

## Key events in developed markets next week

All eyes on President Biden's plan for the huge \$3 trillion infrastructure package, something that won't be straightforward to get through Congress. We also expect US jobs numbers to improve again on better weather and reopenings



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### US: Biden's massive infrastructure package will be a tough sell

With the ink on the \$1.9tn fiscal relief plan barely dry, next week sees President Joe Biden push ahead with the \$3tn Build Back Better green energy and infrastructure plan.

On Wednesday, he is heading to Pittsburgh to outline the strategy, which is centered on decarbonising US electricity production by 2050. There would be incentives and legislation surrounding energy-efficient buildings and vehicles with additional rail and road infrastructure investment. The money would also be provided to boost 5G and broadband internet access.

It looks as though these measures will be packaged up with higher taxes for corporates and top earners together with increased property and capital gains tax rates to “reward work, not wealth”.

The difficulty will be getting it passed by Congress, given the need for 60 Senators putting it forward for a vote. The Democrats got around this for the \$1.9tn plan by using budget

reconciliation processes, but it will be trickier for this massive infrastructure plan. It may need to be broken up into smaller packages and diluted to some extent should Republicans put up stiff opposition. It is not going to be an easy sell.

We also have a heavy data slate with the ISM index on Thursday, and the jobs report on Friday. Both should be very strong as better weather in March versus February, a strong vaccination programme rollout, and ongoing reopening steps taken by the individual states lift activity and the need for workers.

Nonetheless, the Fed will continue to make it clear that they won't look to tighten policy until the economy has "all but fully recovered."

## **Eurozone: Inflation set for further rise**

Eurozone inflation is set to continue its rise on Wednesday when March figures are released. Expect food and energy prices to be the main drivers for now, although there is a chance that industrial goods prices will also increase more than expected due to supply chain issues and input shortages. Also important will be the breakdown of consumer confidence figures on Tuesday. Consumers have become more upbeat, but have their spending expectations also risen, with vaccinations likely to provide relief in the coming months?

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Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 29 March</b>					
Japan	2330	Feb Unemployment Rate	3		2.9
	2350	Feb Retail Sales (YoY%)	-		-2.4
Eurozone	0900	Mar Business Climate	-		-0.14
<b>Tuesday 30 March</b>					
US	1300	Jan CaseShiller 20 (MoM/YoY%)	2.0/11.8	1.2	1.3/10.1
	1400	Mar Consumer Confidence	95	96	91.3
Japan	2350	Feb Industrial O/P Prelim (MoM/YoY%)	1.5/-5.0		4.2/-5.3
Germany	1300	Mar CPI Prelim (MoM/YoY%)	0.4/1.7		0.7/1.3
France	0645	Mar Consumer Confidence	-		91.0
UK	0830	Feb BOE Consumer Credit	-		-2.392
Spain	0700	Mar CPI (MoM/YoY%) Flash NSA	-		-0.6/0.0
Eurozone	0900	Mar Economic Sentiment	95.1		93.4
	0900	Mar Consumer Confidence Final	-10.8		
<b>Wednesday 31 March</b>					
US	1215	Mar ADP National Employment	650	500	117
	1345	Mar Chicago PMI	-		59.5
Japan	2350	1Q21 Large Manufacturing Tankan	-5.0		-10
		- Feb Housing Starts (YoY%)	-		-3.1
Germany	0755	Mar Unemployment Rate SA	6.0		6.0
France	0645	Feb Consumer Spending (MoM/YoY%)	-/-		-4.6/
UK	0600	Q4 GDP (QoQ/YoY%)	1.0/-7.8		1.0/-7.8
Italy	1000	Mar CPI (EU Norm) Prelim (MoM/YoY%)	-		
Canada	1230	Jan GDP (MoM%)	-		0.1
Australia	0030	Feb Broad Money	-		2460.58
Portugal	0830	Mar CPI Flash (MoM/YoY%)	-/-		-0.5/0.5
Eurozone	0900	Mar HICP YoY	1.2		0.9
	0900	Mar Core HICP YoY	1.2		1.1
<b>Thursday 1 April</b>					
US	1400	Mar ISM Manufacturing PMI	61.5	61	60.8
Japan	2350	Mar Monetary Base (JPY tr)	615		614.7
Germany	0600	Feb Retail Sales (MoM/YoY%)	-/-		-4.5/-8.7
	0755	Mar Markit/BME Mfg PMI	-		
France	0750	Mar Markit Mfg PMI	-		
UK	0830	Mar Markit/CIPS Mfg PMI Final	57.9		
Italy	0745	Mar Markit/IHS Mfg PMI	-		56.9
Spain	0715	Mar Manufacturing PMI	-		52.9
Canada	1330	Mar Markit Mfg PMI SA	-		54.8
Australia	0030	Feb Retail Sales (MoM%)	-		
	0030	Feb Trade Balance (A\$bn)	7.6		10.1
Eurozone	0800	Mar Markit Mfg Final PMI	62.4		
<b>Friday 2 April</b>					
Global	-	Good Friday holiday in many jurisdictions			
US	1330	Mar change in non farm payrolls (000s)	750	600	379
	1330	Mar unemployment rate (%)	5.9	6.0	6.2
	1330	Mar avg hourly earnings (MoM/YoY%)	0.0/4.4	0.2/4.5	0.2/5.3

Source: Refinitiv, ING

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