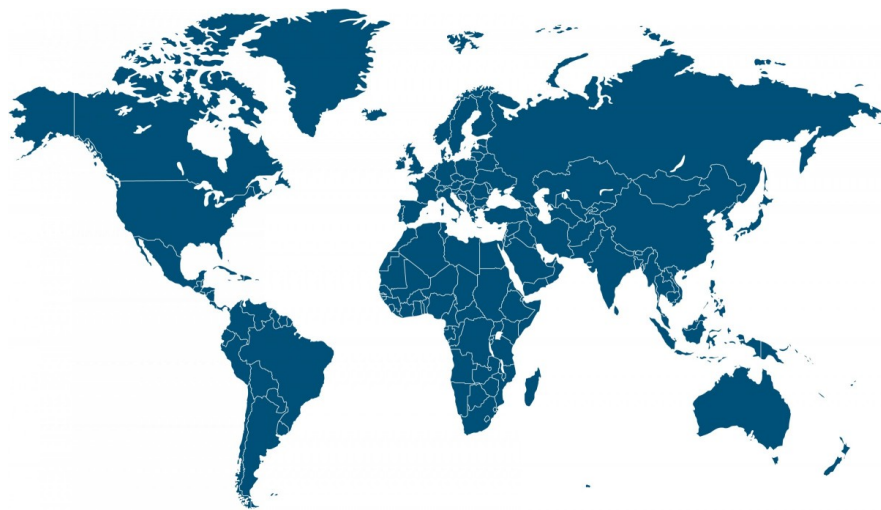


## Key events in developed markets and EMEA next week

Next week in the US, we will be closely following the ISM manufacturing index and the Fed's favoured measure of inflation. All eyes will be on CPI releases in the eurozone, where we expect continued improvement and the core rate falling to 4%. Elsewhere, we expect to see positive third-quarter GDP releases in Hungary and Poland



### **US: Closely following the ISM manufacturing index for any signs of a rebound**

Markets have firmly bought into the view that the Federal Reserve won't hike interest rates any further and that 2024 will see a series of interest rate cuts from the second quarter onwards. Around 90bp of cuts are currently priced, whereas we're forecasting 150bp for next year on the basis that consumer weakness is likely to be a key theme given subdued real household disposable income growth, fewer savings resources, and less borrowing as interest rates continue rising. This should allow inflation to slow more quickly, giving the Federal Reserve greater scope to loosen monetary policy.

Next week's data flow includes the Fed's favoured measure of inflation, which we expect to show a 0.2% month-on-month rate of price increases. This is broadly in line with what the central

bank wants to see and, if repeated over time, would bring the annual rate of inflation as measured by the core personal consumer expenditure deflator back to 2%. We also get more housing numbers, which should signal healthy new home sales, but this is due to the lack of availability of existing homes for sale. Prices should continue rising in this environment, but with home builder sentiment having plunged in recent months, cracks are starting to form as the legacy of high borrowing costs bites more and more harshly. We will also be closely following the ISM manufacturing index for any signs of a rebound after having been in contraction territory for the past 12 months.

### ✔ Eurozone: Core inflation to continue improving to 4%

Next week, we'll see new inflation numbers for the eurozone. Inflation dropped more than expected in September and October, and the question now is whether the low inflation trend will continue. We expect some continued improvement, with core inflation falling to 4% and headline inflation dropping to 2.7%. Still, there are signs of continued inflation pressures that shouldn't be ignored after a few encouraging data releases. The November PMI showed that businesses still see increased input costs, resulting in more survey respondents indicating that selling price inflation ticked up. Thursday will tell us whether inflation has continued its rapid normalisation.

### ✔ Poland: We forecast a further decline in core inflation

#### Flash CPI (Nov): 6.7% YoY

Our forecasts suggest that in November, CPI inflation inched up to 6.7% year-on-year from 6.6% YoY in October, marking the first increase since it peaked in February. We expect a further decline in core inflation, but it will be accompanied by less favourable developments in energy prices as gasoline prices bounced back after two months of declines.

#### GDP (3Q23): 0.4% YoY

We expect the flash estimate of 0.4% YoY to be confirmed by the final data. We will also learn the composition of third-quarter GDP. According to our forecasts, household consumption declined slightly (-0.2% YoY), while fixed investments continued expanding at a solid rate (7.5% YoY). At the same time, we project a smaller drag from a change in inventories and a lower contribution of net exports than observed in recent months. Monthly data suggests that economic recovery continued at the beginning of the fourth quarter as annual change in industrial output and retail sales turned positive in October.

### ✔ Hungary: November's manufacturing PMI expected to remain in positive territory

The Statistical Office will release the details behind Hungary's strong GDP growth in the third quarter next week. We see positive contributions from industry, construction and agriculture. On the expenditure side, we think net exports were the main driver of the improvement, along with some early positive signs on consumption. November's manufacturing PMI could remain in positive territory, with export capacity still in good shape, reinforcing our view that year-on-year GDP growth could also return to positive territory in the fourth quarter.

