

## THINK Ahead: Jobs data in focus

The consensus is for US non-farm payrolls to have risen 153k in December while the unemployment rate is expected to hold at 4.2%. This would be consistent with a general cooling of the jobs market. Data from Hungary and the Czech Republic, meanwhile, may show unemployment ticking up



### THINK Ahead in developed markets

#### United States (James Knightley)

- The first jobs report of the year comes next Friday (January 10). The early consensus is for December non-farm payrolls to have risen 153k with a range of 125k to 200k, but expectations will be firmed up through the week with the release of job openings numbers, ADP private payrolls and the ISM employment components. The unemployment rate is expected to hold at 4.2%, while wage growth is expected to hold at 4% year-on-year. This would all be consistent with the general cooling of the jobs market, but after 100bp of Fed rate cuts in 2024, the widely held view is that we will see a much slower and less aggressive series of moves in 2025.
- The Federal Reserve dot plot update from the December FOMC meeting suggested the central forecast amongst officials is for only two 25bp cuts in 2025. Just 3bp is priced for the 29 January FOMC meeting with 15bp priced by March. We certainly agree with a no-change

outcome later this month but are still projecting a 25bp cut in March. While the Fed has been cutting the policy rate, longer-dated borrowing costs have surged higher on a combination of government debt sustainability concerns and potentially sticky inflation. The dramatic steepening of the yield curve is pushing mortgage rates and corporate borrowing costs sharply higher. The dollar has also risen to its strongest level in more than two years against key trading partners and these two factors will act as a brake on economic activity that the Fed may feel it needs to offset.

## THINK Ahead for Central and Eastern Europe

### Hungary (Peter Virovacz)

- **Unemployment (Mon):** We see a slightly higher, but still stable, official unemployment rate. The 4.6% rate continues to look favourable amid a still-high level of labour hoarding (around 17%). So far, so good, but should we see a further deterioration in the economic outlook, this could trigger significant layoffs.
- **Economic activity:** The November economic data is due in early January and we see a rather downbeat collection of data prints. After the surprisingly strong October figures, we expect some corrections and see declines in both retail sales and industrial production on a monthly basis. However, we still believe that the big picture will show just enough improvement for Hungary to emerge from a technical recession in the fourth quarter.

### Czech Republic (David Havrlant)

- **Production (Thu):** The annual decline in industrial output softened in November, with Czech industry likely hitting the bottom. That said, the industrial outlook remains foggy, as the European and, in particular, the German economic performance remains under pressure. Still, the levelling off in Czech industry has contributed to a somewhat improved trade balance in the same month.
- **Unemployment (Thu):** The unemployment rate likely picked up in December, mostly due to the usual seasonal effect. Meanwhile, the labour market remains tight, with the rebound in the construction sector set to drive hiring in the spring.

