

Key events in the developed markets next week

Demand is continuing to outstrip supply in the US jobs market, even if we are likely to get a decent payrolls number next week. Growing wage pressures point to a possible acceleration in the pace of Federal Reserve tapering, something that could be announced as soon as the December meeting



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US: Expect a sizable increase in payrolls, even if demand continues to outstrip worker supply

The key report to watch next week will be the US jobs release. Nonfarm payrolls are expected to post another sizeable increase of over 500,000 given that we know there is unsatiated demand out there for workers and we are hopeful that the supply of potential staff is increasing.

On the demand side, the economy is growing strongly and there are already more than 10 million vacancies right now. Supply has been the big problem with labour force participation the lowest since the 1970s. Now that schools are back to in-person tuition and extended unemployment benefits have ended, we should be seeing more and more people coming back to search for work. However, with household wealth having increased substantially through the pandemic due to government income support programmes and surging equity markets, there may be a financial

buffer that some individuals are running down rather than choosing to find work at this time. Consequently, we continue to expect demand to outstrip supply for workers which will keep upside pressure on wages.

We will also see the ISM manufacturing and service sector reports, which should confirm the strength in the economy while also highlighting the intensity of price pressures in the economy. With the economy likely to grow in excess of 6% annualised in the current quarter and inflation to average around 6.5%, the case for a swifter path to policy “normalisation” is strong. This raises the prospect that the Federal Reserve accelerates QE tapering, which could be announced as soon as the 15 December FOMC meeting.

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Country	Time	Data/event	ING Survey		Prev.
Monday 29 November					
Germany	1300	Nov CPI Prelim (MoM%/YoY%)	0.6/5.3		0.5/4.5
Spain	0800	Nov CPI (MoM%/YoY%) Flash	-		1.8/5.4
Sweden	0830	Q3 GDP Revised (QoQ%/YoY%)	1.8/4.7		1.8/4.7
	0830	Oct Trade Balance	-		6.3
Eurozone	1000	Nov Business Climate	-		-
	1000	Nov Economic Sentiment	118.0		118.6
	1000	Nov Consumer Confidence Final	-6.8		-6.8
Tuesday 30 November					
US	1400	Sep CaseShiller 20 (MoM%/YoY%)	-/-		1.2/19.7
	1500	Nov Consumer Confidence	-	111.8	113.8
Germany	0855	Nov Unemployment Rate	5.3		5.4
France	0745	Q3 GDP (QoQ%/YoY%)	-/-		3/3.3
	0745	Nov CPI Prelim (MoM%/YoY%)	-		0.4/3.2
Italy	0800	Q3 GDP Final (QoQ%/YoY%)	-/-		2.6/3.8
	1000	Nov CPI Prelim (MoM%/YoY%)	-/-		0.9/3.2
Canada	1330	Q3 GDP (YoY%)	-		12.7
Eurozone	1000	Nov CPI Flash (YoY%)	4.3		4.1
	1000	Nov Core CPI Flash (YoY%)	2.2		2.1
Wednesday 1 December					
US	1315	Nov ADP National Employment	-	460	571
	1500	Nov Manufacturing ISM index	61.5	61	60.8
Germany	0700	Oct Retail Sales (MoM%/YoY%)	1.5/1.5		-2.5/-0.9
Switzerland	0730	Nov CPI (MoM%/YoY%)	-/-		0.3/1.2
Thursday 2 December					
US	1330	Initial Jobless Claims	-		119
	1330	Continuing Jobless Claims	-		2049.0
Italy	0900	Oct Unemployment Rate	-		9.2
Eurozone	1000	Oct Unemployment Rate	7.4		7.4
Friday 3 December					
US	1330	Nov Non-Farm Payrolls	550	550	531
	1330	Nov Unemployment Rate	4.5	4.5	4.6
	1330	Nov Avg Hourly Earnings (MoM%/YoY%)	0.4/5.0		0.4/4.9
	1500	Oct Factory Orders (MoM%)	-	0.5	0.2
	1500	Nov Non-manufacturing ISM index	65	65	66.7
France	0745	Oct Industrial Output (MoM%)	-		-1.3
Canada	1330	Nov Unemployment Rate	-		6.7
Eurozone	1000	Oct Retail Sales (MoM%/YoY%)	0.5/1.40		-0.3/2.5

Source: Refinitiv, ING

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