

Key things to watch in Developed Markets next week

ING's view on upcoming key data and events

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 29th January					
Sweden	0815	Riksbank's Ingves Gives Speech in Frankfurt			
	1100	Riksbank's af Jochnik Gives Speech			
Japan	2300	Dec Unemployment rate (%)	2.7	2.7	2.7
	0500	Dec Household spending (YoY%)	-	0.9	1.7
	2350	Dec Retail trade (MoM/YoY% SA)	0.1/3.0	-0.0556	1.9/2.2
Tuesday 30th January					
US	1500	Jan Consumer Confidence	122	123.5	122.1
	-	President Trump's first State of the Union address			
Eurozone	1000	4Q A GDP (QoQ/YoY%)	0.6/2.6	-/-	0.7/2.8
	1630	ECB's Mersch speaks in Frankfurt			
Germany	1300	Jan P CPI (MoM/YoY%)	-0.2778	-/-	0.6/1.7
Australia	0130	Dec NAB business confidence	8	-	6
Japan	2350	Dec Industrial production - Prel (MoM/YoY%)	0.9/5.5	1.7/3.0	0.6/3.7
	2350	BOJ Summary of Opinions			
Wednesday 31st January					
US	1315	Jan ADP Employment Change (000's)	170	170	250.2
	1900	FOMC Rate Decision (Upper bound)	1.5	1.5	1.5
Eurozone	1000	Dec Unemployment Rate (%)	8.7	-	8.7
	1000	Jan A Core CPI (YoY%)	1	-	0.9
	1000	Jan Flash CPI (YoY%)	1.4	-	1.4
Germany	0855	Jan Unemployment Change (000's)	-	-	-29
	0855	Jan Unemployment Rate (%)	5.5	-	5.5
Spain	0800	Jan P HICP (MoM/YoY%)	-/-	-/-	0/1.2
Canada	1330	Nov GDP (MoM/YoY%)	-/-	-/-	0/3.4
Sweden	0900	Riksbank's Ingves Gives Speech in Oslo			
Switzerland	0630	Swiss National Bank Releases 4Q 2017 Currency Allocation			
Australia	0030	4Q17 CPI (QoQ/YoY%)	0.5/1.9	0.7/2.0	0.6/1.8
Japan	0400	Dec Vehicle production (YoY%)	2.2	-	0.9
	0500	Dec Construction orders (YoY%)	-	-	20.5
	0500	Jan Consumer confidence	44.9	45	44.7
	0500	Dec Housing starts (YoY%)	-0.9	-0.3	-0.4
Thursday 1st February					
US	1500	Jan ISM Manufacturing	59	58.7	59.7
UK	0930	Jan Markit/CIPS Manufacturing PMI	56.5	-	56.3
Sweden	0730	Jan Swedbank/Silf PMI Manufacturing	-	-	60.4
Norway	0800	Jan Manufacturing PMI	-	-	57.8
Japan	0500	Jan Vehicle sales (YoY%)	1.1	-	-1
	2350	Jan Monetary base (JPY tr)	487.5	-	480
Friday 2nd February					
US	1330	Jan Change in Nonfarm Payrolls ('000s)	170	180	148
	1330	Jan Unemployment Rate (%)	4.1	4.1	4.1
	1330	Jan Average Hourly Earnings (MoM/YoY%)	0.1/2.4	0.3/-	0.3/2.5
	1500	Jan F U. of Mich. Sentiment Index	-	95.3	94.4
	2030	Fed's Williams Speaks in San Francisco			
Italy	1000	Jan P HICP (YoY)	-	-	1
Norway	0900	Jan Unemployment Rate (%)	-	-	2.4
Australia	0030	4Q17 PPI (QoQ/YoY%)	-/-	-/-	0.2/1.6

Source: ING, Bloomberg

A busy week for the US

It's a really busy week for US data and events. First up this Friday is 4Q GDP, which is likely to show the third consecutive 3%+ reading – the first time this has happened for 13 years. Domestic demand is strong and the competitiveness boost from dollar weakness puts the US in an excellent position to benefit from the global upturn. President Trump will no doubt make everyone aware of this great success story in his speech at the World Economic Forum in Davos, where he will

presumably be pushing his America First strategy. This is likely to create nervousness in Canada and Mexico just as the sixth round of NAFTA negotiations get underway in Montreal on January 28. Trump will also be giving his State of the Union Address on Tuesday evening.

3% US 4Q GDP

Say goodbye to Yellen

As we head into next week the Fed meeting will be in focus. It is the last one Janet Yellen is presiding over as Chair of the Federal Reserve, but no-one is expecting any policy change given the Fed only hiked rates in December. Also with Jay Powell taking over at the Fed in February, there will be a rather anodyne press release to give him as much flexibility as possible.

Attention will then switch to the January jobs report. Payrolls growth should be solid, although it has the potential to be buffeted around by the cold snap earlier in January. But wage growth, which is arguably more important for Fed policy these days, could be a bit of a let-down for markets. As is often the case, the data will fall foul of a quirk relating to the number of workdays in the month, which could easily result in an artificially low rate of wage growth. This is ultimately just noise, and through the rest of 2018 firms are likely to continue to offer more generous pay packets in a bid to hire and retain staff. This is another reason why we expect the Fed to follow through with three hikes this year.