## Key events in developed markets next week

Monday 27 November					
US	1500	Oct New Home Sales-Units	0.74	0.725	0.759
Tuesday 28 November					
US	1400	Sep CaseShiller 20 (MoM%/YoY%)	0.5	0.7	1/2.2
	1500	Nov Consumer Confidence	101.5	100.8	102.6
Germany	0700	Dec GfK Consumer Sentiment	-30		-28.1
Eurozone	0900	Oct Money-M3 Annual Grwth	-1.1		-1.2
	0900	Oct Broad Money	-		16017399
Wednesday 29 November					
US	1330	Q3 GDP 2nd Estimate	5	5	4.9
	1330	Q3 GDP Deflator Prelim	3.5	3.5	3.5
	1330	Q3 Core PCE Prices Prelim	2.4	2.4	2.4
Germany	1300	Nov CPI Prelim (MoM%/YoY%)	-0.5/3.2	/	0/3.8
Italy	0900	Nov Consumer Confidence	-		101.6
Spain	0800	Nov CPI (YoY%) Flash NSA	-		3.5
	0800	Nov CPI (MoM%/YoY%)	-/-	/	0.3/6.5
Sweden	0700	Q3 GDP Final (YoY%)	-		-1.2
	0700	Q3 GDP Final (QoQ%)	-		0
Eurozone	1000	Nov Business Climate	-		-0.33
	1000	Nov Economic Sentiment	94.1		93.3
	1000	Nov Consumer Confidence Final	-16.9		
Thursday 30 November					
US	1330	Oct Personal Income (MoM%)	0.2	0.2	0.3
	1330	Oct Personal Consumption Real (MoM%)	0.1	0.1	0.4
	1330	Oct Consumption, Adjusted (MoM%)	0.2	0.2	0.7
	1330	Oct Core PCE Price Index (MoM%/YoY%)	0.2/3.5	0.2/3.5	0.3/3.7
	1445	Nov Chicago PMI	45	46	44
	1330	Initial Jobless Claims	220		209
	1330	Continuing Jobless Claims	1860		1840
Germany	0700	Oct Retail Sales (MoM%/YoY%)	0.5/-3.8	/	-0.8/-4.3
	0855	Nov Unemployment Rate SA	5.8		5.8
France	0745	Q3 GDP (QoQ%/YoY%)	-/-	/	0.1/0.7
	0745	Nov CPI Prelim (YoY%)	-		4.5
	0745	Nov CPI (EU Norm) Prelim (MoM%)	-		0.2
Italy	0900	Oct Unemployment Rate	-		7.4
	1000	Nov CPI Prelim (MoM%/YoY%)	-/-	/	0.1/1.8
Canada	1330	Sep GDP (MoM%)	-0.1	-	0
Portugal	0930	Nov CPI Flash (YoY%)	-		2.1
	1100	Q3 GDP (QoQ%/YoY%)	-/-	/	-0.2/1.9
Austria	0800	Q3 GDP Growth (QoQ%) Final	-		-0.6
Eurozone	1000	Nov CPI Flash (YoY%)	2.7		2.9
	1000	Nov Core CPI Flash (YoY%)	4		4.2
	1000	Oct Unemployment Rate	6.5		6.5
Friday 1 December					
US	1500	Nov ISM manufacturing index	48.5	47.7	46.7
	-	Nov vehicle sales (mn)	15.0	15.5	15.5
Canada	1330	Nov net change in employment (000s)	12		17.5

Source: Refinitiv, ING

## Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
Tuesday 28 November					
Croatia	1000	Q3 GDP (YoY%)	3.5		2.7
Wednesday 29 November					
Russia	1600	Oct Industrial Output	6.6	5.1	5.6
	1600	Oct Retail Sales (YoY%)	12.2	11.2	12.2
	1600	Oct Unemployment Rate	3	3	3
	-	Oct GDP (YoY%) Monthly	4.5	3.8	5.2
Turkey	0700	Oct Trade Balance	-6.7		-5.01
	1100	Oct Bank NPL Ratio	-		1.53
South Africa	0600	Oct M3 Money Supply (YoY%)	-		7.67
	0600	Oct Pvt Sector Credit Ext.	-		4.6
Thursday 30 November					
Turkey	0700	Q3 GDP Quarterly (YoY%)	-		3.8
Poland	0900	Q3 GDP (QoQ%/YoY%)	-/0.4	/	1.4/0.4
Poland	0900	Nov Flash CPI (YoY%)	6.7		6.6
South Africa	0930	Oct PPI (MoM%/YoY%)	-/-	/	1.5/5.1
	1200	Oct Trade Balance (Incl. Region)	-		13.14
Friday 1 December					
Hungary	0730	Q3 GDP Final (QoQ%/YoY%)	0.9/-0.4		0.9/-0.4
	0730	Sep F Trade Balance (m EUR)	1263		1263
	0800	Nov Manufacturing PMI	51.1		50.5

Source: Refinitiv, ING

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