

## Key events in developed markets next week

We have a jam-packed calendar next week with central bank meetings in the US, Japan and Sweden as well as inflation, unemployment and GDP numbers from several developed countries



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### **US: No change from the Fed but GDP figures to reflect vaccine optimism**

It is a jam-packed calendar with the Federal Reserve monetary policy decision and the 1Q GDP report the highlights.

The Fed is set to leave monetary policy unchanged – rates remaining in the 0-0.25% range and QE monthly asset purchases at \$120bn – with policymakers set to re-affirm there will be no shift in stance until “substantial further progress” on the recovery. Recent comments suggest that officials continue to think this is some way off, with the March forecast update suggesting that most members still think 2024 will be the start-point for lift-off in interest rates.

However, the 1Q GDP report is likely to show another fantastic growth figure, led by stimulus fueled consumer spending.

We are expecting annualised growth of 7.4%, and with the vaccination program meaning more

than 135 million Americans have had at least one dose and the economy opening up more and more each day, we expect to see more than a million jobs created in April with GDP growth likely to be in double figures for the second quarter. With inflation likely to hit close to 4% and prove to be somewhat stickier than the Fed is publicly acknowledging – largely due to house price developments and ongoing supply capacity issues – we continue to think that the Fed could start tapering asset purchases before the end of the year.

We look for the first-rate hike to come in 1H 2023, but the odds are increasingly moving in the direction of a possible December 2022 rate hike.

## Eurozone: A technical recession alongside energy price fuelled inflation

The eurozone is set for another technical recession, with numbers on Q1 coming out on Friday that will likely show another decline.

Extended lockdowns have pushed the economy in the red, even though underlying activity in sectors less hindered by restrictions seem to be performing well at the moment. Also interesting will be Friday's inflation data set to soar further on the back of increasing energy prices. But we're not concerned, as all factors seem to be temporary, confirming the ECB's view laid out yesterday.

Also important is how unemployment performs; further falls will indicate a quick rebound on reopening.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 26 April</b>					
US	1330	Mar Durable Goods	3.0	1.8	-1.2
Japan	0600	Feb Leading Indicator Revised	-		1.2
Germany	0900	Apr Ifo Business Climate New	98.0		96.6
	0900	Apr Ifo Curr Conditions New	94.0		93.0
	0900	Apr Ifo Expectations New	102.0		100.4
<b>Tuesday 27 April</b>					
US	1400	Feb CaseShiller 20 (MoM/YoY%)	-/-		1.2/11.1
	1500	Apr Consumer Confidence	113.0	112.3	109.7
Japan	-	BOJ Rate Decision	-0.1		-0.1
	0050	Mar Retail Sales (YoY%)	0.8		-1.5
Italy	0900	Apr Consumer Confidence	-		100.9
Sweden	0830	Riksbank Rate	0.00		0.00
	0830	Mar Unemployment Rate	-		9.7
Eurozone	1000	Apr Business Climate	-		0.3
<b>Wednesday 28 April</b>					
US	1900	Fed Funds Target Rate	0.125		0.125
	1900	Fed Interest On Excess Reserves	0.1		0.1
Germany	0700	May GfK Consumer Sentiment	-5.4		-6.2
France	0745	Apr Consumer Confidence	-		94.0
Canada	1330	Feb Retail Sales (MoM%)	-		-1.1
Australia	0230	Q1 CPI (QoQ/YoY%)	0.7/1.0		0.9/0.9
New Zealand	2245	Mar Imports	-		4.29
	2245	Mar Trade Balance	-		181.0
	2245	Mar Exports	-		4.47
Sweden	0830	Mar Retail Sales (MoM/YoY%)	-/-		0.7/4.6
<b>Thursday 29 April</b>					
US	0830	Q1 GDP (QoQ%)	7.4	6.1	4.3
Japan	0030	Apr CPI, Overall Tokyo	-		-0.2
	0030	Mar Unemployment Rate	2.9		2.9
	0050	Mar Industrial O/P Prelim (YoY%)	-1.2		-2
Germany	0855	Apr Unemployment Rate SA	6.0		6.0
	1300	Apr CPI Prelim (MoM/YoY%)	3.0/1.9		0.5/1.7
Spain	0800	Apr CPI (MoM/YoY%) Flash NSA	-		1.0/1.3
	0800	Q1 Unemployment Rate	-		16.13
Sweden	0830	Q1 GDP (QoQ/YoY%)	-/-		-0.2/-2.2
Eurozone	1000	Apr Economic Sentiment	103		101
	1000	Apr Consumer Confidence Final	-10		
<b>Friday 30 April</b>					
US	1330	Mar Personal Income (MoM%)	-	20.0	-7.1
	1330	Mar Personal Consump Real (MoM%)	-		-1.2
	1330	Mar Consumption, Adjusted (MoM%)	-	3.8	-1.0
	1330	Mar Core PCE Price Index (MoM%)	-	0.3	0.1
	1445	Apr Chicago PMI	-	63.0	66.3
	1500	Apr U Mich Sentiment Final	-	86.5	86.5
Japan	0130	Apr Jibun Bank Manufacturing PMI	-		
	-	Mar Housing Starts (YoY%)	-		-3.7
Germany	0700	Q1 GDP Flash (QoQ/YoY%, SA)	-0.9/-2.7		0.3/-2.7
France	0630	Q1 GDP Preliminary (QoQ/YoY%)	-/-		-1.4/-4.9
	0745	Mar Consumer Spending (MoM/YoY%)	-/-		0/1.4
	0745	Apr CPI (EU Norm) Prelim (MoM%)	-		0.7
Italy	0800	Mar Unemployment Rate	-		10.2
	0900	Q1 GDP Prelim (QoQ/YoY%)	-/-		-1.9/-6.6
	1000	Apr CPI (EU Norm) Prelim (MoM/YoY%)	-		1.8/0.6
Spain	0800	Mar Retail Sales (YoY%)	-		-5.9
Canada	1330	Feb GDP (MoM%)	-		0.7
Australia	0230	Q1 PPI (QoQ/YoY%)	0.9/0.6		0.5/-0.1
Portugal	0930	Apr CPI Flash (MoM/YoY%)	-/-		1.4/0.5
Eurozone	1000	Q1 GDP Flash Prelim (QoQ/YoY%)	-0.7/-1.9		0.7/-4.9
	1000	Mar Unemployment Rate	8.2		8.3
	1000	Inflation HICP	1.7		
	1000	Core inflation HICP	1.2		

Source: ING, Refinitiv

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