

Key events in developed markets next week

Will recent market turmoil take its toll on consumer and business confidence in Europe?

✓ **US: data unlikely to stop March Fed rate hike**

US business surveys may well be showing ongoing strength the “hard” activity data for January has been disappointing with both retail sales and manufacturing production missing market expectations. Nonetheless, the employment, wage and confidence figures all look very good and so we believe there are some weather effects hurting the official data and these will quickly reverse. Inflation pressures continue to build and even if we get soft housing numbers next week we are going to need to see something big (a major equity market correction, for example) for the Federal Reserve to choose not to hike interest rates at the March FOMC meeting.

✓ **Eurozone: has market turmoil affected consumer and business confidence?**

In the Eurozone, next week will tell whether market turmoil has affected confidence among businesses and consumers. While the increased volatility does not seem to come from a downturn in economic fundamentals, it could affect the mood among consumers and expectations for businesses in the months ahead.

The ECB minutes should give additional insights into how the ECB assesses the strength of the euro and whether there has been any discussion on the future path of QE.

✓ **UK: jobs report to be closely watched to determine BoE next rate hike**

As markets try to gauge whether a data-dependent Bank of England will hike rates again in May, next week's UK jobs report will be closely watched. We expect wage growth to remain unchanged, although the risks are clearly biased to the upside. A positive surprise would add further weight to the Bank's argument that labour market tightness is forcing firms to increase pay to retain and attract staff. We'd still caution that it is early days, and the year-on-year numbers will creep up over coming months purely on base effects (last winter was very poor for wages). Nonetheless, we think policymakers will be sufficiently satisfied with recent progress on wage growth to prompt a rate hike at the May meeting, although of course this still hinges on further Brexit progress over the next couple of months.

✓ Germany: all about the IFO index

The Ifo index will give the first impression of how German businesses are assessing ongoing political dramas and the new coalition agreement in Germany.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Friday 16 February					
US	1500	Feb P U. of Mich. Sentiment Index	95.5	95.4	95.7
Eurozone	0820	ECB's Coeure Speaks in Skopje, Macedonia			
UK	0930	Jan Retail Sales ex Auto Fuel (MoM/YoY%)	0.7/2.5	0.6/2.4	-1.6/1.3
	0930	Jan Retail Sales (MoM/YoY%)	0.7/2.7	0.5/2.5	-1.5/1.4
Sunday 18 February					
Japan	2350	Jan Exports (YoY%)	11.9	-	9.3
	2350	Jan Imports (YoY%)	13.3	-	14.9
	2350	Jan Trade balance (¥ bn)	269	-979.7	358.7
Monday 19 February					
Australia	2215	RBA's Bullock Gives Speech in Sydney			
Tuesday 20 February					
Eurozone	1500	Feb A Consumer Confidence	0.2	-	1.3
Germany	1000	Feb ZEW Current Situation Index	94	-	95.2
Australia	0030	RBA February Meeting Minutes			
Sweden	0830	Jan CPI (MoM/YoY%)	-0.7/1.7	-/-	0.4/1.7
	0830	Jan CPIF (MoM/YoY%)	-0.7/1.9	-/-	0.4/1.9
	1130	Riksbank's Ingves Gives Speech in New York			
Wednesday 21 February					
US	1500	Jan Existing Home Sales	5.4	5.6	5.57
	1900	FOMC meeting minutes			
Japan	0430	Dec All industry activity index (MoM%)	5.8	-	1
Eurozone	0900	Feb P Markit Manufacturing PMI	59.1	-	59.6
	0900	Feb P Markit Services PMI	57.6	-	58
	0900	Feb P Markit Composite PMI	58.4	-	58.8
UK	0930	Dec Weekly Earnings (3M avg)	2.5	-	2.5
	0930	Dec Weekly Earnings ex Bonus (3M avg)	2.4	-	2.4
	0930	Dec ILO Unemployment Rate (3M avg.)	4.3	-	4.3
	0930	Dec Employment Change (3M/3M)	185	-	102
	0930	Jan Public Finances (PSNCR)	-	-	25.13
	0930	Jan PSNB ex Banks (Ebn)	-	-	2.591
Norway	0700	Dec Unemployment (%)	-	-	4.1
Sweden	-	Riksbank's Jansson (1030) and Ohlsson (1700) Give Speeches			
Thursday 22 February					
US	1500	Fed's Dudley to Speak at New York Fed Briefing on Puerto Rico			
	1710	Fed's Bostic Speaks at Banking Conference in Atlanta			
Eurozone	-	ECB Monetary Policy Meeting Minutes			
Japan	2330	Jan National CPI (YoY%)	1.3	-	1
	2330	Jan CPI ex-food, energy (YoY%)	0.2	-	0.3
Germany	0900	Feb IFO Business Climate	117.2	-	117.6
	0900	Feb IFO Expectations	107.8	-	108.4
	0900	Feb IFO Current Assessment	127.4	-	127.7
UK	0930	4Q P GDP (QoQ/YoY%)	0.5/1.5	-/-	0.5/1.5
Italy	1000	Jan F HICP (YoY%)	1.1	-	1.1
Friday 23 February					
US	2040	Fed's Williams Speaks on Outlook for U.S. Economy			
Eurozone	1000	Jan F Core CPI (YoY%)	1	-	1
	1000	Jan F CPI (MoM/YoY%)	-0.9/1.3	-/-	-0.9/1.3
Canada	1330	Jan CPI (MoM/YoY%)	-/-	-/-	-0.4/1.9
Sweden	0830	Riksbank Minutes			

Source: Bloomberg, ING

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