

Key global events next week

The first full week of 2020 looks set to be a busy one. We're likely to see a slowdown in US hiring, while markets will also be keeping an eye open for further details on the phase one US-China trade deal ahead of its planned signing ceremony in mid-January



Source: Shutterstock

US: Slowdown in employment growth expected from jobs report

From the US to Europe, one of the key questions over recent months has been whether the weakness in manufacturing and reduced investment appetite will begin to challenge the jobs market. In the case of America, the jobs market has stayed relatively resilient despite these headwinds, which when combined with solid wage growth, has kept consumer confidence elevated.

The final jobs report of 2019 saw bumper employment growth, although this was flattered by the end of the GM strike. We're likely to see a slower pace of job creation in December, and there is a risk that we see a broader slowdown in hiring over the coming months. As ever though, a lot depends on trade, and whether tensions flare up once again ahead of November's Presidential election.

Romania: NBR set to stay on hold next week - and probably the whole of 2020

We expect the National Bank of Romania (NBR) to keep the key rate on hold at 2.50% and broad monetary conditions unchanged at the 8 January meeting. Recent inflation numbers have been in line with the latest NBR forecasts. Given the twin deficit constraints, the NBR is likely to keep the key rate unchanged until after the general election due in late 2020, while retaining the flexibility of altering monetary conditions via liquidity management. Monetary easing after the general election is dependent on the size and the timing of fiscal consolidation. We tend to believe it would come gradually.

Poland: MPC unlikely to be fazed by temporary inflation increase

Next week's MPC meeting should be a fairly non-event. The committee has previously communicated that it will not react to a temporary increase in CPI during the first quarter. We do not expect any shift in rhetoric this time.

In terms of the inflation data, we expect CPI to increase in December from 2.6 to 2.9% year-on-year, mainly on fuel prices. Core inflation should stabilise around 2.6% YoY. Energy Regulator URE announced that three of four major electrical energy companies will increase total costs for households by approximately 12% from January. An announcement from the last company should come soon and be of a similar magnitude. Therefore CPI is likely to increase towards 3.5% YoY in January and exceed the central bank's target boundary in February (3.7-3.8%). However the increase should be temporary – we expect a return towards the 2.5-3% range in the second half of 2020.

The weekly Asia key events article will return next week.

Events in developed markets

Country	Time	Data/event	ING	Survey	Prev.
Monday 6 January					
Japan	2350	Dec Monetary base (JPY tr)	-	-	517.3
Eurozone	0900	Dec F Markit Services PMI	52.4	-	52.4
	0900	Dec F Markit Composite PMI	50.6	-	50.6
UK	0930	Dec F Markit/CIPS Services PMI	49.0	-	49.0
	0930	Dec F Markit/CIPS Composite PMI	48.5	-	48.5
Tuesday 7 January					
US	1330	Nov Trade Balance (US\$bn)	-	-	-47.199
	1500	Dec ISM Non-manufacturing	54	54.5	53.9
Japan	2330	Nov Labor cash earnings (YoY%)	-	-	0.5
Eurozone	1000	Nov Retail Sales (MoM/YoY%)	0.9/1.7	-/-	-0.6/1.4
	1000	Dec Flash CPI (YoY%)	1.3	-	1.0
Italy	1000	Dec P HICP (YoY%)	0.3	-	0.2
Norway	0700	Nov Credit Indicator (YoY%)	-	-	5.6
Sweden	0730	Dec Swedbank/Silf Services PMI	-	-	47.9
Wednesday 8 January					
US	1315	Dec ADP Employment Change ('000's)	200	-	66.9
Japan	0500	Dec Consumer confidence index	-	-	38.7
Eurozone	1000	Dec Economic Confidence	101	-	101.3
Germany	0700	Nov New Orders (MoM/YoY%)	-/-	-/-	-0.4/-5.5
Norway	0700	Nov Industrial Production (MoM/YoY%)	-/-	-/-	3.6/-5.7
Thursday 9 January					
US	1300	Fed's Clarida Speaks in New York			
Eurozone	1000	Nov Unemployment Rate (%)	7.5	-	7.5
Germany	0700	Nov Trade Balance (€bn)	-	-	21.3
	0700	Nov Industrial Production (MoM/YoY%)	-/-	-/-	-1.7/-5.3
Australia	0030	Nov Trade balance (A\$m)	-	-	4502
Norway	0700	Nov GDP Mainland (MoM%)	0.2	-	0.1
Friday 10 January					
US	1330	Dec Change in Nonfarm Payrolls ('000s)	150	170	266
	1330	Dec Unemployment Rate (%)	3.5	-	3.5
	1330	Dec Average Hourly Earnings (MoM/YoY%)	0.2/3.0	0.3/3.1	0.2/3.1
	1330	Dec Participation Rate	-	-	63.2
UK	0930	Nov UK Services Index (MoM%)	-	-	0.2
	0930	Nov Industrial Production (MoM/YoY%)	-/-	-/-	0.1/-1.3
	0930	Nov Trade Balance (£m)	-	-	-5188
Canada	1330	Dec Net Change in Employment	-	-	-71.2
	1330	Dec Unemployment Rate (%)	-	-	5.9
Australia	0030	Nov Retail sales (MoM%)	-	-	0.0
Norway	0700	Dec CPI (MoM/YoY%)	-0.1/1.5	-/-	0.3/1.6