## Key events in developed markets next week

Country	Time (GMT)	Data/event	ING	Prev.
<b>Monday 6 January</b>				
US	1500	Nov Factory Orders (MoM%)	-0.3	0.2
Eurozone	0900	Dec HCOB Composite PMI Final	-	51.4
	0900	Dec HCOB Services PMI Final	-	49.5
Germany	0855	Dec HCOB Services PMI Final	47.6	47.8
	1300	Dec CPI (MoM%/YoY%)	0.4/2.6	-0.2/2.2
France	0850	Dec HCOB Services PMI Final	-	46.7
UK	0930	Dec S&P Global Services PMI Final	-	51.4
Italy	1000	Dec CPI (MoM%/YoY%)	-/-	-0.1/1.3
<b>Tuesday 7 January</b>				
US	1330	Nov Trade Balance (USD bn)	-79	-73.8
	1500	Dec ISM Services PMI Flash	53	52.1
	1500	Nov JOLTs Job Openings (mn)	7.6	7.74
Eurozone	1000	Dec CPI (MoM%/YoY%)	-/-	-0.3/2.3
	1000	Nov Unemployment Rate	-	6.3
France	0745	Dec CPI (YoY%)	-	1.3
Canada	1330	Nov Trade Balance (CAD bn)	-	-0.92
	1300	Dec Ivery PMI Flash	-	52.3
Netherlands	0530	Dec CPI (YoY%)	-	4
<b>Wednesday 8 January</b>				
US	1900	FOMC Meeting Minutes	-	-
Eurozone	1000	Dec Economic Sentiment	-	95.8
Germany	0700	Nov Factory Orders (MoM%)	1	-1.5
	0700	Nov Retail Sales (MoM%/YoY%)	1.0/1.5	-1.5/1
France	0745	Nov Trade Balance (EUR bn)	-	-7.7
	0745	Dec Consumer Confidence	-	90
Sweden	0700	Dec CPI (MoM%/YoY%)	-/-	0.5/1.8
<b>Thursday 9 January</b>				
Eurozone	1000	Nov Retail Sales (MoM%/YoY%)	-/-	0.5/1.9
Germany	0700	Nov Trade Balance (EUR bn)	16	13.5
	0700	Nov Exports (MoM%)	2	-2.8
	0700	Nov Imports (MoM%)	1	-0.1
	0700	Nov Industrial Production (MoM%)	0.5	-1
Italy	0900	Nov Unemployment Rate	-	5.8
Switzerland	0645	Dec Unemployment Rate	-	2.6
<b>Friday 10 January</b>				
US	1330	Dec Non Farm Payrolls (000s)	140	227
	1330	Dec Unemployment Rate	4.2	4.2
	1330	Dec Average Hourly Earnings (MoM%/YoY%)	0.3/4.0	0.4/4
	1500	Jan Michigan Consumer Sentiment Flash	76	74
France	0745	Nov Industrial Production (MoM%)	-	-0.1
Italy	0900	Nov Industrial Production (MoM%/YoY%)	-/-	0/-3.6
	0900	Nov Retail Sales (MoM%/YoY%)	-/-	-0.5/2.6
Canada	1330	Dec Unemployment Rate	6.8	6.8
Norway	0700	Dec CPI (MoM%/YoY%)	-/-	0.3/2.4
Sweden	0700	Nov GDP (MoM%)	-	-0.4
Denmark	0700	Dec CPI (MoM%/YoY%)	-/-	-0.3/1.6

Source: Refinitiv, ING

## Key events in EMEA next week

Country	Time (GMT)	Data/event	ING	Prev.
<b>Monday 6 January</b>				
Turkey	-	Dec Trade Balance (USD bn)	-7.4	-7.36
Hungary	0730	Nov Unemployment Rate 3M	4.6	4.6
Croatia	1000	Dec CPI (MoM%/YoY%)	-0.4/2.9	0.4/2.8
<b>Tuesday 7 January</b>				
Czech Rep	0800	Nov Trade Balance (CZK bn)	14.8	11
<b>Wednesday 8 January</b>				
Hungary	0730	Nov Retail Sales (YoY%)	2.9	3.6
<b>Thursday 9 January</b>				
Czech Rep	0800	Nov Industrial Output (YoY%)	-0.5	-2.1
	0800	Dec Unemployment Rate	4.1	3.9
Hungary	0730	Nov Industrial Production (YoY%)	-4.2	-0.2
Romania	0700	Nov Unemployment Rate	5.5	5.4
<b>Friday 10 January</b>				
Turkey	0700	Nov Industrial Production (MoM%/YoY%)	-/-	-0.9/-3.1
	0700	Nov Unemployment Rate	-	8.8
Ukraine	1335	Dec CPI (MoM%/YoY%)	-/-	1.9/11.2
Serbia	1100	Interest Rate Decision	5.75	5.75

Source: Refinitiv, ING

## Author

### James Knightley

Chief International Economist, US

[james.knightley@ing.com](mailto:james.knightley@ing.com)

### Peter Virovacz

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

### David Havrlant

Chief Economist, Czech Republic

420 770 321 486

[david.havrlant@ing.com](mailto:david.havrlant@ing.com)

## 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](http://www.ing.com).