%/YoY%)	-/-	/	-0.3/-0.2
Spain	0800 Q4 GDP (QoQ%/YoY%)	-/-	/	0.6/2
Eurozone	0900 Feb Broad Money	-		16092777
Tuesday 26 March				
US	1230 Feb Durable Goods	1.0	0.8	-6.2
	1300 Jan CaseShiller 20 (MoM%/YoY%)	0.2/6.3	/	0.2/6.1
	1400 Mar Consumer Confidence	107.5	107	106.7
Germany	0700 Apr GfK Consumer Sentiment	-27		-29
Wednesday 27 March				
Spain	0800 Mar CPI (YoY%)	-		2.8
	0800 Mar CPI (MoM%)	-/-	/	0.4
Sweden	0730 Riksbank Rate	-		4
Eurozone	1000 Mar Business Climate	-		-0.42
	1000 Mar Economic Sentiment	-		95.4
	1000 Mar Consumer Confidence Final	-		
Thursday 28 March				
US	1230 Q4 GDP Final	3.2	3.2	3.2
	1345 Mar Chicago PMI	48	-	44
	1400 Mar U Mich Sentiment Final	76.5	76.5	76.5
	1230 Initial Jobless Claims	215	-	210
	1230 Continuing Jobless Claims	1820	-	1807
Germany	0700 Feb Retail Sales (MoM%/YoY%)	0.4/-0.8	/	-0.4/-1.4
	0855 Mar Unemployment Rate	5.9		5.9
UK	0700 Q4 Current Account GBP	-		-17.175
Italy	0900 Mar Consumer Confidence	97.6		97
Canada	1230 Jan GDP (MoM%)	-		0
Portugal	0930 Mar CPI Flash (YoY%)	-		2.1
Eurozone	0900 Feb Money-M3 Annual Grwth	-		0.1
Friday 29 March				
US	1230 Feb Personal Income (MoM%)	0.4	0.4	1
	1230 Feb Personal Consumption Real (MoM%)	0.1		-0.1
	1230 Feb Consumption, Adjusted (MoM%)	0.5	0.5	0.2
	1230 Feb Core PCE Price Index (MoM%)	0.3	0.3	0.4
France	0745 Mar CPI Prelim (YoY%)	-		3.2
	0745 Mar CPI (EU Norm) Prelim (MoM%)	-		0.9
Italy	1000 Mar CPI Prelim (MoM%/YoY%)	0.3/1.5	/	0/0.8

Source: Refinitiv, ING

Key events in EMEA next week

Country	Time Data/event	ING	Survey	Prev.
Tuesday 26 March				
Hungary	1300 Mar Hungary Base Rate	8.25		9.00
Wednesday 27 March				
Russia	- Feb GDP (YoY%) Monthly	-		4.6
	1600 Feb Industrial Output	8.0	4.0	4.6
Hungary	0730 Q4 C/A Balance QQ	-0.07	-0.07	0.41
	0730 Feb Unemployment Rate 3M	4.7		4.6
Thursday 28 March				
Czech Rep	0800 Q4 Revised GDP (YoY%)	-		-0.2
	0800 Q4 Revised GDP (QoQ%)	-		0.2
Hungary	0730 Jan Average Gross Wages (YoY%)	14.9		16.4
South Africa	0600 Feb M3 Money Supply (YoY%)	-		6.58
	0600 Feb Pvt Sector Credit Ext.	-		3.16
	0930 Feb PPI (MoM%/YoY%)	-/-	/	0.1/4.7
	1200 Feb Trade Balance (Incl. Region)	-		-9.44
Friday 29 March				
Poland	0900 CPI (MoM%/YoY%) Prelim	0.3/2.0		0.3/2.8
Turkey	0700 Feb Trade Balance	-7		-6.23
	1100 Feb Bank NPL Ratio	-		1.6

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