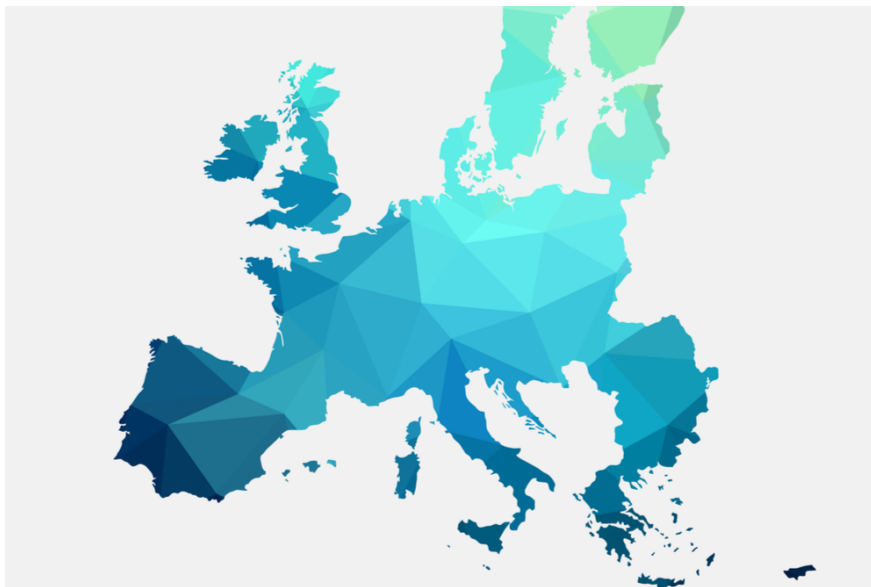


## Key events in developed markets next week

Inflation and labour market data will be in the spotlight in the eurozone next week. We expect services inflation to be impacted by the Easter effect and unemployment to remain unchanged. The US jobs report will also be in focus, with payrolls expected to rise by just under 200k. In the UK, the BoE's CFO survey will likely show further inflation progress



Source: Shutterstock

### **US: Payrolls expected to rise by just under 200K**

The jobs report will be the main focus in the US next week. Payrolls are expected to rise by just under 200k, but once again are likely to be concentrated in just three sectors – local government, leisure and hospitality, and private education and healthcare services. 80% of all the jobs added over the past 14 months have come from these sectors and we don't see much change given that employment surveys have pointed to a slowdown in hiring. The unemployment rate is expected to remain at 3.9% with wage growth remaining benign. We suspect this will keep market pricing for a June federal reserve interest cut at around 80%. Expectations will be firmed up ahead of time with ADP payrolls and the ISM surveys released before next Friday's jobs figures.

## ✓ Eurozone: Services inflation expected to come in higher in March

Next week's eurozone data will focus on both inflation and the labour market. Inflation had been high month-on-month in February and January thanks to various reasons related to government measures and stronger than hoped for services inflation. In March, services inflation will be impacted by the Easter effect again, as the holiday comes early this year. That adds to inflation due to early holidays, but should subtract from it in May. For the European Central Bank, it will not be easy to look through all of this ahead of the April governing council meeting –but as ECB President Christine Lagarde stated at the March press conference, we'll know a lot more in June.

## ✓ UK: Bank of England CFO survey to show further inflation progress

The Bank of England has said it is watching services inflation and wage growth to guide policy this year, but we also know it pays close attention to its in-house survey of Chief Financial Officers. This has been pointing to less aggressive expectations of price rises among companies, but wage growth expectations have been stuck at around 5% for some time. Those expectations did tick lower in the February survey though, and we'll be looking to see if pay growth is scaled back further in the next survey due next week.

This survey won't move the dial for the BoE's May meeting, where we still think a rate cut is unlikely. But if we get more progress on this survey measure, coupled with some favourable data on CPI for April/May, this could bring a June cut into play. For now, we're sticking with our call for an August rate cut – but it's a relatively close call.