What about the Eurozone?

The first estimate for January inflation in Germany will shed some light on how strong the impact from higher oil prices will be on Eurozone inflation in general. Also, coalition talks in Berlin will continue. In the Eurozone, next week's data could worsen the ECB's current dilemma of strong growth with very little inflation.

Country	Time	Data/event	ING	Survey	Prev.
Friday 26th January					
US	1330	4Q A GDP (QoQ Annualised %)	3	3	3.2
	1330	Dec P Durable Goods Orders (MoM/YoY%)	1.6/-	0.9/0.6	1.3/-0.1
	1300	Fed's Bullard Speaks at Economics Workshop in Oslo			
Eurozone	0900	Dec M3 Money Supply (YoY%)		4.9	4.9
	1000	ECB's Coeure speaks in Davos			
UK	0930	4Q A GDP (QoQ/YoY%)	0.4/1.4	0.4/1.4	0.4/1.7
	1400	BOE Governor Mark Carney speaks on panel at Davos			
Canada	1330	Dec CPI (MoM/YoY%)	-0.3/1.9	-0.3/1.9	0.3/-
Sweden	-	Riksbank's Skingsley at WEF in Davos			
Global	-	World Economic Forum Annual Meeting, Davos-Klosters			
	-	Governors Kuroda, Carney and IMF's Lagarde Speak at Davos			
Japan	1400	BOJ Kuroda attends Davos Forum as a Panelist			
Monday 29th January					
Sweden	0815	Riksbank's Ingves Gives Speech in Frankfurt			
	1100	Riksbank's af Jochnick Gives Speech			
Japan	2300	Dec Unemployment rate (%)	2.7	2.7	2.7
	0500	Dec Household spending (YoY%)	-	0.9	1.7
	2350	Dec Retail trade (MoM/YoY% 5A)	0.1/3.0	-0.1/1.8	1.9/2.2
Tuesday 30th January					
US	1500	Jan Consumer Confidence	122	123.5	122.1
	-	President Trump's first State of the Union address			
Eurozone	1000	4Q A GDP (QoQ/YoY%)	0.6/2.6	-/-	0.7/2.8
	1630	ECB's Mersch speaks in Frankfurt			
Germany	1300	Jan P CPI (MoM/YoY%)	-0.5/1.8	-/-	0.6/1.7
Australia	0130	Dec NAB business confidence	8	-	6
Japan	2350	Dec Industrial production - Prel (MoM/YoY%)	0.9/5.5	1.7/3.0	0.6/3.7
	2350	BOJ Summary of Opinions			
Wednesday 31st January					
US	1315	Jan ADP Employment Change ('000's)	170	170	250.2
	1900	FOMC Rate Decision (Upper bound)	1.5	1.5	1.5
Eurozone	1000	Dec Unemployment Rate (%)	8.7	-	8.7
	1000	Jan A Core CPI (YoY%)	1	-	0.9
	1000	Jan Flash CPI (YoY%)	1.4	-	1.4
Germany	0855	Jan Unemployment Change ('000's)	-	-	-29
	0855	Jan Unemployment Rate (%)	5.5	-	5.5
Spain	0800	Jan P HICP (MoM/YoY%)	-/-	-/-	0/1.2
Canada	1330	Nov GDP (MoM/YoY%)	-/-	-/-	0/3.4
Sweden	0900	Riksbank's Ingves Gives Speech in Oslo			
Switzerland	0630	Swiss National Bank Releases 4Q 2017 Currency Allocation			
Australia	0030	4Q17 CPI (QoQ/YoY%)	0.5/1.9	0.7/2.0	0.6/1.8
Japan	0400	Dec Vehicle production (YoY%)	2.2	-	0.9
	0500	Dec Construction orders (YoY%)	-	-	20.5
	0500	Jan Consumer confidence	44.9	45	44.7
	0500	Dec Housing starts (YoY%)	-0.9	-0.3	-0.4
Thursday 1st February					
US	1500	Jan ISM Manufacturing	59	58.7	59.7
UK	0930	Jan Markit/CIPS Manufacturing PMI	56.5	-	56.3
Sweden	0730	Jan Swedbank/Silf PMI Manufacturing	-	-	60.4
Norway	0800	Jan Manufacturing PMI	-	-	57.8
Japan	0500	Jan Vehicle sales (YoY%)	1.1	-	-1
	2350	Jan Monetary base (JPY tr)	487.5	-	480
Friday 2nd February					
US	1330	Jan Change in Nonfarm Payrolls ('000s)	170	180	148
	1330	Jan Unemployment Rate (%)	4.1	4.1	4.1
	1330	Jan Average Hourly Earnings (MoM/YoY%)	0.1/2.4	0.3/-	0.3/2.5
	1500	Jan F U. of Mich. Sentiment Index	-	95.3	94.4
	2030	Fed's Williams Speaks in San Francisco			
Italy	1000	Jan P HICP (YoY)	-	-	1
Norway	0900	Jan Unemployment Rate (%)	-	-	2.4
Australia	0030	4Q17 PPI (QoQ/YoY%)	-/-	-/-	0.2/1.6

Source: ING, Bloomberg

Author

James Knightley

Chief International Economist, US

james.knightley@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

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.