

# Key events in developed markets next week

ING's view on upcoming key data and events

Country	Time	Data/event	ING	Survey	Prev.
<b>Friday 9 February</b>					
US	0200	Fed's George Speaks on the Economy			
UK	0930	Dec Industrial Production (MoM/YoY%)	-/-	-0.9/0.3	0.4/2.5
	0930	Dec Trade Balance (£m)	-	-2400	-2804
	1645	BOE's Cunliffe Speaks in California			
Italy	1000	Bank of Italy Publishes Monthly Report 'Money and Banks'			
Canada	1330	Jan Net Change in Employment	-	10	64.8
	1330	Jan Unemployment Rate (%)	-	5.8	5.8
Australia	0030	RBA Quarterly Statement on Monetary Policy			
Norway	0700	Jan CPI (MoM/YoY%)	0.2/1.9	0.1/1.6	0/1.6
	0700	4Q GDP (QoQ%)	0.6	-	0.7
Portugal	1100	Portugal Industrial Sales and Employment Report, Dec trade figures			
<b>Saturday 10 February</b>					
Eurozone	1030	ECB's Visco Speaks at Annual Assiom Forex Event in Verona			
<b>Monday 12 February</b>					
Australia	2150	RBA's Ellis Gives Speech in Sydney			
New Zeal.	2100	N.Z. Government 6-Month Financial Statements			
Japan	-	National Foundation Day holiday			
	2350	Jan PPI (MoM/YoY%)	-3.1	-/-	0.2/3.1
Portugal	1100	Portugal Services Sales, Employment, construction output and CPI Report			
<b>Tuesday 13 February</b>					
US	1100	Jan NFIB Small Business Optimism	107	106	104.9
	1300	Fed's Mester to Discuss Monetary Policy and Economic Outlook			
Japan	2350	4Q P GDP (Annualised, QoQ%)	-	0.9	2.5
	2350	4Q17 GDP - advance (QoQ% SA ann.)	-1.2	-	2.5
	2350	4Q17 GDP deflator - advance (YoY%)	1.4	-	0.1
UK	0930	Jan CPI (MoM/YoY%)	-0.6/2.9	-/-	0.4/3
	0930	Jan Core CPI (YoY%)	2.6	-	2.5
Australia	0130	Jan NAB business confidence	6	-	6
<b>Wednesday 14 February</b>					
US	1330	Jan CPI (MoM/YoY%)	0.3/1.9	0.3/1.9	0.1/2.1
	1330	Jan CPI ex. food and energy (MoM/YoY%)	0.2/1.7	0.2/1.7	0.2/1.8
	1330	Jan Advance Retail Sales (MoM%)	0.4	0.3	0.4
	1330	Jan Retail Sales ex. Auto and Gas (MoM%)	0.5	0.4	0.4
Eurozone	1000	Dec Industrial Production (WDA, YoY%)	4.3	-	3.2
	1000	4Q P GDP (QoQ/YoY%)	0.6/2.7	-/-	0.6/2.7
Germany	0700	4Q P GDP (QoQ/YoY%)	0.6/2.9	-/-	0.8/2.8
	0700	Jan F CPI (MoM/YoY%)	-0.7/1.6	-/-	-0.7/1.6
Italy	0900	4Q P GDP (QoQ/YoY%)	0.4/1.7	-/-	0.36/1.7
Sweden	0830	Riksbank Interest Rate	-0.5	-0.5	-0.5
Netherlands	0830	4Q P GDP (QoQ%)	0.7	-	0.4
Portugal	0930	Portugal Reports Fourth-Quarter GDP Estimate			
	-	Bank of Portugal Releases Data on Banks			
Australia	0030	Feb Westpac consumer confidence index	103.2	-	105.1
Japan	2350	Dec Core machine orders (MoM/YoY%)	-/-	-/-	5.7/4.1
<b>Thursday 15 February</b>					
US	1415	Jan Industrial Production (MoM%)	0.4	0.25	0.89
Eurozone	1000	Dec Trade Balance (€bn)	-	-	22467
Spain	0800	Jan F HICP (MoM/YoY%)	-/-	-/-	-1.5/0.7
Canada	1330	ADP Publishes January Payrolls Report			
	1830	Bank of Canada Deputy Governor Lawrence Schembri Speech			
Norway	1700	Norway Central Bank Governor Olsen Annual Speech			
Sweden	0830	Jan Unemployment Rate (%)	6.9	-	6
Australia	0100	Feb CPI expectations (YoY%)	3.9	-	3.7
	0130	Jan Employment change ('000)	20	-	34.7
	0130	Jan Unemployment rate (%)	5.5	-	5.5
	0130	Jan Participation rate (%)	65.6	-	65.7
Japan	0430	Dec Industrial production - Rev (MoM/YoY%)	2.7/4.2	-/-	2.7/4.2
<b>Friday 16 February</b>					
US	1500	Feb P U. of Mich. Sentiment Index	95.0	95.5	95.7
UK	0930	Jan Retail Sales ex Auto Fuel (MoM/YoY%)	0.7/2.5	-/-	-1.6/1.3
	0930	Jan Retail Sales (MoM/YoY%)	0.7/2.7	-/-	-1.5/1.4

