

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

Author

James Knightley

Chief International Economist, US

james.knightley@ing.com

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