

## Key events in developed markets next week

Next week's CPI report will play a big part in whether the Fed will hike rates much further. We expect it will prefer to raise rates at least one more time, however, we also see a strong probability of rates being cut later in the year given the circumstances. For the Bank of Canada, expect rates to remain unchanged as we are likely to be at the peak



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### **US: Strong probability of the Fed reversing course**

Markets are increasingly doubtful that the Fed will be able to hike rates much further, but that could yet change after the upcoming CPI report. Another 0.4% month-on-month figure on core CPI, more than double the rate required over time to take the US back to the 2% year-on-year inflation rate target, could nudge expectations for the upcoming FOMC meeting higher.

We still think the Fed would prefer to raise rates at least once more should financial conditions allow, but we see a strong probability that it reverses course and cuts rates by 100bp later in the year as ever-tighter lending conditions, high borrowing costs, weak business sentiment and a deteriorating housing market all weigh on growth and rapidly dampen price pressures.

## ✓ Canada: Rates to remain at 4.5%

The Bank of Canada is widely expected to leave rates unchanged next week having signalled that rates are already likely at the peak. The downside risks for global growth in the wake of recent banking turmoil only make it more likely that the next move from the central bank will be an interest rate cut.

## ✓ Eurozone: February data will be key

For the eurozone, it's an important week to get a sense of how GDP has developed over the first quarter. Industrial production and retail sales figures are both up for February, following a rise in January. They were up only moderately though and given how volatile these numbers are, February data will be key to determining whether we will see quarterly growth for the most timely consumption and production figures.

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Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 10 April</b>					
Greece	1000	Feb Industrial Output (YoY%)	-		0.5
	1000	Mar CPI (YoY%)	-		6.1
<b>Tuesday 11 April</b>					
Norway	0700	Mar CPI (MoM%/YoY%)	-/-		0.4/6.3
	0700	Mar Core Inflation (MoM%/YoY%)	-/-		0.7/5.9
Eurozone	1000	Feb Retail Sales (MoM%/YoY%)	-0.7/-3.4		0.3/-2.3
<b>Wednesday 12 April</b>					
US	1330	Mar Core CPI (MoM%/YoY%)	0.4/-	0.4/-	0.5/5.5
	1330	Mar CPI (MoM%/YoY%)	0.3/-	0.3/-	0.4/6
Canada	1500	BoC Rate Decision	4.5		4.5
Norway	0700	Feb GDP Month	-		-0.2
	0700	Feb GDP Month Mainland	-		-0.2
<b>Thursday 13 April</b>					
Germany	0700	Mar CPI Final (MoM%/YoY%)	0.8/7.4		0.8/7.4
UK	0700	Feb GDP Estimate (MoM%/YoY%)	-/-		0.3/0
Italy	0900	Feb Industrial Output (MoM%/YoY%)	-/-		-0.7/1.4
Netherlands	0530	Mar CPI (YoY% NSA)	-		8
Eurozone	1000	Feb Industrial Production (MoM%/YoY%)	-0.8/-0.5		0.7/0.9
<b>Friday 14 April</b>					
US	1330	Mar Retail Sales MM	-0.5		-0.4
	1415	Mar Industrial Production (MoM%)	0.3	0	0
	1500	Apr University of Michigan Sentiment Prelim	-		62
	1500	Apr University of Michigan Conditions Prelim	-		66.3
	1500	Apr University of Michigan Expectations Prelim	-		59.2
Spain	0800	Mar CPI (MoM%/YoY%)	-/-		0.4/3.3
Sweden	0700	Mar CPI (MoM%/YoY%)	-/-		1.1/12
	0700	Mar CPIX (MoM%/YoY%)	-/-		0.9/9.4

Source: Refinitiv, ING

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