

## Key events in developed markets next week

Trade tensions to remain high in the US while the ECB will be focusing on Eurozone inflation and German IFOs. But what else is going on in developed markets next week?



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### **Strong US consumer confidence but trade tensions remain high**

Trade tensions remain high with President Trump threatening another round of tariffs on Chinese products imported into the US. China is not backing down, leading to growing worries about an intensifying situation that threatens global growth. Home builders are already warning about the higher costs from tariffs on lumber and other materials, and we suspect more industries will soon be vocalising their fears about the risks from a trade war. At this stage, we seem a considerable distance from an agreement that can calm market nerves.

The data calendar remains light with the main focus being housing data and consumer confidence. For now, demand and sentiment remain strong, boosted by record employment levels and growing signs of wage pressures. We will also be looking out for comments from Federal Reserve officials. The latest Fed forecasts suggest a growing appetite for two further rate rises this year, which we also expect will happen.

## The ECB to watch Eurozone inflation and German IFOs

The Eurozone inflation numbers will be eagerly watched next week. While headline inflation will remain high thanks to oil price and base effects, core inflation developments will be key for the ECB to stay on course for its suggested path towards the end of quantitative easing.

After the announcement of dovish tapering on the back of a still positive macro assessment, next week's German data will get close attention from the ECB. Ideally, a rebound in the Ifo with headline inflation above 2% for the second month in a row would be the best outcome for the ECB and strongest support for last week's decision.

However, any disappointment, be it a weaker Ifo or falling inflation data, could clearly lead to doubts about the ECB's determination to really push through with the anticipated dovish tapering.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Friday 22 June</b>					
Japan	0030	May National CPI (YoY%)	-	0.6	0.6
	0530	Apr All industry activity index (MoM%)	-	0.9	0
Eurozone	0900	Jun P Markit Manufacturing PMI	55.7	55	55.5
	0900	Jun P Markit Services PMI	54.1	53.8	53.8
	0900	Jun P Markit Composite PMI	54.4	53.9	54.1
Canada	1330	May CPI (MoM/YoY%)	-/-	0.4/2.5	0.3/2.2
Netherlands	0530	1Q F GDP (QoQ%)	0.5	0.5	0.5
Portugal	1100	Portugal Reports First-Quarter GDP by Institutional Sector			
Global	-	OPEC Ministers and Partners Meet in Vienna to Discuss Outputs (until 23/06)			
<b>Monday 25 June</b>					
US	1330	May New Home Sales (MoM%)	-	1.2	-1.5
Japan	0600	Apr F Leading economic index	-	-	105.6
	0050	BOJ Summary of Opinions			
Eurozone	0930	ECB's Nowotny Presents Conclusions of IMF Report on Austria			
Germany	0900	Jun IFO Business Climate	102.4	-	102.2
	0900	Jun IFO Expectations	98.7	-	98.5
	0900	Jun IFO Current Assessment	106.2	-	106
<b>Tuesday 26 June</b>					
US	1500	Jun Consumer Confidence	127	127.2	128
	1800	Fed's Bostic Speaks in Birmingham, Alabama			
	1845	Fed's Kaplan Speaks in Houston			
Eurozone	0900	ECB's Hansson Speaks on Outlook for Euro Area and Estonia			
Portugal	-	Portugal Releases Year-to-Date Budget Report			
<b>Wednesday 27 June</b>					
US	1330	May P Durable Goods Orders (MoM%)	-0.5	-0.7	-1.6
	1330	May P Durable Goods Orders (ex. Trans, MoM%)	0.4	0.5	0.9
	1330	May Pending Home Sales (MoM%)	-	1	-1.3
	1715	Fed's Rosengren Speaks on Ethics and Economics			
Eurozone	0900	May M3 Money Supply (YoY%)	3.9	-	3.9
	-	ECB's Peter Praet talking to Dutch parliament			
UK	0930	BOE's Carney Speaks About Financial Stability Report			
Canada	2000	Bank of Canada Governor Stephen Poloz Gives Speech in Victoria			
New Zealand	2200	RBNZ OCR decision			
Norway	0700	Apr Unemployment rate (AKU, %)	-	-	3.9
<b>Thursday 28 June</b>					
US	1330	1Q T GDP (QoQ Annualised %)	2.2	2.2	2.2
Japan	0050	May P Retail trade (MoM/YoY%)	-/-	-/-	1.3/1.5
Eurozone	0900	ECB Publishes Economic Bulletin			
Germany	1300	Jun P CPI (MoM/YoY%)	0.0/2.0	-/-	0.5/2.2
Italy	1000	Jun P HICP (YoY%)	-	-	1
	0930	Bank of Italy to Release 1Q Credit Conditions and Risk			
Spain	0800	Jun P HICP (MoM/YoY%)	-/-	-/-	0.9/2.1
Sweden	0830	May Retail Sales (MoM/YoY%)	-/-	-/-	0.6/3.6
<b>Friday 29 June</b>					
US	1500	Jun F U. of Mich. Sentiment Index	99.3	-	99.3
Japan	0050	May P Industrial production - Prel (MoM/YoY%)	-/-	-/-	0.5/2.6
	0600	Jun Consumer confidence index	-	-	43.8
Eurozone	1000	Jun A Core CPI (YoY%)	1.1	-	1.1
	1000	Jun Flash CPI (YoY%)	2	-	1.9
Germany	0855	Jun Unemployment Change (000's)	-	-	-12
	0855	Jun Unemployment Rate (%)	5.1	-	5.2
UK	0930	1Q F GDP (QoQ/YoY%)	0.1/1.2	-/-	0.1/1.2
Canada	1330	Apr GDP (MoM/YoY%)	-/-	-/-	0.3/2.9
Norway	0900	Jun Unemployment (registered, %)	-	-	2.2

Source: ING, Bloomberg

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