

## Key events in developed markets next week

How strong will the slowdown of the German economy be? Will the US keep up the positive growth momentum?



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### US to keep up positive growth momentum

In the US the main data releases to watch will be retail sales and industrial production. With regards the former, bad weather played a part in negative January and February readings, which were always going to struggle after the post hurricane spending splurge seen in 4Q. March saw a rebound and we look for the positive momentum to continue to April as tax cuts and a strong jobs market buoy confidence and spending.

Gasoline station sales will contribute positively due to price rises while autos will be a drag given volume numbers already released – again a payback from the post hurricane surge. Industrial production should also be firm with oil and gas output stimulated by price gains while manufacturing surveys report strong order books, which should keep production firm. As such the strong growth story remains intact and with inflation creeping higher we are sticking to our view of three further rate hikes in 2018.



## UK wage growth in focus as Bank of England mulls summer rate rise

We are inclined to think the market reaction to the May Bank of England meeting was a little extreme. The Bank was surprisingly adamant that it believed the first quarter slowdown to be temporary (albeit policymakers appear to be a little more wary about the household story), and it remains confident that wage growth is on the right track. BoE Agents have indicated that business contacts are increasingly having to boost pay, perhaps at the fastest rate since the crisis, and we should get further evidence of this next week. With regular pay growth set to remain at a near-three year high, we think markets may be underestimating the chances of a rate hike this year – and we maintain that August is probably the most likely opportunity.

### Economic slowdown in Germany

Tuesday will be the big GDP Day for the entire Eurozone, with the Eurostat release of all first quarter GDP data. While the first estimate for the entire Eurozone already showed a growth slowdown previously, German data is still a black box. All available monthly data points to a slowdown of the German economy, the only question being how strong or mild will it be.

### Norwegian GDP and Swedish housing

In Norway, 1Q18 GDP data on Wednesday is the key event next week. We expect 0.5% QoQ growth, slightly weaker than 4Q17. This would be also be a touch below Norges Bank's forecast of 0.6%, which could increase uncertainty about the central bank's plan to raise interest rates in September.

In Sweden, house price data for April on Thursday will be closely watched to see whether the housing market continues to stabilize.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Friday 11 May</b>					
US	1500	May P U. of Mich. Sentiment Index	98.4	98.3	98.8
	1330	Fed's Bullard Speaks on U.S. Economy & Monetary Policy			
Eurozone	1415	ECB's Draghi Speaks in Florence			
Spain	0800	Apr F HICP (MoM/YoY%)	-/-	0.8/1.1	0.8/1.1
Canada	1330	Apr Unemployment Rate (%)	-	5.8	5.8
	1400	Bank of Canada's Wilkins Speaks at Women's Forum Canada			
Australia	0230	Mar Home loans (MoM%)	-	-1.8	-0.2
Sweden	-	Swedish Moderate Party Conference (until 12/05)			
Portugal	1100	Portugal Releases Construction Output, Employment Report and CPI report			
<b>Monday 14 May</b>					
US	0745	Fed's Mester Speaks at Bank of France Conference			
	1440	Fed's Bullard Speaks at Crypto Conference in New York			
Japan	0050	Apr PPI (MoM/YoY%)	-/-	-/-	-0.1/2.1
Eurozone	0745	ECB's Villeroy Speak in Paris			
Sweden	1015	Swedish Fiscal Policy Council Report			
Portugal	1100	Bank of Portugal Governor at Conference on Payment Systems			
<b>Tuesday 15 May</b>					
US	1330	Apr Advance Retail Sales (MoM%)	0.4	0.4	0.6
	1330	Apr Retail Sales ex. Auto and Gas (MoM%)	0.5	-	0.3
Eurozone	1000	Mar Industrial Production (WDA, (YoY%)%)	-	-	2.9
	1000	1Q P GDP (QoQ/YoY%)	-/-	-/-	0.4/2.5
Germany	0700	1Q P GDP (QoQ/YoY%)	0.3/2.3	-/-	0.6/2.9
	1000	May ZEW Current Situation Index	85	-	87.9
UK	0930	Mar Weekly Earnings (3M avg)	2.5	-	2.8
	0930	Mar Weekly Earnings ex Bonus (3M avg)	2.8	-	2.8
	0930	Mar ILO Unemployment Rate (3M avg.)	4.2	-	4.2
	0930	Mar Employment Change (3M/3M)	150	-	55
Australia	0010	RBA's Debelle Gives Speech in Sydney			
	0230	RBA May Meeting Minutes			
	0240	RBA's Debelle Speech to HK Forum Via Video Link			
Norway	0700	1Q Mainland GDP (QoQ/YoY%)	0.5/2.5	-/-	0.6/2.6
Sweden	0825	Riksbank's af Jochnick Gives Speech			
	-	Riksbank's Skingsley Speaks in Malmo (until 16/05)			
Netherlands	0830	1Q P GDP (QoQ%)	0.7	-	0.8
Portugal	0930	Portugal Reports First-Quarter GDP Estimate			
<b>Wednesday 16 May</b>					
US	1415	Apr Industrial Production (MoM%)	0.6	0.6	0.51
	1330	Fed's Bostic to Give Economic Update			
	1330	Revisions: Housing Starts			
	1330	Fed's Bostic to Give Economic Update			
Japan	0050	1Q P GDP (Annualised, QoQ%)	-	-0.2	1.6
	0530	Mar F Industrial production - Prel (MoM/YoY%)	-/-	-/-	1.2/2.2
Eurozone	1000	Apr F Core CPI (YoY%)	-	-	0.7
	1000	Apr F CPI (MoM/YoY%)	-/-	-/-	0.3/1.2
Germany	0700	Apr F CPI (MoM/YoY%)	0/1.6	-/-	0/1.6
Italy	1000	Apr F HICP (YoY%)	-	-	0.6
Canada	1715	Bank of Canada's Schembri Speaks at the OEA			
Sweden	-	Maklarstatistik (0500) and Valueguard (0800) Swedish Housing Price Data			
Switzerland	1700	SNB's Jordan Speak at Vollgeld Event in Zurich			
Finland	0900	Bank of Finland Press Conference on Financial Stability			
<b>Thursday 17 May</b>					
US	1545	Fed's Kashkari Speaks at Moderated Q&A in Minneapolis			
Japan	0050	Mar Core machine orders (MoM/YoY%)	-/-	-/-	2.1/2.4
Australia	0230	Apr Employment change ('000)	-	-	4.9
	0230	Apr Unemployment rate (%)	-	-	5.5
New Zeal.	0300	Finance Minister Delivers Budget			
Sweden	0815	Swedish Fiscal Policy Council Conference			
<b>Friday 18 May</b>					
US	0800	Fed's Mester Speaks at ECB on Macroprudential, Monetary Policy			
Japan	0030	Apr National CPI (YoY%)	-	-	1.1
	0030	Apr CPI ex-food, energy (YoY%)	-	-	0.5
Eurozone	1000	Mar Trade Balance (€bn)	-	-	20988.2
Canada	1330	Apr CPI (MoM/YoY%)	-/-	-/-	0.3/2.3
New Zeal.	0100	Finance Minister Post-Budget Speech			
Portugal	0830	Bank of Portugal's Costa, Lloyds CEO Speak at Event in Lisbon			

Source: ING, Bloomberg

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