

Key events in developed markets next week

The US jobs market is still extremely tight and that means jobs growth will be limited to half a million and wage pressures will continue to build. The Federal Reserve looks poised for at least one 50 basis-point hike in the coming months



US jobs numbers set to support our call for 50bp rate hikes

Following the 25bp interest rate hike from the Federal Reserve on 16 March, which also saw individual forecasts for the projected path of the fed funds rate hiked sharply, financial markets are anticipating a 50bp move at the May Federal Open Market Committee (FOMC) meeting.

We fully back that call and see a strong chance that there will be another 50bp hike at the June FOMC meeting. Comments from officials suggest a much stronger desire to get inflation and inflation expectations lower with the strength of the labour market cited as a key factor that is driving this shift in attitude.

The March jobs numbers will be in focus, but while we know demand is incredibly strong, the issue is a lack of supply of workers to fill the vacancies available. Next week's Job Openings and Labor Turnover Survey (JOLTS) is likely to confirm that there are 1.7 vacancies for every unemployed person in America, so we are forecasting a payrolls gain of 500,000, but it could well be lower. Like supply chain strains, a lack of suitable workers is holding back growth potential and putting up costs as wages get bid higher in a red hot jobs market.

Consequently, we expect the details of next week's releases to support our call of 50bp of hikes at both the May and June policy meetings.

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Country	Time	Data/event	ING	Survey	Prev.
Tuesday 29 March					
US	1300	Jan CaseShiller 20 (MoM%/YoY%)	1.2/18.4	1.5/18.7	1.5/18.6
	1400	Mar Consumer Confidence	107	107.8	110.5
Germany	0700	Apr GfK Consumer Sentiment	-9.9		-8.1
Wednesday 30 March					
US	1315	Mar ADP National Employment	450	400	475
	1330	Q4 GDP Final	7.1	7.1	7
Germany	1300	Mar CPI Flash (MoM%/YoY%)	1.1/6.3		0.9/5.1
UK	0700	Q4 GDP (QoQ%/YoY%)	1.0/6.5		1.0/6.5
Eurozone	1000	Mar Consumer Confidence Final	-		-
Thursday 31 March					
US	1330	Feb Core PCE Price Index (MoM%/YoY%)	0.4/5.5	0.4/5.5	0.5/5.2
	1330	Feb Consumption (MoM%)	0.6	0.5	2.1
	1330	Feb Personal Consump Real (MoM%)	0.0	-	1.5
	1330	Feb Personal Income (MoM%)	0.5	0.5	0.0
	1330	Mar Chicago PMI	56.5	57.4	56.3
	1330	Cont Jobless Claims	1385		1350
	1330	Initial Jobless Claims	195		187
Germany	0800	Feb Retail Sales (MoM%/YoY%)	03/5.8		2.0/10.3
	0855	Mar Unemployment Rate	-		5
France	0745	Mar CPI Flash (MoM%/YoY%)	-		0.9/4.2
Italy	1000	Mar CPI Flash (MoM%/YoY%)	-		-
Canada	1330	Jan GDP (MoM%)	0.2	-	0.0
Eurozone	0900	Feb Unemployment Rate	-		6.8
Friday 1 April					
US	1330	Mar Unemployment Rate	3.7	3.7	3.8
	1330	Mar Private Payrolls	500	465	654
	1330	Mar Non-Farm Payrolls	500	450	678
	1500	Mar ISM Mfg Prices Paid	80		75.6
	1500	Mar ISM Manufacturing PMI	57.8	58.3	58.6
Germany	0855	Mar Markit/BME Mfg PMI	-		-
UK	0930	Mar Markit/CIPS Mfg PMI Final	55.5		55.5
Switzerland	0730	Mar CPI (MoM%/YoY%)	-		0.7/2.2
Eurozone	0900	Mar Markit Mfg Final PMI	-		-
	1000	Mar Core CPI Flash (YoY%)	-		-
	1000	Mar CPI Flash (YoY%)	-		-

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