

## Key events in developed markets next week

Will the new Fed Chair, Jerome Powell, lead the Fed to increase its interest rate hike forecast for this year?

### US: how will Powell's tone determine the number of Fed hikes this year?

The key event next week will be new Fed Chair, Jerome Powell, testifying to the House Financial Services Committee following the release of the semi-annual monetary policy report this Friday. The tone he strikes will be key to determining whether the Fed will hike rates at the March FOMC, which looks probable, and whether the Fed will increase its forecast for the number of hikes it expects to implement this year from three to four. The downside risks to inflation have certainly faded with wages showing some signs of life and CPI in January coming in above expectations. With core inflation likely to rise above 2% in coming months we think the Fed will choose to take a more aggressive course of action.

As for the data, manufacturing numbers will be in focus. Durable goods orders will be dragged lower due to the volatility in Boeing aircraft orders, but excluding transportation the order book for US manufacturers looks very strong. This should be reflected in another robust reading for the ISM manufacturing index. The one area of potential data disappointment may be consumer confidence with the potential for slightly softer readings due to recent equity market volatility and higher mortgage borrowing costs. However, both the Conference Board and the University of Michigan surveys will remain incredibly strong by historical standards given robust employment and rising wages.

### Eurozone: insights into the inflation puzzle

For the Eurozone, next week will bring more insight into the inflation puzzle. The Eurozone PMI revealed somewhat softening price pressures in February, confirming that the pipeline pressures to inflation remain relatively mild. As energy price effects will likely subdue inflation further, not much is to be expected of the February HICP release. Meanwhile, the unemployment rate could have ticked lower again in January as the labour market continues to show more signs of tightening.

### Germany: will the SPD join a grand coalition with Merkel's CDU?

Being the first inflation data for February in the entire Eurozone, German CPI data on Tuesday should trigger most market attention. With the latest drop in oil prices and the stronger euro, German headline inflation should have remained stable, at best. For the rest, Germany will be

warming up to the results of the SPD members' vote on whether or not to join a grand coalition with Merkel's CDU. This result is due on Sunday, 4 March.

## Sweden: expect a softening of growth

In Sweden, 4Q GDP figures are due on Wednesday. We expect a solid end to the year at 0.8% quarter-on-quarter. But indicators for 1Q18 so far suggest a softening in growth, which may be confirmed by further data this week: Economic Tendency Survey, Retail Sales, and Manufacturing PMIs will all be released.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Friday 23 February</b>					
US	1515	Fed's Dudley and Rosengren Speak on Panel on Fed Balance Sheet			
	1600	Fed Releases February 2018 Monetary Policy Report to Congress			
	2040	Fed's Williams Speaks on Outlook for U.S. Economy			
Eurozone	1000	Jan F Core CPI (YoY%)	1	1	1
	1000	Jan F CPI (MoM/YoY%)	-0.9/1.3	-0.9/1.3	-0.9/1.3
	1830	ECB's Coeure, Fed's Mester Participate in Panel in New York			
Germany	0700	4Q F GDP (QoQ/YoY%)	0.6/2.9	0.6/2.9	0.6/2.9
UK	1200	BOE's Ramsden Speaks on Productivity in Cambridge			
Canada	1330	Jan CPI (MoM/YoY%)	-/-	0.5/1.5	-0.4/1.9
Sweden	0830	Riksbank Minutes			
<b>Monday 26 February</b>					
US	1300	Fed's Bullard Speaks on U.S. Economy and Monetary Policy			
Japan	0500	Dec F Leading economic index	-	-	107.9
UK	1800	BOE's Cunliffe Speaks at Event at Warwick University			
Portugal	-	Portugal Releases Year-to-Date Budget Report			
<b>Tuesday 27 February</b>					
US	1330	Jan P Durable Goods Orders (MoM%)	-2.5	-1.5	2.8
	1330	Jan P Durable Goods Orders (ex. Trans, MoM%)	0.4	0.5	0.7
	1500	Feb Consumer Confidence	125	126	125.4
Japan	2350	Jan Retail trade (MoM/YoY%)	0.7/4.3	-/-	0.9/3.6
	2350	Jan P Industrial production - Prel (MoM/YoY%)	-6.4/5.8	-/-	2.9/4.4
Eurozone	0900	Jan M3 Money Supply (YoY%)	4.5	-	4.6
Germany	1300	Feb P CPI (MoM/YoY%)	0.6/1.6	-/-	-0.7/1.6
	1000	Bundesbank's Weidmann Presents Institution's Annual Report			
Spain	0800	Feb P HICP (MoM/YoY%)	-/-	-/-	-1.5/0.7
Sweden	0800	Feb Economic Tendency Survey	-	-	110.2
	0900	Riksbank's af Jochnick (0900) and Ohlsson (1700) Give Speeches			

Wednesday 28 February					
US	1330	4Q S GDP (QoQ Annualised %)	2.6	2.6	2.6
	1500	Fed's Powell Testifies to House Financial Services Committee			
Eurozone	1000	Feb Flash CPI (YoY%)	1.3	-	1.3
Germany	0855	Feb Unemployment Change (000's)	-	-	-24
	0855	Feb Unemployment Rate (%)	5.4	-	5.4
Sweden	0830	4Q GDP (QoQ%)	0.8	-	0.8
	0830	Jan Retail Sales (MoM/YoY%)	-/-	-/-	-1.4/3.3
	1600	Riksbank's Ingves Gives Speech in Lulea, Sweden			
Portugal	1500	Portuguese Prime Minister Speaks at Debate in Parliament			
Thursday 1 March					
US	1500	Feb ISM Manufacturing	58.3	58.6	59.1
Japan	0500	Feb Consumer confidence index	44.9	-	44.7
	2330	Jan Household spending (YoY%)	0.2	-	-0.1
	2350	Feb Monetary base (JPY tr)	486	-	476.718
	0130	BOJ Kataoka makes a speech			
	2330	Tokyo Feb CPI			
Eurozone	1000	Jan Unemployment Rate (%)	8.6	-	8.7
UK	0930	Feb Markit/CIPS Manufacturing PMI	55.5	-	55.3
Sweden	0700	Riksbank's Ingves Speaks in Lulea, Sweden			
Norway	0800	Feb Manufacturing PMI	-	-	59
Friday 2 March					
US	1500	Feb F U. of Mich. Sentiment Index	99	-	99.9
Italy	0900	4Q F GDP (QoQ/YoY%)	-/-	-/-	0.3/1.6
Canada	1330	Dec GDP (MoM/YoY%)	-/-	-/-	0.4/3.5
	1330	4Q GDP (Annualised, QoQ%)	-	-	1.706
Sweden	0700	Feb PES Unemployment rate (%)	-	-	4
	0730	Feb Swedbank/Silf Manufacturing PMI	-	-	57
Norway	0900	Feb Unemployment Rate (%)	-	-	2.6

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