Source: ING, Bloomberg

## US: Our Fed base forecast subject to upside risk

Calm has returned to financial markets after the recent roller coaster ride and attention will return to the economic data. The US story this coming week may actually be quite supportive for risk assets with inflation readings likely to be somewhat soft while the growth backdrop remains very good.

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However, the lower inflation readings (headline and core CPI annual rates to dip 0.2 percentage points and 0.1ppt, respectively) is only due to the fact that we don't expect to see last year's jump in airfares and recreation prices to be repeated in the January 2018 data. The dollar's weakness, which is pushing up import costs, and rising corporate pricing power mean we expect headline inflation to be back above 2% in February. The legacy of cell phone data plan charges means that core should also be above 2% in the March report.

Activity-wise retail sales will be supported by rising wages and employment and very high consumer confidence readings. Industrial production should also be good given the very high readings within manufacturing surveys (most notably the ISM report) while the NFIB business survey should be very good based on the extremely strong labour sub-indices already reported. Taking this altogether our base forecast of three Fed rate hikes this year is subject to upside risk.

## Eurozone: Industrial production takes centre stage

In terms of Eurozone data, next week will focus on December industrial production. We expect the recovery of production to have continued at the end of the year as businesses continue to indicate improving output. The second estimate of Eurozone GDP growth should not bring large surprises, but it will be worth watching some of the individual country releases as Germany and Italy are providing first estimates.

## UK: Bank of England to hike rates in May?

We are expecting UK core inflation to nudge back up to 2.6% next week, although a lot depends on the change in airfares following December's Christmas surge. Importantly, we are looking for core CPI to trend back towards the 2% target relatively quickly over coming months now that prices have pretty much adjusted to the post-Brexit plunge in the pound. For the Bank of England though, the outlook for wage growth matters more and assuming the recent positive trend continues over the next few months, we think policymakers will have enough conviction to hike rates in May – although as always, a lot still hinges on Brexit.

## Germany: Expect more positivity

After the political excitement of the last few days, next week's headlines will be dominated by macro data. The first estimate of 4Q GDP growth should bring more positive news from Germany,

with another strong quarter.

## Sweden: Riksbank 'wait-and-see'

In Sweden, the Riksbank meeting on Wednesday is unlikely to deliver any major news and is expected to keep interest rates unchanged. The central bank is likely to remain in a wait-and-see mode until the ECB makes its next move this summer.

### Authors

#### James Knightley

Chief International Economist

[james.knightley@ing.com](mailto:james.knightley@ing.com)

#### James Smith

Developed Markets Economist

[james.smith@ing.com](mailto:james.smith@ing.com)

#### Bert Colijn

Senior Economist, Eurozone

[bert.colijn@ing.com](mailto:bert.colijn@ing.com)

#### Carsten Brzeski

Global Head of Macro

[carsten.brzeski@ing.de](mailto:carsten.brzeski@ing.de)

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