## Key events in developed markets next week

Time	Country (BST)	Data/event	ING	Survey	Prev.
<b>Monday 1 April</b>					
	US	1500 Mar ISM Manufacturing PMI	48.8	48.3	47.8
		1500 Mar ISM Manufacturing Prices Paid	54		52.5
		1500 Feb construction spending (MoM%)	0.5	0.6	-0.2
<b>Tuesday 2 April</b>					
	US	1500 Feb Factory Orders (MoM%)	1.1	0.9	-3.6
	Germany	0855 Mar S&P Global/BME Manufacturing PMI	-		41.6
		1300 Mar CPI Prelim (MoM%/YoY%)	-/-	/	0.4/2.5
	UK	0930 Mar S&P Global/CIPS Manufacturing PMI Final	49.9		49.9
	Italy	0845 Mar S&P Global/IHS Manufacturing PMI	-		48.7
	Eurozone	0900 Mar S&P Global Manufacturing Final PMI	45.7		45.7
<b>Wednesday 3 April</b>					
	US	1315 Mar ADP National Employment	150	155	140
		1445 Mar S&P Global Composite PMI Final	-		52.2
		1445 Mar S&P Global Services PMI Final	-		51.7
		1500 Mar ISM Services PMI	53	52.9	52.6
	Italy	0900 Feb Unemployment Rate	-		7.2
	Eurozone	1000 Mar CPI Flash (YoY%)	2.5	2.5	2.6
		1000 Mar Core CPI Flash (YoY%)	3		3.1
		1000 Feb Unemployment Rate	6.4		6.4
<b>Thursday 4 April</b>					
	US	1330 Feb International Trade \$	-67	-66	-67.4
		1330 Initial Jobless Claims	-	-	-
		1330 Continuing Jobless Claims	-	-	-
	Germany	0855 Mar S&P Global Services PMI	-		49.8
		0855 Mar S&P Global Composite PMI Final	-		47.4
	France	0850 Mar S&P Global Composite PMI	-		47.7
	UK	0930 Mar S&P Global/CIPS Serv PMI Final	53.4		53.4
		0930 Mar Composite PMI Final	52.9		52.9
		0930 Bank of England Decision Maker Panel survey			
	Italy	0845 Mar Composite PMI	-		51.1
	Spain	0815 Mar Services PMI	-		54.7
	Canada	1330 Feb Trade Balance C\$	-		0.5
	Switzerland	0730 Mar CPI (MoM%/YoY%)	-/-	/	0.6/1.2
	Eurozone	0900 Mar S&P Global Services Final PMI	51.1		51.1
		0900 Mar S&P Global Composite Final PMI	49.9		49.9
<b>Friday 5 April</b>					
	US	1330 Mar Non-Farm Payrolls	200	215	275
		1330 Mar Private Payrolls	170	175	223
		1330 Mar Unemployment Rate	3.9	3.9	3.9
		1330 Mar avg hourly earnings (MoM%)	0.3	0.3	0.1
	Germany	2000 Feb Consumer Credit	5.5	-	19.49
	France	0700 Feb Industrial Orders (MoM%)	-		-11.3
	UK	0745 Feb Industrial Output (MoM%)	-		-1.1
		1330 Mar Unemployment Rate	5.8		5.8
	Canada	1330 Mar net employment change (000s)	10		40.7
	Eurozone	1000 Feb Retail Sales (MoM%/YoY%)	-/-	/	0.1/-1

Source: Refinitiv, ING

## Author

### James Smith

Developed Markets Economist, UK

[james.smith@ing.com](mailto:james.smith@ing.com)

### Bert Colijn

Chief Economist, Netherlands

[bert.colijn@ing.com](mailto:bert.colijn@ing.com)

### James Knightley

Chief International Economist, US

[james.knightley@ing.com](mailto:james.knightley@ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit [www.ing.com](http://www.ing.com).