

# Key things to watch in Developed Markets over the next week

ING's view on next week's key data and events

## What to expect in the US

After posting very solid GDP readings in 2Q and 3Q17 we are expecting to see a third consecutive 3%+ GDP growth figure in next Friday's 4Q report. Consumer spending is strong and investment is looking very robust while exports are being supported by a competitive exchange rate and rapidly improving global demand. We expect this momentum to continue through 2018 with President Trump's tax cuts already yielding positive results in terms of investment, jobs and wages as highlighted by recent news flow from the likes of Apple, Fiat Chrysler and Walmart. December durable goods order should also be strong, underpinned by a big jump in Boeing aircraft orders.

3%

US 4Q GDP growth

Our forecast

Confidence is also likely to hold at very high levels, but there is perhaps some downside risk for existing home sales given an unwinding of hurricane related distortions that have heavily influenced the data flow since August. Despite all this we expect the Fed to leave rates unchanged on January 31st in what will be Janet Yellen's final FOMC meeting as Fed Chair.

## What to expect in the Eurozone

In the Eurozone, for next week's meeting, we expect Draghi to convey a rather dovish message, pointing to still weak inflationary pressure and also emphasizing the disinflationary impact from a stronger euro. The most important message to watch will be whether Draghi confirms the October statement that there will be no sudden end to QE. We expect him to do so as this would be the only way to – at least – temporarily get the genie back in the bottle. It would also show Draghi's magic of how to guide financial markets with very few words and without any action.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Tuesday 23 January</b>					
Eurozone	1500	Jan A Consumer Confidence	0.7	-	0.5
Germany	1000	Jan ZEW Current Situation Index	-	-	89.3
UK	0930	Dec Public Finances (PSNCR)	-	-	12.933
	0930	Dec PSNB ex Banks (£bn)	-	-	8.694
Sweden	0800	Ingves, Bolund, Thedeen in Open Hearing on Financial Stability			
Global	-	World Economic Forum Annual Meeting until 26/01			
Japan	-	BOJ Outlook Report			
	0318	BoJ policy decision (policy rate, %)	-0.1	-	-0.1
	0430	Nov All industry activity index (MoM%)	0.7	-	0.3
	2350	Dec Exports (YoY%)	6.6	-	16.2
	2350	Dec Imports (YoY%)	7	-	17.2
	2350	Dec Trade balance (¥ bn)	324	-	112.2
<b>Wednesday 24 January</b>					
US	1500	Dec Existing Home Sales	5.6	5.68	5.81
Eurozone	0900	Jan P Markit Manufacturing PMI	60.8	-	60.6
	0900	Jan P Markit Services PMI	56.9	-	56.6
	0900	Jan P Markit Composite PMI	58.3	-	58.1
UK	0930	Nov Avg. Weekly Earnings (3M avg.)	2.2	-	2.5
	0930	Nov Weekly Earnings ex Bonus (3M avg)	2.3	-	2.3
	0930	Nov ILO Unemployment Rate (3M avg.)	4.3	-	4.3
	0930	Nov Employment Change (3M/3M)	-25	-	-56
New Zeal.	2100	N.Z. Government 5-Month Financial Statements			
<b>Thursday 25 January</b>					
Eurozone	1245	ECB Main Refinancing Rate	0	-	0
	1245	ECB Marginal Lending Facility	0.25	-	0.25
	1245	ECB Deposit Facility Rate	-0.4	-	-0.4
Germany	0900	Jan IFO Business Climate	116.9	-	117.2
	0900	Jan IFO Expectations	109.2	-	109.5
	0900	Jan IFO Current Assessment	125.1	-	125.4
Norway	0900	Deposit Rates	0.5	-	0.5
Sweden	0830	Dec Unemployment Rate (%)	-	-	5.8
Japan	2350	BOJ Minutes of Policy Meeting			
	2300	Dec CPI (YoY%)	1.2	-	0.6
	2300	Dec CPI ex-food, energy (YoY%)	0.5	-	0.3
<b>Friday 26 January</b>					
US	1330	4Q A GDP (QoQ Annualised %)	3	3	3.2
	1330	Dec P Durable Goods Orders (MoM/YoY%)	1.6/-	0.6/0.6	1.3/-0.1
Eurozone	0900	Dec M3 Money Supply (YoY%)	4.8	-	4.9
UK	0930	4Q A GDP (QoQ/YoY%)	0.4/1.4	0.4/1.3	0.4/1.7
Canada	1330	Dec CPI (MoM/YoY%)	-/-	-/-	0.3/2.1

Source: Bloomberg, ING

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