Source: Bloomberg, ING

Events in EMEA and LATAM

Country	Time	Data/event	ING	Survey	Prev.
Saturday 4 January					
South Africa	-	Dec SACCI Business Confidence	-	-	92.7
Monday 6 January					
Hungary	0800	Oct Avg Gross Wages (YoY%)	-	-	11.8
	0800	Nov PPI (MoM/YoY%)	-/-	-/-	1.5/-0.1
Romania	0700	Nov PPI (MoM/YoY%)	-/-	-/-	0.4/2.3
South Africa	0715	Dec HSBC PMI SA	-	-	48.6
Tuesday 7 January					
Poland	0900	Dec P CPI (YoY%)	2.9	2.8	2.6
Hungary	0800	Nov Retail Sales (YoY%)	-	-	6.2
Ukraine	-	Dec CPI (MoM/YoY%)	-/-	-/-	0.1/5.1
Romania	0700	Nov Retail Sales (MoM/YoY%)	-/-	-/-	0.8/6.4
Wednesday 8 January					
Poland	-	Base Rate (%)	1.5	1.5	1.5
Czech Rep	0900	Dec International Reserves (US\$bn)	-	-	146.2
Hungary	0800	Nov Industrial Production (MoM/YoY%)	-/-	-/-	-0.42/6.43
	-	Dec Budget Balance (YTD)	-	-	-766.3
	1300	Hungarian Central Bank's Minutes			
Romania	-	Repo rate (%)	2.5	-	2.5
Serbia	1100	Dec HPPI (MoM/YoY%)	-/-	-/-	0.0/-0.1
South Africa	0600	Dec Gross Reserves (US\$bn)	-	-	54.9
	0600	Dec Net Open Foreign Currency Position (US\$bn)	-	-	44.4
	0900	Dec Kagiso PMI	-	-	47.7
Thursday 9 January					
Turkey	-	Nov C/A (US\$bn)	-0.2	-	1.5
Czech Rep	0800	Nov Trade Balance (CZKmn)	-	-	7.2
	0800	Dec Unemployment Rate (%)	-	-	2.6
Romania	0700	Nov Unemployment Rate Total 15 - 74 Years Old SA	-	-	4.0
	0700	Nov Trade Balance (€m)	-	-	-1968.9
Bulgaria	-	Nov Industrial Production (MoM/YoY%)	-/-	-/-	1.1/1.7
	-	Nov Retail Sales (MoM/YoY%)	-/-	-/-	-0.1/1.2
Croatia	1000	Oct Trade Balance (HRK m)	-	-	-5255.3
	1000	Dec PPI (MoM/YoY%)	-/-	-/-	-0.1/0.1
South Africa	1100	Nov Manufacturing Prod. (MoM%)	-	-	-0.8
	1100	Nov Manufacturing Production (SA, MoM%)	-	-	2.7
Brazil	1200	Nov Industrial Production (YoY%)	1.5	-	1.0
Mexico	1200	Dec CPI (MoM/YoY%)	0.6/2.8	-/-	0.81/2.97
Friday 10 January					
Turkey	0700	Oct Unemployment Rate (%)	-	-	13.8
Czech Rep	0800	Nov Construction Output (YoY%)	-	-	-0.3
	0800	Nov Industrial Output (YoY%)	-	-	-3.0
	0800	3Q F GDP (QoQ/YoY%)	-/-	-/-	0.4/2.5
Kazakhstan	-	Dec Industrial Production Yearly	-	-	4.8
Israel	-	Dec Trade Balance (US\$mn)	-	-	-1668.9
Brazil	1200	Dec Inflation (IPCA) (MoM/YoY%)	0.8/4.0	-/-	0.5/3.2
Mexico	1200	Nov Industrial Production (YoY%)	-2.5	-	-3.0

Source: Bloomberg, ING

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