

## Key events in developed markets next week

The Bank of Canada's policy meeting will be the highlight of next week, and it's a very close call on whether to expect a 25bp or 50bp hike. For now, we favour the latter given robust third-quarter GDP data, ongoing elevated inflation readings and a tight jobs market



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### **US: Recession fears remain elevated**

We are rapidly heading towards the 14 December FOMC meeting where a 50bp interest rate hike looks likely after four consecutive 75bp moves. Nonetheless, the Federal Reserve will not be pleased with the recent sharp falls in Treasury yields and the dollar, which are loosening financial conditions and undermining the Fed's efforts to beat inflation down. Consequently, we are likely to see strong messaging in the press conference and the accompanying forecast update that the rate rises are not finished and that the policy rate is set to stay high for a prolonged period of time. Markets are likely to remain sceptical given that recession fears remain elevated. Softening consumer confidence, weaker ISM services and a relatively subdued PPI report are unlikely to do the Fed many favours next week in this regard.

### **Canada: Favour 50bp however a very close call**

In Canada, the highlight will be the central bank policy meeting for which both markets and

economists are split down the middle on whether it will be a 25bp or 50bp hike. We favour the latter given a robust 3Q GDP outcome, the tight jobs market and the ongoing elevated inflation readings. But we acknowledge there are signs of softening in the economy. The housing market is looking vulnerable and Canadian households are more exposed to higher rates than elsewhere due to high borrowing levels so we recognise this is a very close call. We are getting very close to the peak though, which we think will be 4.5% in 1Q 2023.

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Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 5 December</b>					
US	1445	Nov S&P Global/CIPS Composite Final PMI	-		46.3
	1445	Nov S&P Global/CIPS Services PMI Final	-		46.1
	1500	Oct Factory Orders (MoM%)	0.7	0.7	0.3
	1500	Nov ISM N-Manufacturing PMI	54.0	53.7	54.4
Germany	0855	Nov S&P Global Services PMI	46.4		46.4
	0855	Nov S&P Global Composite Final PMI	46.4		46.4
France	0850	Nov S&P Global Composite PMI	-		48.8
UK	0930	Nov S&P Global/CIPS Services PMI Final	48.8		48.8
	0930	Nov Composite PMI Final	48.3		48.3
Italy	0845	Nov Composite PMI	-		45.8
Spain	0815	Nov Service PMI	-		49.7
Eurozone	0900	Nov S&P Global Service Final PMI	-		48.6
	0900	Nov S&P Global Composite Final PMI	-		47.8
	1000	Oct Retail Sales (MoM%/YoY%)	-/-		0.4/-0.6
<b>Tuesday 6 December</b>					
US	1330	Oct International Trade (USD bn)	-79.0	-71	-73.3
Germany	0700	Oct Industrial Orders (MoM%)	0.5		-4
UK	0930	Nov All-Sector PMI	-		48.7
	0930	Nov S&P Global/CIPS Consumption PMI	-		53.2
Canada	1330	Oct Trade Balance (CAD bn)	-		1.14
<b>Wednesday 7 December</b>					
US	2000	Oct Consumer Credit	28.0	26.5	24.98
Germany	0700	Oct Industrial Output (MoM%/YoY%)	-1.5/1.5		0.6/2.52
France	0745	Nov ReServicee Assets Total	-		238277
	0745	Oct Trade Balance	-		-17.49
Canada	1500	BoC Rate Decision	4.25	4.13	3.75
Switzerland	0645	Nov Unemployment Rate Adjusted	-		2.1
Eurozone	1000	Q3 Employment Final (QoQ%/YoY%)	-		0.2/1.7
	1000	Q3 GDP Revised (QoQ%/YoY%)	-/-		0.2/2.1
<b>Thursday 8 December</b>					
US	1330	Initial Jobless Claims	-		225
	1330	Continue Jobless Claims	-		1608
Netherlands	0530	Nov CPI (MoM%/YoY%) NSA	-		1.1/14.3
<b>Friday 9 December</b>					
US	1330	Nov PPI (MoM%)	-	0.3	0.2
	1330	Nov core PPI (MoM%)	-	0.2	0
	1500	Dec University of Michigan Sentiment Prelim	55.5	56	56.8
	1500	Dec University of Michigan Conditions Prelim	57.5		58.8
	1500	Dec University of Michigan Expectations Prelim	54.5		55.6
Norway	0700	Nov CPI (MoM%/YoY%)	-/-		0.3/7.5
	0700	Nov Core Inflation (MoM%/YoY%)	-/-		0.3/5.9
Netherlands	0530	Oct Manufacturing Output (MoM%)	-		0.5
Greece	0900	Nov CPI (YoY%)	-		9.1
	1000	Oct Industrial Output (YoY%)	-		-1.1

Source: Refinitiv, ING

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